

The Narcotics Threat in Greater Central Asia: From Crime-Terror Nexus to State Infiltration?

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ABSTRACT

This article traces the changes in the threat posed by narcotics production and trafficking in Greater Central Asia, over time and across the four major parts of this region. The article argues that the crime-terror nexus posed the greatest threat to security in 1995-2001; but that since then, the challenge has grown more complex and that different parts of Greater Central Asia have developed in different directions: in Afghanistan and Central Asia, the crime-terror nexus has been eclipsed by the rapidly growing infiltration of state institutions by organized crime. In the South Caucasus, change has been less dramatic: the consolidation of states, especially in Georgia, has gradually put increasing pressure on both elements. In the North Caucasus, a synthesis between the crime-terror and crime-state nexuses can be observed, threatening to make the region a black hole comparable to Afghanistan in the 1990s.

Keywords • crime-terror nexus • Caucasus • Central Asia • narcotics • organized crime • corruption

The end of the Cold War brought about a number of unintended consequences. An unforeseen consequence of the collapse of the bipolar system that was understood only belatedly and gradually and still remains to be fully comprehended, was the growth of transnational organized crime and its increasing relevance to the security of states and populations alike.¹ Only with the widening of the concept of security, and growing understanding of 'soft security threats' among policy-makers

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¹ See Svante E. Cornell and Niklas L.P. Swanström, *Transnationell Brottslighet: Ett Säkerhetshot?*, [Transnational Crime: A Security Threat?] (Stockholm: Swedish Crisis Management Agency, 2006).

and academics was organized crime reluctantly incorporated into the understanding of security.

Among various forms of organized crime, the trade in illicit drugs arguably carries the largest societal, political, and economic consequences. It threatens the fabric of societies through addiction, crime and disease. It exacerbates corruption in already weak states, impairing their economic and political functioning. Moreover, through its linkages to insurgency and terrorism, the drug trade is an increasing threat to regional and international security in a most traditional, military sense.² As such, the drug trade affects both “hard” and “soft” security.³

For several reasons, Greater Central Asia has been one of the regions whose security has been most negatively affected by organized crime. To begin with, the region was geographically positioned between the production and consumption areas of narcotics, Afghanistan and Europe. Secondly, the lack of functioning basic state institutions in the region made it an ideal smuggling route at a time when Turkey and Iran were tightening border controls. Third, the weakness of state institutions facilitated the growth of corruption as well as the capture of state institutions by private interest groups. Fourth, the lack of consensus over the borders or political systems of several regional states and ensuing armed conflict over both territory and government further weakened the states and created violent non-state actors that had a potential gain from involvement in the drug trade.

As a result, the Greater Central Asian region from the mid-1990s onward saw a rapid increase of narcotics trafficking. Within several years, this had created huge social and political problems. On the societal level, addiction levels grew rapidly, exacerbating an already precarious social situation. More alarmingly, non-state violent actors across the region managed to consolidate their position by financial gain from involvement in the drug trade and other emerging criminal operations – endangering the very survival of several states and weakening others. In parallel, state institutions in every state of the region, and beyond, were affected by criminal infiltration – through corruption or the more serious

² Tamara Makarenko, “Terrorism and Transnational Organised Crime: the Emerging Nexus,” in *Transnational Violence and Seams of Lawlessness in the Asia-Pacific: Linkages to Global Terrorism* ed. Paul Smith (Hawaii: Asia Pacific Center for Strategic Studies, 2004); Kimberley Thachuk, “Transnational Threats: Falling Through the Cracks?” *Low Intensity Conflict & Law Enforcement* 10, 1 (2001); Sabrina Adamoli et. al., *Organized Crime Around the World* (Helsinki: HEUNI, 1998); Barbara Harris-White, *Globalization and Insecurity: Political, Economic and Physical Challenges* (Hampshire and New York: Palgrave, 2002); Ian Griffith, “From Cold War Geopolitics to Post-Cold War Geonarcotics,” *International Journal* 30, 2 (1993-1994); Richard Matthew and George Shambaugh, “Sex, Drugs, and Heavy Metal: Transnational Threats and National Vulnerabilities,” *Security Dialogue* 29 (1998): 163-175.

³ See Svante E. Cornell and Niklas L.P. Swanström, “The Eurasian Drug Trade: A Challenge to Regional Security,” *Problems of Post-Communism* 53, 4 (July 2006).

practice of state capture, the willful takeover of state institutions by individuals or groups connected to organized crime. By the early 2000s, it had become reasonably clear that the security of the region could not be understood without accounting for the role of the drug trade and organized crime.⁴

While this realization is gradually growing in academic and decision-making structures, the years since September 11, 2001 have seen a divergence in the patterns by which narcotics and organized crime affect security across the region. The purpose of this article is to trace the changes in the threat posed by narcotics production and trafficking in Greater Central Asia, over time and across the four major parts of this region. The article argues that the crime-terror nexus posed the greatest threat to security in 1995-2001; but that since then, the challenge has grown more complex and that different parts of Greater Central Asia have developed in different directions: in Afghanistan and Central Asia, the crime-terror nexus has been eclipsed by the rapidly growing infiltration of state institutions by organized crime. In the South Caucasus, change has been less dramatic: the consolidation of states, especially in Georgia, has gradually put increasing pressure on both elements. In the North Caucasus, a synthesis between the crime-terror and crime-state nexuses can be observed, threatening to make the region a black hole comparable to Afghanistan in the 1990s.

Crime, Terror and Politics: Conceptual Issues

As odd as it may sound, the criminalization of an insurgent movement or the criminalization of a state institution may fulfill the same purpose for a criminal network: both serve to weaken the rule of law, facilitating the conduct of criminal operations. The criminal involvement of units in a political system is the more subtle way of going about this aim, weakening state institutions from within. The criminal involvement of insurgent and terrorist groups, on the other hand, is a more violent and direct way of reaching the same purpose, weakening the state and its rule of law by directly targeting its institutions, sowing unrest, sometimes to the point of denying the state control over portions of its territory. Where organized criminal interests are powerful and states comparatively less so, one or both of these processes are likely to occur. The strength of the state, the existence of violent challengers to the state, and the external circumstance surrounding a given region/country are likely to determine the extent to which these two phenomena occur. Interactions between crime and insurgencies have been witnessed on

⁴ This argument is made in Cornell and Swanström, "The Eurasian Drug Trade".

practically all continents, with the Burmese separatist groups and Colombia's guerrillas being among the earliest examples.⁵

The Crime-Terror Nexus

Insurgent/terrorist and criminal groups have traditionally been seen as separate categories, owing to the perceived difference in their motivational structures and aims. In this view, the former seek to achieve political change through violence, while the latter solely pursue selfish ideals such as power and profit. This understanding is cemented in the state responses to them: national security and law enforcement have traditionally been separated, be it in terms of intelligence collection or in terms of operative action.⁶ Nevertheless, this traditional division into mutually exclusive ideological and criminal ideal types is becoming a thing of the past, owing to the new threats posed by terrorism and organized crime, and not least the link between them.⁷

The sudden reduction of state financing for insurgency and terrorism resulting from the end of the Cold War forced armed groups to seek funding elsewhere; while the ever greater opportunities provided by globalization had begun to boost organized crime across the world. Ideologically motivated movements increasingly involved in organized crime, primarily the very lucrative drug trafficking; and moved into other areas, such as human trafficking and arms smuggling. In fact, as Tamara Makarenko has noted, a more accurate way of understanding these organizations is as a security continuum, placing organized crime on one end of the spectrum and ideological groups on the other. Between these two extremes, a "gray area" with all possible variations and combinations of the two exists, whether it be alliances between criminal and ideological groups, criminal groups involving in politics, or ideological groups involved in organized crime.⁸

The Crime-State Nexus

Organized crime, and the drug trade in particular, hold a considerable corrupting power over the political spectrum, with substantial implications for the functioning and legitimacy of the state. Organized crime is attracted to conflict areas due to the weakness of state power to uphold law and order. But conflict is unnecessary if criminal networks can preclude government intervention through the subversion or

⁵ Svante E. Cornell, "Narcotics and Conflict: Interactions and Implications," *Studies in Conflict and Terrorism* 29 (2006).

⁶ Phil Williams, "Transnational Criminal Organizations and International Security," *Survival* 36, 1 (1994): 96.

⁷ Thachuk, "Transnational Threats: Falling Through the Cracks?," 51.

⁸ Tamara Makarenko, "Crime, Terror, and the Central Asian Drug Trade," *Harvard Asia Quarterly* (Spring 2002).

infiltration of the state by means of corruption and/or violence. Organized crime as a matter of practice seeks to corrupt state authorities, since that is necessary to facilitate business, reduce risk, and thereby also costs. This process has been best illustrated by David Jordan in *Drug Politics*.⁹

Low-level corruption may impede the state's capacity to withstand and combat smuggling operations, but hardly constitutes a threat to state security by itself. But as Thachuk notes, "corruption is no longer simply greasing the wheels of commerce, the paying off of government officials to expedite matters quickly. Rather, criminal organizations and terrorists use corruption to breach the sovereignty of many states and then continue to employ it to distort domestic and international affairs."¹⁰

Officials and civilians on a lower level are involved in drug smuggling mainly due to poverty and their low or non-existent salaries. A Tajik economist has estimated that 60 percent of the Tajik population lives off money earned by their relatives in Russia (*Gastarbeiter*), 25 percent live off drug trafficking and 15 percent live off loans and grants allocated by international community.¹¹ If exaggerated, these estimates still point to the immense economic destitution that affected large tracts of the Tajik population due to the civil war and therefore provided the ground for the mounting economic influence of organized crime.

But corruption goes beyond paying off low-level functionaries, and exists in higher levels of sophistication than its typical form of greasing a system through bribery. The criminalization of an institution implies not a passive taking of bribes to allow crime to occur, but the active facilitation of criminal enterprises by that institution or its leaders. There is ample evidence that criminal organizations seek to assert influence, if not control, over crucial government institutions in weak states. The judicial system and security, police and border structures, as well as the financial sector, are especially targeted. When successful, this amounts to the *de facto* criminalization of the state, in other words pushing corruption from the passive accepting of bribes to direct state involvement in and supervision of organized crime. The worst-case scenario, which Jordan terms 'narcostatization', occurs where organized crime is perpetrated in an institutionalized form by the state.

⁹ David C. Jordan, *Drug Politics: Dirty Politics and Democracies* (Norman: University of Oklahoma Press, 1999); Louise Shelley, "The New Authoritarianism," in H. Richard Fridman and Peter Andreas, eds., *The Illicit Global Economy and State Power* (Lanham: Rowman and Littlefield, 1999).

¹⁰ Thachuk, "Transnational Threats: Falling Through the Cracks?", 56.

¹¹ Dodojon Atovulloyev, "Pamir: Khronika bespredela," *Charogi Ruz*, 110, 1 (2005): 3.

Narcostatization or wholesale state capture is rare, with the main example being non-systemic rogue states such as North Korea.¹²

More common is the penetration of law enforcement and particularly counter-narcotics units, which pose the most direct threat to criminal networks. Mexico in the 1990s had to dismantle its entire counter-narcotics unit three times, after it had been co-opted by drug cartels.¹³ In all drug-producing countries, there is a comprehensive body of evidence implicating the highest levels, including some heads of state, in corruption or collusion with the narcotics industry.¹⁴ Such high-level complicity constitutes a clear-cut threat to the security of weak states. The growth of criminal influence over state institutions changes the impetus for decision-making and implementation of laws. Institutions gradually cease to perform the functions for which they were instituted, and are instead 'privatized', serving the purposes of the criminal enterprise into which they are co-opted. Although these concrete effects of organized crime on political security are significant enough, the most debilitating and indeed existential threat it causes may be to undermine both the domestic and international legitimacy of ruling elites. Domestically, the criminalization of a ruling elite poses a danger for its survival in the face of public protests. Internationally, it may cause economic sanctions and other forms of threats, including military action by states threatened by the resulting unrest.

Crime and Terror in Greater Central Asia, 1991-2001

The phenomenon spread rapidly in Greater Central Asia in the 1990s, on account mainly of two factors: first, the surge in opiate production in Afghanistan in the 1990s, and second, the collapse of the Soviet Union and the birth of new, weak states on its southern rim.¹⁵ In Central Asia, it took mainly the form of a link between radical Islam and drug trafficking in Central Asia, a form also present in the North Caucasus; in the Caucasus, however, another form was present: the link between

¹² Jordan, *Drug Politics*; Raphael F. Perl, "State Crime: The North Korean Drug Trade," *Global Crime* 6, 1 (2004): 117-128; Balbina Y. Hwang, "Curtailling North Korea's Illicit Activities," Heritage Foundation Backgrounder, no. 1679, August 2003.

¹³ Jordan, *Drug Politics*, 142-157.

¹⁴ For Burma, see Alan Dupont, "Transnational Crime, Drugs and Security in East Asia," *Asian Survey* 39, 3 (1999): 433-455; Richard M. Gibson and John B. Haseman, "Prospects for Controlling Narcotics Production and Trafficking in Myanmar," *Contemporary Southeast Asia* 25, 1 (April 2003): 1-19; For Colombia, see Patrick L. Clawson and Rensselaer W. Lee III, *The Andean Cocaine Industry* (New York: St. Martin's Press, 1998), 171-4; Jordan, *Drug Politics*, 158-170; for Lithuania, see Arunas Juska and Peter Johnston, "The Symbiosis of Politics and Crime in Lithuania," *Journal of Baltic Studies* 34, 4 (2004): 346-359.

¹⁵ Svante Cornell, "Narcotics, Radicalism and Armed Conflict in Central Asia: The Islamic Movement of Uzbekistan," *Terrorism and Political Violence* 17, 4 (2005): 619-639.

separatist territories, primarily in Georgia and Chechnya, and a much wider form of organized crime including the smuggling of consumer goods, arms, as well as drugs and people. By the turn of the millennium, the link between crime and terror was perhaps the leading threat to Central Asia's security.

Afghanistan

During the 1979-89 resistance to Soviet occupation, opium production grew rapidly in Afghanistan. Insurgent groups are initially not known to have been involved in drug production, being mainly funded by external assistance. Nevertheless, Gulbuddin Hekmatyar's Hezb-e-Islami, the perhaps strongest and most well-organized force among the Mujahideen groups, benefiting from the lion share of American and Pakistani funds for the resistance,¹⁶ gradually became deeply involved in opium production as well as heroin processing as the group sought to reduce its dependence on Pakistan's Intelligence Services, which distributed the funding.¹⁷ America's disengagement from Afghanistan led to an abrupt cut in funding for the Mujahideen factions, pushing Hekmatyar, and others, to rely ever more on the drug trade for financing their struggle for power.¹⁸

Afghanistan's conflict turned from a resistance to the Soviet Union to a civil war between the various Mujahideen factions. While the economy was dilapidated, the drug economy became the major source of funding available for the diverse groupings vying for power. In the civil war that continued through the Taliban takeover of most of the country in 1994-98, most Afghan factions were implicated in the drug industry in one or another way. Aside from Hekmatyar's Hezb-e-Islami, these include the groups that would later merge into the anti-Taliban Northern Alliance, including the Shura-i-Nazar based in the Panjsher valley and led by Ahmad Shah Masoud; the Jumbush-e-Melli of Uzbek warlord Abdurrahman Dostum; and the Taliban itself. All spent time in opposition as well as in government during the civil war. Nevertheless, the Taliban time in opposition was very short, as it conquered Kabul less than two years after its emergence in late 1994. The Taliban pre-9/11 are therefore discussed in the next section, as a state actor.

The Northern Alliance is another matter. From 1996 to 2001, it was continuously in opposition to the *de facto* Taliban government,

¹⁶ Michael Griffin, *Reaping the Whirlwind: The Taliban Movement in Afghanistan* (London: Pluto, 2001).

¹⁷ John K. Cooley, *Unholy Wars: Afghanistan, America and International Terrorism* (London: Pluto Press, 2002).

¹⁸ Ikramul Haq, "Pak-Afghan Drug Trade in Historical Perspective," *Asian Survey* 36, 10 (October 1996): 945-963.; Ishtiaq Ahmad, *Gulbuddin Hekmatyar: An Afghan Trail from Jihad to Terrorism* (Islamabad: STEP, 2004).

controlling only the Panjsher valley and the northeastern areas of the country. The movement was directly involved in overseeing the production of opium as well as, gradually, in the setting up of laboratories for its transformation into heroin, hence greatly adding to the value of the product.¹⁹ When the Taliban government banned and eradicated opium production in 2000-01, production in Taliban-controlled areas practically disappeared. However, in the Shura-controlled Badakhshan province, it surged by 158 percent from 2000 to 2001.²⁰

Likewise, Dostum's Jumbush-e-Milli was known to be strongly implicated in the drug trade, extorting a share of farmer's production of opium as well as other crops.²¹ In southern Afghanistan, where a larger number of minor warlords controlled pockets of territory, the involvement in the drug trade was systemic.²² Hence in Afghanistan, the triple collapses of state authority, economic production, and external finances combined to make the booming drug trade the major source of finance for non-state violent actors. The fact that some of them intermittently controlled the capital matters little in analytical terms; until the advent of the Taliban, controlling Kabul did not mean that a state was in place, since the militia groups hardly altered their behavior, and in any case neither sought to rebuild or control the state institutions that existed, particularly in the provinces. There was for most practical purposes no state.

Central Asia

Parts of post-Soviet Central Asia would witness a similar development as that in Afghanistan. This concerns primarily Tajikistan, chiefly due to the 1992-97 civil war there; but also the transnational Islamic Movement of Uzbekistan (IMU), which has operated across southern Central Asia since its foundation in 1998.

The civil war in Tajikistan pitted the opposition warlords of the United Tajik Opposition (UTO) against forces of the Popular Front of Tajikistan (PFT), nominally loyal to President Imomali Rakhmonov, which the PFT helped put in power. With the gradual disintegration of the state in Tajikistan, following the lines of what was happening at the time in Afghanistan, Tajikistan emerged as a new chief smuggling route

¹⁹ Jonathan Goodhand, "From Holy War to Opium War? A Case Study of the Opium Economy in North Eastern Afghanistan," *Central Asian Survey* 19, 2 (2000): 265-280.

²⁰ UNODC, *Global Illicit Drug Trends 2003*; Anthony Davis, "Afghan Drug Output Wanes – But Only Under Taliban," *Jane's Intelligence Review* (October 1 2001).

²¹ *Asia Times*, 27 August 1997; "Ruthless Dostum a Rival for Karzai," *Toronto Star*, September 22 2004.

²² "US Turns to Drug Baron to Rally Support," *Asia Times*, December 4 2001; also Alexander Cockburn and Jeffrey St. Clair, *Whiteout: The CIA, Drugs and the Press* (New York: Verso, 1999), 255-276.

for Afghan opiates. The remote and mountainous eastern region of Gorno-Badakhshan, largely outside state control, supported the opposition while staying out of the actual hostilities; here, a surge in the production, trafficking as well as consumption of drugs was noted in the mid-1990s.²³ The main fighting arm of the UTO, led by the Islamic Renaissance Party, operated from bases in northern Afghanistan, chiefly areas controlled by the Shura-i-Nazar in the Takhor and Kunduz provinces.²⁴ From there, UTO warlords also built a bridgehead for opiate trafficking through Tajikistan northward.

This involvement of the opposition leaders continued after the 1997 peace accords, which gave the UTO a 30 percent share in government and ensured its leaders *de facto* control over important stretches of Tajikistan's territory, including parts of its border with Kyrgyzstan, which would be used by the IMU in 1999. For example, Mukhammadshokh Iskandarov, an erstwhile brother-in-arm of deceased IMU leader Juma Namangani and brother of Democratic Party of Tajikistan head Makhmadruzi Iskandarov was in charge of the border between Tajikistan's Rasht valley and Kyrgyzstan's Batken region, the scene of IMU attacks in 1999. Since then, the UTO has gradually been marginalized and numerous of its warlords killed or exiled, but they remain important actors on the regional and local areas in Tajikistan.²⁵

A major element of the crime-terror nexus in Central Asia is the IMU.²⁶ The organization emerged out of radical Islamic movements in Uzbekistan's Ferghana valley in 1989-91, but were evicted from the country just as the Tajik civil war was picking up pace. The Uzbek groupings, under their military leader Juma Namangani, joined the Islamic wing of the UTO, while its spiritual leader, Tohir Yoldash, toured the Islamic world for support, including meeting with Osama Bin Laden in Kabul. The IMU opposed the 1997 peace accords that ended the Tajik civil war, as it worked against their stated purpose of creating an Islamic state across Central Asia based in the Ferghana valley. But the Taliban were gradually expanding their control over Afghanistan's north,

²³ See "Tajikistan", in U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report, March 1996*.

²⁴ Sergey Gretskey, "Civil War in Tajikistan: Causes, Development and Prospects for Peace", in Roald Sagdeev and Susan Eisenhower, eds., *Central Asia: Conflict, Revolution, and Change* (Washington: CSPS, 1995), 231.

²⁵ International Crisis Group, "Tajikistan's Politics: Confrontation or Consolidation," *Asia Briefing*, May 19 2004, 3-4 <www.crisisgroup.org/home/index.cfm?id=2757&l=1> (February 1 2006).

²⁶ For a detailed overview of the IMU role in drug trafficking and background on the organization, see Svante Cornell, "Narcotics, Radicalism and Armed Conflict in Central Asia: The Islamic Movement of Uzbekistan," *Terrorism and Political Violence* 17, 4 (2005): 619-639.

and Namangani moved to Afghanistan, where the IMU was formally founded in 1998.

The next two years would see a terrorist and insurgent campaign on the part of the IMU. In early 1999, a series of bomb explosions rocked the Uzbek capital Tashkent and almost killed President Karimov. Hundreds of IMU militants then moved back into Tajikistan, taking up positions in the Tavildara valley bordering Kyrgyzstan's section of the Ferghana valley. In August, the IMU launched a first military incursion into the Batken region of Kyrgyzstan, catching the Kyrgyz military by complete surprise and prompting a mobilization of the Uzbek army. The IMU detachments took several villages and numerous hostages, including the commander of the Kyrgyz Interior Ministry Forces.²⁷ Namangani extracted a reported \$2 million ransom for four Japanese hostages, with the assistance of mediation by Kyrgyz parliamentarian and drug lord Bayaman Erkinbayev, discussed below. The IMU then retreated to Tajikistan, aided by Tajik minister of emergencies Mirzo Zioev, an old ally from the civil war times. After heavy Uzbek pressure, Tajik authorities convinced Namangani to leave for winter in camps in Kunduz and Mazar-i-Sharif.²⁸

In August 2000, the operation was repeated: Namangani arrived back in Tavildara with several hundred men, and launched a series of significantly more sophisticated attacks, with a much larger scale and geographical spread that included areas in Uzbekistan. But crucially, the main thrust was the simultaneous launching of several coordinated diversionary offensives of units of 50-100 men each across the mountains separating Tajikistan and Kyrgyzstan, toward Batken and the Sokh and Vorukh enclaves, small pockets of Uzbek territory in Kyrgyzstan. Again, Namangani eventually escaped to Afghanistan through helicopters belonging to the Tajik Ministry of emergencies.²⁹

From a military point of view, these operations made little sense, if their purpose was to create an Islamic state: they were too small, served only to sow unrest and especially to wake up the Central Asian militaries, leading to a much greater preparedness for future incursions. IMU detachments apparently did not seek to enter the Ferghana valley, although Kyrgyz National Security Minister Misir Ashirkulov conceded that "the Uzbek militants could have easily penetrated into Uzbekistan

²⁷ Vitaly Naumkin, "Militant Islam in Central Asia: The Case of the Islamic Movement of Uzbekistan," Berkeley Program in Soviet and Post-Soviet Studies Working Paper Series, 2003, 40.

²⁸ Ahmed Rashid, "They're Only Sleeping – Why Militant Islamicists in Central Asia Aren't Going to Go Away," *The New Yorker*, January 14 2002.

²⁹ Rashid, *Jihad*, 176-178.

using mountain tracks”.³⁰ The Kyrgyz army in 1999 was in no condition to stop the well-armed militants had they chosen to continue into Uzbekistan instead of occupying Kyrgyz mountain villages for weeks.³¹ Also, had the IMU had serious political intentions, it would likely have held on to the hostages instead of quickly surrendering them for ransom. The geographical areas targeted, the timing of the attacks, as well as the tactics used indicate that the IMU was motivated to a significant extent by facilitating the drug trade. Moreover, evidence indicates that IMU militants established routes for crossing the border with the help of the major “drug barons” of the Osh region of Kyrgyzstan,³² including Erkinbayev. The August 1999 incursion occurred during the very narrow time frame between the harvesting of the record batch of opium in Afghanistan in June, and the closure of the mountain passes due to snow from late September onward.

Indeed, the IMU was singularly well-placed to control the drug trade from Afghanistan to Central Asia: it had well-established links with the Taliban, Al Qaeda, and the former Tajikistan opposition (now in government) which in turn had close links with the Northern Alliance in Afghanistan. In a situation where opposing political forces were controlling the main producing areas of drugs and the transit countries in Central Asia, the network of contacts built up by the IMU enabled it to freely move across Afghanistan and Tajikistan unlike any other known organization.

An increasing consensus has indeed developed that the IMU was strongly involved in the drug trafficking from Afghanistan toward Osh in Kyrgyzstan. Kyrgyz Security officials and drug control experts concur that the IMU by 2000 were involved in the majority of the heroin entering Kyrgyzstan, and drug control experts concurred with this figure.³³ Interpol labeled the IMU “a hybrid organization in which criminal interests often take priority over ‘political’ goals”, adding that “IMU leaders have a vested interest in ongoing unrest and instability in their area in order to secure the routes they use for the transportation of drugs.”³⁴

³⁰ See Naumkin, “Militant Islam in Central Asia: The Case of the Islamic Movement of Uzbekistan”, 42.

³¹ *Moya Stolitsa*, Bishkek, August 30 2002. Also discussion in Naumkin, “Militant Islam in Central Asia: The Case of the Islamic Movement of Uzbekistan”, 42.

³² See Mahmamin Mahmadaminov, *The Development of the Islamic Movement of Uzbekistan (Turkestan)* (Washington: Central Asia-Caucasus Institute, 2003).

³³ “Narcotic Flood Threatens to Wash Away Central Asian Stability,” *Times of Central Asia*, December 30 2000; Personal communications from international drug control officials, Washington, May 2001; Tamara Makarenko, “Crime and Terrorism in Central Asia,” *Jane’s Intelligence Review* (July 2000).

³⁴ Ralf Mutschke, “The Threat Posed by the Convergence of Organized Crime, Drugs Trafficking and Terrorism,” Testimony to the Subcommittee on Crime of the Judiciary

The South Caucasus

The growth of armed ethnic separatism and ensuing uncontrolled territories in the South Caucasus following the wars of the early 1990s has been a facilitating factor for the development of crime. In fact, the ethnic conflicts that have plagued the South Caucasus since 1988 and remain unresolved contributed to the booming role of transnational crime in several ways. Ethnic conflicts meant the loss of state control over large parts of territory and the creation of unaccountable and often criminalized regimes in the secessionist states. They also led to the weakening of state authority and the consolidation of semi-authoritarian rule in the central governments, and to an economic collapse more severe than elsewhere in the former Soviet Union: Armenia's economy had contracted to 30 percent of its 1989 levels by 1993; Azerbaijan's to 35 percent by 1995, and Georgia's to 25 percent by 1994.³⁵ While some recovery has taken place, the region is barely returning to 1989 levels of production.

The territorial problem concerns Georgia and Azerbaijan in particular. In Georgia, the central government in the course of warfare between 1990 and 1993 lost control of the entirety of the Autonomous Republic of Abkhazia and roughly half of the territory of the Autonomous Province of South Ossetia. These territories remain under the control of self-appointed separatist authorities, with little to no accountability and remain virtually isolated islands where international treaties do not apply and official international presence is absent. In addition to these areas, Georgian governmental control over the remainder of its territory in 1991-2003 weakened to the point where it was nominal in many areas. The Autonomous Republic of Ajaria was controlled by a local strongman for a decade, who ruled Ajaria as a *de facto* independent entity until being unseated shortly after the 2003 Georgian Rose Revolution.³⁶ The Pankisi Gorge in north-central Georgia was for most of the late 1990s a no-go zone in which armed Chechen groupings and criminal networks based themselves with impunity.³⁷

Committee, U.S. House of Representatives, December 13 2000. Also testimony to the same hearing of Donnie R. Marshall, Drug Enforcement Administration administrator.

³⁵ See e.g. Giovanni Andrea Cornia and Vladimir Popov, *Transition and Institutions: The Experience of Late Reformers* (Oxford University Press, 2001).

³⁶ Monica Duffy Toft, "Two-Way Mirror Nationalism: the Case of Ajaria," in Moshe Gammer, ed., *The Politics of the Caspian* (London: Frank Cass, 2002); Georgi M. Derluguian, "A Tale of Two Resorts: Abkhazia and Ajaria Before and Since the Soviet Collapse," in Beverly Crawford and Ronnie D. Lipschutz eds., *The Myth of Ethnic Conflict* (Berkeley: University of California, International and Area Studies Research Series, 1998).

³⁷ Pavel Baev, "Could the Pankisi Gorge Decide the Fate of the Caucasus?" *Central Asia-Caucasus Analyst*, April 24 2002, <www.cacianalyst.org/view_article.php?articleid=25> (February 1 2006); Khatuna Salukvadze, "The U.S. on the 'Silk Road' of Expansion to Eurasia?" *Central Asia-Caucasus Analyst*, March 13 2002, <www.cacianalyst.org/view_article.php?articleid=39> (February 1 2006); "Islamic Radicals from Afghanistan

Only as a result of intense international pressure and American assistance did Georgia's national security ministry through the efforts of Deputy Minister Irakli Alasania succeed to bring the Gorge back under control in 2002.³⁸ The predominantly Armenian-populated Javakheti region in southwestern Georgia is another area to which the central government's writ only barely extends. Likewise, the northwestern region of Svaneti is not under government control, and its rule of parts of Mingrelia such as the Zugdidi-Senaki area in the west is tenuous at best.

Forces within the secessionist authorities in Abkhazia, South Ossetia, and formerly Ajaria are deeply involved in organized crime, specifically smuggling activities. Particularly revealing was the unseating of Abashidze in 2004, which allowed law enforcement agencies and researchers from American University's Transnational Crime and Corruption Center to unveil the systematic nature of the leadership's direct involvement in smuggling operations.³⁹ It should be noted, of course, that the domination of the shadow economy by officials occurs not only in unrecognized republics but in the recognized states as well: only, the lack of oversight into the affairs of unrecognized states ensures the impunity of such action.

While the self-declared government of Abkhazia does appear to have a modicum of popular legitimacy among the ethnic Abkhaz population, the self-styled government of South Ossetia in the late 1990s developed into the leading channel of contraband goods from Russia into Georgia. In particular, the Ergneti market in territories controlled by the South Ossetian *de facto* government developed into a giant illicit free trade zone where all kind of legal as well as legal merchandise was readily available.⁴⁰ This provided a crucial income to the separatist government; but would not have been possible without the participation of Georgian law enforcement structures. Indeed, with the consolidation of power of Mikheil Saakashvili's government, the Ergneti market was blockaded and disbanded in Georgia's 2004 confrontation with South Ossetia.⁴¹ It is clear

Active in Georgia – US Diplomat,” *Eurasianet*, February 15 2002, <www.eurasianet.org/departments/insight/articles/eav021502.shtml> (February 1 2006); Jaba Devdariani, “Georgian Security Operation Proceeds in the Pankisi Gorge,” *Eurasianet*, September 3 2003, <www.eurasianet.org/departments/insight/articles/eav090302a.shtml> (February 1 2006).

³⁸ Ariel Cohen, “Moscow, Washington and Tbilisi Wrestle with Instability in the Pankisi Gorge,” *Eurasianet*, February 19 2002, <www.eurasianet.org/departments/insight/articles/eav021902.shtml> (February 1 2006).

³⁹ Personal communications, 2005.

⁴⁰ Alexandre Kukhianidze, Alexandre Kupatadze, and Roman Gotsiridze, *Smuggling through Abkhazia and Tskhinvali Region of Georgia* (Tbilisi: American University Transnational Crime and Corruption Center Georgia Office, 2004).

⁴¹ See reporting by Theresa Freese in the *Central Asia-Caucasus Analyst*, Summer 2004, and Theresa Freese, “Georgia's War against Contraband and its Struggle for Territorial Integrity,” *SAIS Review* 25, 1 (2005): 107-121.

that criminal enterprise has become, together with Russian support, a major factor sustaining the separatist republics on Georgia's territory.

The case of Nagorno-Karabakh, the secessionist Armenian territory in Azerbaijan, is somewhat different. Numerous allegations of criminal activity in Karabakh has been advanced by Azerbaijani sources, even reaching the Parliamentary Assembly of the Council of Europe. But while evidence of such activity exists, the systemic nature of crime has not been proven to an extent similar to the cases of Abkhazia and South Ossetia. This partly has to do with opportunity: while Georgia's secessionist regions are on the Russian border and in Abkhazia's case on the Black sea, Karabakh is landlocked and only connected, through occupied Azerbaijani territories, to Armenia and Iran. It is hence less lucrative in terms of location. Secondly, Karabakh benefits from substantial subventions from diaspora Armenian communities, and its political system is more tightly linked to that of Armenia.

The North Caucasus

Affected by poverty, corruption, war and mismanagement, the Russian North Caucasus has seen an increasing criminalization of its state and society. This affected state authorities, but also the separatist fighting forces in Chechnya. Indeed, much as in the case of Abkhazia and South Ossetia, the undefined status of Chechnya's territory in 1991-94, before the Russian invasion, made the region a free-trade zone for all type of contraband including drugs and weapons. This signified the inability or unwillingness of General Jokhar Dudayev's government to provide order in Chechnya; but it was also an illustration of the use that Russian elites had for an ungoverned territory through which they could conduct illicit activities.

The criminalization of the Chechen resistance occurred in part as a result of the difficulties the rebels have had to seek funding for their struggle. Indeed, in the mid-1990s, a large portion of the Chechen resistance's funding came from semi-legal or illegal Chechen business in Russia, including the notorious Chechen organized crime groups. However, the Chechen situation differs from that of the IMU: in Chechnya, the criminal connections between the various elements of the resistance and Russian military or law enforcement units are numerous, something that has not been the case in Uzbekistan, but has been taking place in the civil war in Tajikistan. Moreover, a trend could be seen where Chechen separatists had for long relied on links to Chechen organized crime and not moved to self-involvement in criminal activities; but by the turn of the millennium, a higher degree of self-involvement has been observable. Shamil Basayev, the notorious Chechen designated terrorist, is thought to have been involved in narcotics trafficking in the inter-war period of 1996-99.

The Crime-State Nexus, 1991-2001

If the discussion above highlights the increasing involvement of non-state violent actors in organized crime, the same is true for governments in the region. Everywhere, the phenomenon has its roots in the same problem: the rapid growth of organized crime, led by drug trafficking, in an environment of heavily weakened state authority due to the collapse of communist state structures, warfare, or a combination of both. All states of the region have seen the unveiling of corruption scandals and the involvement of state officials in crime. While this evidence is fractional, the similarities that exist make the trend clear: an alarming increase of criminal infiltration of state authority, that has been exacerbated by the stagnation of political reform in the region.

Afghanistan

For much of the 1990s, the concept of 'state' meant very little in Afghanistan. Until the Taliban movement seized Kabul in 1996, there arguably was no state: varying constellations of mujahideen groups, consecutively fighting with and allying with one another, laid claim to the seat of power but never exercised state authority in the most fundamental definition of the term: controlling the state's territory, or exercising basic state function in regard to the population. This nevertheless changed with the advent of the Taliban. A movement emerging as a reaction to the lawlessness and anarchy of southwestern Afghanistan in the civil war period, the Taliban were obsessed with authority and control. Indeed, bringing order to the country and ending anarchy through draconian measures was the main achievement the Taliban credited itself with. If these policies were very much the reason large tracts of the country's population welcomed the Taliban, it would also rapidly lead to its losing legitimacy. But the fact is that contrary to conventional wisdom, the Taliban regime was the most of a government that Afghanistan had seen in decades. This was most clearly illustrated in the Taliban eradication of opium in 2000-2001, when in one year the production was slashed by over 97 percent – to contrast with the failure of the present western-supported Afghan government to bring about a fall in poppy cultivation.

From the beginning, the Taliban had a complex attitude to drugs. On the one hand, the Taliban from the beginning of its power stated its opposition to drugs on principal, religious grounds; while continuing to accept, and indeed to tax, opium cultivation as they did any other crop. The Taliban are variously estimated to have made between \$10 million and \$50 million on the trade through taxes, and likely much more through individual commanders' involvement.⁴² In the absence of a functioning

⁴² Rashid, *Taliban*, p. 119; Griffin, *Reaping the Whirlwind*, 154.

economy, the opium trade was by far the most significant economic activity in Afghanistan and the largest income source of the Taliban government, together with taxes on the transit trade. Yet Taliban supreme leader Mullah Omar in 2000 issued a religious edict that forced the eradication of opium on all territories controlled by the Taliban. It was swiftly implemented, and the United Nations International Drug Control Programme (UNDCP) and American officials concluded that over 97 percent of opium under Taliban-controlled areas had been eradicated.⁴³

In this sense, the Taliban were intimately linked to the narcotics production in the country, deriving a large amount of income from it. But no evidence proves a large-scale institutional involvement on the part of the Taliban in the refining and trafficking of drugs. In this sense, while individuals in the Taliban hierarchy were certainly involved, Taliban Afghanistan cannot be compared to North Korea, where there is systemic and institutional involvement in organized crime on the part of the state. The Taliban movement, as the eradication shows, was not motivated by criminal profit, and was eventually prepared to jettison this income, whether for religious purposes or in a bid to achieve international recognition, as western agencies had promised this as a quid pro quo for eradication.⁴⁴

Central Asia

In the states of former Soviet Central Asia, a rapid process of infiltration of state authorities has taken place. This process has been taking place across the region, though clear variation among the regional countries can be observed. The stronger, larger countries with a more varied economy, Kazakhstan and Uzbekistan, have experienced this problem but at a level that is unlikely to risk taking over the entire state bureaucracy. In Kazakhstan, the oil wealth of the country implies that even if criminal connections to government exist, the relative value of the drug trade is lower compared to the total economy of the country; the incentive to involve in the drug trade is hence lower. Likewise in Uzbekistan, the country's economy is more varied and provides other opportunities than the drug trade. That said, both countries have seen an increasing criminalization especially of lower and middle level bureaucracy, especially in the countryside.

Turkmenistan in the late 1990s seized substantial quantities of illicit drugs and precursors, with heroin seizures peaking at nearly 2 metric tons

⁴³ UNDCP, *Afghanistan: Annual Opium Poppy Survey 2001* (Islamabad: UNDCP, 2002).

⁴⁴ For a more detailed analysis of the episode, see Svante E. Cornell, "Taliban Afghanistan: A True Ideological State?" in Brenda Shaffer ed., *The Limits of Culture: Islam and Foreign Policy* (Cambridge, Mass: MIT Press, 2006).

in 1997.⁴⁵ This suggests that smuggling networks were built up in the country and that a substantial quantity of Afghan heroin did transit Turkmenistan, even though little or no production took place in the vicinity of Turkmenistan's borders at the time. But since 2000, Turkmenistan has refused to provide data on drug seizures. There is no evidence that the smuggling of drugs through the country has abated since, however. Quite to the contrary, evidence from police cases of heroin smuggling in Western Europe have uncovered links to Turkmenistan.⁴⁶ Anecdotal evidence of grave heroin addiction problems in the country also indicate that smuggling continues to be a growing problem.⁴⁷ In December 2003, Chief Prosecutor Kurbanbibbi Atajanova was arrested after 15 kg of heroin were seized from her husband in a border region. She was nevertheless present at a government meeting shortly afterwards, indicating that she was not released from her duties, let alone charged. While this indicates the presence of heroin in the country, it is also a rare example of direct information on government corruption. Allegations by exiled former government officers pointing to high-level collusion with the drug trade abound, but the objectiveness of the sources is doubtful.⁴⁸ Incidentally, Turkmen President Saparmurad Niyazov has publicly stated that smoking opium is good for health.⁴⁹ Given the lack of reliable information on Turkmenistan, the specific situation in Turkmenistan is nevertheless very difficult to ascertain.

Kyrgyzstan and Tajikistan are another matter. In these two small, poor and remote countries close to Afghanistan's borders, the economic and political influence of the drug trade have been strongly felt.

The Central Asian state most directly affected by state infiltration appears to be Tajikistan. The Tajik civil war led to the growth of the power of the Kulyab clan, which opposed the democratic and Islamic movements in the opposition in cooperation with the Hissar and Khodjent clans, resulting in the bloody civil war that lasted from 1992 to

⁴⁵ In 1996-1998, 77 percent of heroin seized in Central Asia was apprehended in Turkmenistan. UNODC, *Illicit Drugs Situation in the Region Neighboring Afghanistan and the Response of ODCCP* (New York: UNODC, 2002).

⁴⁶ As communicated to the authors by the Swedish police's criminal intelligence division.

⁴⁷ "Turkmen Addiction Rising," *IWPR Reporting Central Asia* 64, 10 (August 2001). Also numerous personal communications from western researchers in non-political fields visiting Turkmenistan.

⁴⁸ Rustem Safronov, "Turkmenistan's Niyazov Implicated in Drug Smuggling," *Eurasianet*, March 29 2002, <www.eurasianet.org/departments/insight/articles/eav032902.shtml> (February 1 2006); Alec Appelbaum, "Turkmen Dissident Accuses Niyazov of Crimes," *Eurasianet*, April 26 2002, <www.eurasianet.org/departments/insight/articles/eav042602.shtml> (February 1 2006); "Russia Turns its Back on Turkmenbashi," *Gazeta*, May 27 2003.

⁴⁹ International Crisis Group, *Cracks in the Marble: Turkmenistan's Failing Dictatorship*, (Brussels/Osh: International Crisis Group, 2003), 27-28.

1997. During this war, which saw the economy depress more than any other former Soviet state, the illegal economy became an increasingly important source of financing for political forces on both sides. Following the peace agreement of 1997, President Rakhmonov has sought to emulate the other states of the region and build a presidential system of government, marginalizing the opposition. Importantly, many of the Popular Front warlords that Rakhmonov built his power on in the 1990s had a strong history of involvement in crime.⁵⁰

Cohesion in the government camp is weak, and individual leading figures as well as entire groupings appear to be heavily financed by the drug trade. The divisions within the ruling elite themselves increase the need for financial resources on the part of informal structures allied with the President. Mahmadsaid Ubaidulloev, the speaker of the Majlisi Milly and the Mayor of Dushanbe, was long considered the gray eminence in the country and a chief ally of Rakhmonov's. He is also a native of the Kulyab region, but part of the Parkhar grouping. Starting in 2001, signs increasingly emerged of a rivalry between Rakhmonov and Ubaidulloev. Allegations and leaks that portrayed Ubaidolloev as a narco-baron began to emerge, especially in the Russian media and parliament but also in western circles.⁵¹ Ubaidulloev was known to have built his own connections in Moscow, particularly with Moscow's mayor Yuriy Luzhkov and the former Speaker of the Russian Duma Gennadiy Seleznev. In December 2004, Rakhmonov himself indirectly accused Ubaidulloev of drug trafficking, shortly after a published rumor that Nuriddin Rakhmonov, the president's elder brother, was implicated in the drug trade.⁵² During the standoff that was reported by reliable sources to exist between Rakhmonov and Ubaidolloev at the time, Rakhmonov seems to have pre-empted a coup d'état orchestrated by Ubaidulloev with the help of Ghafor Mirzoyev, who had been appointed Director of the Drug Control Agency (DCA) in March 2004. The appointment of Mirzoyev, a warlord widely believed to have been involved in the drug trade in the civil war era, nearly ended western contributions to the DCA and led to a loss of both morale and of seizures during Mirzoyev's short tenure. Only months later, he was arrested and jailed on unrelated charges. These and other examples clearly indicate that warlords from the civil war era, absorbed into the government of Tajikistan, have had close ties with the trafficking of narcotics from Afghanistan. Indeed,

⁵⁰ Gretskey, "Civil War in Tajikistan", 232-234.

⁵¹ "Tajikistan - na poroge novoi grazhdanskoi voiny", *Agenstvo politicheskikh novostei*, June 25 2001.

⁵² In October 2003 the Russian border guards intercepted heroin at the Moskovkiy point and allegedly the owner of the heroin was son of Nuritdin Rakhmonov. Pairav Amirshoev, "Chem vyzvana voina kompromatov," *Centrasia*, November 12 2003, <Centrasia.ru> (November 13 2003).

there is every reason to believe that ties to drug trafficking are endemic in the state structures of Tajikistan.

Kyrgyzstan in the late 1990s developed into a major transit corridor for Afghan drugs smuggled northward through Tajikistan. In particular, the southern areas of the country were badly hit by this development. However, few indications existed that the highest political levels had been seriously affected by organized crime networks. At the lower level, there is widespread involvement of law enforcement agents in underreporting drug seizures or selling confiscated drugs, especially among the counter-narcotics forces of the Ministry of Interior. Field research indicates that most drug dens in the country are known to the law enforcement authorities, and that previously confiscated drugs are sold there. But at this lower level of the state authorities, the problem is mainly related to the dismal working conditions and compensation obtained by officials. Indeed, local officials bluntly argue it is immoral to ask them to fully invest in their job considering the extremely low salaries, the lack of backup and resources of all kinds including fuel for cars, and the dangers involved in this line of work. Indeed, both the Kyrgyz state and the international community have grossly disregarded the law enforcement agencies. As a result, as in other former Soviet states, they remain the most unreformed and corrupt institutions of the state.

In the 2000 parliamentary elections, drug control experts estimate that a handful of individuals connected to the drug trade in the southern areas gained immunity and influence by being elected to parliament. Among these was Bayaman Erkinbayev, accused of being the leading drug kingpin of southern Kyrgyzstan. Erkinbayev had been elected first already in 1995, making a fortune apparently out of nothing and beginning to deliver social services in remote areas where the government was practically absent. As individuals such as Erkinbayev stepped in where the state was absent and distributed welfare, built roads and mosques and provided electricity, they enjoyed significant popularity among the local population – which, together with the intimidation of potential rivals explains their repeated election to parliament. Erkinbayev also played a key role in the 1999 IMU incursions into southern Kyrgyzstan and the ensuing hostage crisis. Erkinbayev, with links to the UTO and allegedly to Namangani himself, was chosen by the Kyrgyz leadership to mediate the crisis. Erkinbayev then delivered the ransom paid by the Japanese government to the IMU for the release of Japanese hostages – or at least a portion of it. This episode illustrates the ultimate juncture between politics, crime and terror: a Kyrgyz drug lord elected to parliament, utilizing on the urging of his government his links with an equally drug-dealing Islamic terrorist movement to release foreign hostages and mutually profiting from the ransom.

The South Caucasus

The South Caucasus has been affected substantially by the infiltration of organized crime into governments. The country most affected by this process has been Georgia. In Georgia, the situation deteriorated to such a degree that the Ministry of Interior in 1999-2001 allowed organized criminal groups to base themselves in the Pankisi gorge bordering Chechnya in return for large sums of money, from where they engaged in drug smuggling, abductions, and other forms of crime. Lawlessness in the gorge contributed to credible Russian threats of military intervention and eventually the deployment of American forces to train and equip the Georgian military. Evidence of high-level government collusion with organized crime developed into an existential threat to the governing elites of the state, as former ministers in President Shevardnadze's cabinet were credibly alleged to be directly involved in organized crime. The collusion between organized crime and politics grew to an extent that affected the survival of the government, especially given the relatively high level of education and exposure to the west of Georgia. Indeed, such allegations contributed directly to the governmental crisis of 2001 that forced Shevardnadze to fire his interior and national security ministers. Subsequently, the continued problems relating to the crime-state nexus were a factor in the overthrow of the Shevardnadze regime in 2003.

In Armenia and Azerbaijan, the government structures were already from the mid-1990s considerably stronger than was the case in Georgia. As such, the infiltration of criminal groups into state structures has occurred at a lower intensity than in Georgia. Such collusion has occurred, but in a less chaotic and blatant manner, and taken place in a more controlled form. In other words, much less is publicly known about the particularities of government collusion with organized crime in these states. Nevertheless, it is clear that in both countries, the state authorities or individuals in official positions have control over the movement of both legal and illegal goods across state borders.

Taken together the interior ministries in the states of the South Caucasus remain heavily unreformed, corrupt, and linked with organized crime albeit to varying degrees. However, it is unclear how high in the hierarchy this problem reaches.

The North Caucasus

The situation in the republics of the North Caucasus gradually deteriorated during the 1990s. Many republics, such as Dagestan on the Caspian coast, received up to 80 percent of the republican budget in Soviet times in form of subsidies directly from the central government. As these funds began to wither with the new Russian government, the economic standards in the region fell rapidly. Meanwhile, the

destabilizing factor of Chechnya – either in its unruly times of independence in 1991-94 and 1996-99 or during the wartime – exacerbated the situation in the entire region.

Organized crime grew like wildfire in Chechnya both through the criminalization of elements within the Chechen insurgency, but also through the criminalization of the Russian military in Chechnya. The increasing criminalization of all sides of the conflict has been readily observable since the first Chechen war. The Russian military is implicated in abductions of civilians, plunder, drug smuggling, weapons smuggling, and not least oil smuggling.⁵³ In fact, the conflict is no longer a military confrontation between two opposing forces: some Russian units, under different command structures, fight against some Chechen irregular units, but engage in smuggling with other Chechen units. In many ways, the war has degenerated into a large criminal operation with numerous players with varying interests; paradoxically, the cooperation between nominal enemies in this conflict has become a *sine qua non* for the continuation of conflict, since it is primarily from the Russian forces that Chechen insurgents acquire their weapons, food, and other commodities.⁵⁴ By 1997, twenty Russian generals had been arrested on various corruption charges, while impunity remained widespread.⁵⁵

Given the presence of the Russian military across the North Caucasus, similar involvement by Russian authorities in organized crime has been seen. State authority and stability in the North Caucasus has rested on the role of informal structures of authority based on kinship or regional ties. The conditions in Russia in the 1990s invariably meant that politics and economy interlinked; and with time, a number of very wealthy individuals unifying economic and political power emerged in the North Caucasus, just as was the case in Russia. In 1998, a leading Russian law enforcement officer observed that “there is no longer any doubt that there is a layer of corrupt state officials in all the North Caucasus republics who trade in their power and classified information.”⁵⁶ Indeed, deputy Russian prime minister Ramazan Abdulatipov, sent to the North Caucasus to remedy the situation there in 1997, stated that police in Dagestan were “working hand in hand with

⁵³ Stephen Shenfield, “Chechnya at a Turning Point,” *Brown Journal of World Affairs* 8, 1 (Winter-Spring 2001): 63-71; “Russian Journalist Accuses Federal Troops of Exploiting Chechen Oil Plants,” *BBC Monitoring*, June 29 2001.

⁵⁴ On the Russian military, see Dale R. Herspring, “The Continuing Disintegration of the Russian Military,” in Michael H. Crutcher, ed., *The Russian Armed Forces at the Dawn of the Millennium* (Carlisle Barracks, PA: Center for Strategic Leadership, 2000), 133-46; Richard F. Staar, “Russia’s Military: Corruption in the Higher Ranks,” *Perspective* 9, 2 (November-December 1998).

⁵⁵ “North Caucasus Military District General Arrested on Corruption Charges,” *BBC Summar of World Broadcasts*, July 15 1997, citing Interfax.

⁵⁶ *Argumenty y Fakty*, April 6-12 1998, 6.

crime groups to the extent that criminals always knew of operations beforehand.”⁵⁷ Appointments to state authority in Dagestan, and to a lesser extent in the entire region, were routinely given to the highest bidder. Since organized criminal networks grew to control large financial resources and had a clear interest in infiltrating government, this system implied a systematic way into state office for these groups.

Hence across the region, a similar pattern with minor variations could be observed in the 1990s. The factors of poverty, economic collapse, dismal wages for government officials, weak state institutions, absence of rule of law, and growing transnational organized crime all combined to lead to a gradual criminalization of the political system across the region.

Evolution in the Post-9/11 Era

The September 11, 2001 attacks on the United States are credited with having changed much in world politics. Their aftermath also strongly affected the course of organized crime and its security impact in Greater Central Asia. Four specific processes, originating in whole or in part from 9/11, deserve special mention. These are the effect of Operation Enduring Freedom (OEF) on Afghanistan and Central Asia; the changes in the North Caucasus occurring from President Putin’s centralization policies; the Georgian Rose Revolution and its consequences; and the Kyrgyz change in government of March 2005.

Enduring Freedom: Consequences for Afghanistan and Central Asia

OEF, leading to the fall of the Taliban regime, dramatically changed the political situation in Afghanistan and Central Asia. This had twin implications for organized crime and the drug trafficking business: first, it meant an instant blow to the crime-terror nexus in the region, but second, it opened the way for the growth of criminal infiltration into politics in Afghanistan.

Western engagement in Afghanistan did not reduce opium production in the country; it was actually restored to the pre-eradication levels and then grew gradually to new record levels. But OEF did remove the sanctuary that Afghanistan had formed for various terrorist movements, including Al Qaeda, the IMU, as well as Chinese and Pakistani groups. Most importantly, the IMU was physically decimated and its leader Namangani killed while joining Al Qaeda and Taliban forces defending Kunduz in northern Afghanistan; Al Qaeda was forced on the run, disrupted and many commanders apprehended. As a result, the well-established link between insurgency/terrorism and crime in the region was disrupted.

⁵⁷ “Corruption, crime threatening stability of Dagestan region: Official,” *Agence France Presse*, October 13 1997.

Much of the IMU's infrastructure inside Central Asia remained unscathed by the war in Afghanistan, and two detachments of the IMU likely remained in Afghanistan: one group in the Paktia and Kunar provinces, areas where the anti-U.S. forces of Gulbuddin Hekmatyar are influential, and in several mountain passes of the Badakhshan province, bordering Tajikistan. Intelligence reports and observers in the region suggest that minor armed groups and sleeper cells remain in Kyrgyzstan, Tajikistan and Uzbekistan.⁵⁸ The IMU-head Tahir Yoldash spent most of his time in Peshawar and the South Waziristan Agency of Pakistan for most of 2002-2004, as a guest of the Jamiat-e-Ulema-e-Islam, a Deobandi extremist party.⁵⁹

Events in the Spring and Summer of 2004 indicate that the movement has survived, though battered. In March 22, a Pakistani army offensive against 'foreign terrorists' South Waziristan nearly caught Yoldash.⁶⁰ A week later, a series of explosions in Bukhara and most importantly in Uzbekistan's capital Tashkent took place, killing over 44 people.⁶¹ On 30 July 2004, suicide bombers blew themselves up outside the U.S. and Israeli embassies in Tashkent, killing six people.⁶² This suggests that the while the IMU is not dead, neither is it at present a military threat to the regimes of Central Asian states, though it remains 'a disruptive but manageable force' in the region. Had the IMU been a simply ideological group, this would have been reassuring news. Devoid of its military leader, without Al Qaeda funding, and scattered, the limited public support that the IMU once enjoyed has evaporated, given its violent approach that most even radical Muslims in Central Asia disapprove of.

The question is whether the elimination of Namangani's detachment has shifted the nature of the IMU away from the criminal and back towards the ideological. Tensions between Yoldash and Namangani on this issue are rumored to have taken place, and Yoldash seems to have reemerged as the undisputed leader of the group. However, the IMU appears splintered into groups that may not necessarily be in contact with one another, nor obey orders from Yoldash. Indeed, it is a legitimate question whether the IMU – as a coherent organization – even exists

⁵⁸ Mahmaminov, *The Development of the Islamic Movement of Uzbekistan (Turkestan)*, 8.

⁵⁹ James Purcell Smith, "The IMU: Alive and Kicking," *Central Asia-Caucasus Analyst*, September 24 2003, <www.cacianalyst.org/view_article.php?articleid=1761> (February 1 2006).

⁶⁰ Mike Redman, "Central Asian Militant Group Remains Active in Pakistan," *Eurasia Insight*, March 24 2004, <www.eurasianet.org/departments/insight/articles/eav032404.shtml> (January 3 2006).

⁶¹ Scott Peterson and Peter Boehm, "Uzbek Unrest Shows Islamist Rise," *Christian Science Monitor*, April 1 2004, <www.csmonitor.com/2004/0401/p06s01-wosc.html> (February 1 2006); Richard Weitz, "The Bombs of Tashkent," *United Press International*, April 15 2004.

⁶² "Uzbek Blasts Hit U.S. and Israeli Embassies," *Reuters*, July 30 2004.

anymore, or whether its remnants have disintegrated and joined with other and diverse forces.

On the other hand, OEF led to a remarkable upsurge in the production of opiates in Afghanistan and continuously growing smuggling through Central Asia. Given the pro-opium proclivities of the Northern Alliance, this should have come as no surprise as the Shura-i-Nazar in particular asserted its dominance over the post-Taliban interim government. In 2002, the U.S. State Department noted that the Northern Alliance had “taken no action against cultivation and trafficking in the area it controls”, an understatement given that cultivated area in Badakhshan had grown without exception in 2000-2003.⁶³ While in Government, the Shura leadership was heavily compromised by the drug trade. Over 2003-2005, the drug industry in Afghanistan is estimated to constitute the equivalent of over 52 percent of the country’s legal GDP. Given the infiltration of the drug trade in Colombia where the coca industry never exceeded five percent of the GDP, the effects of this value on impoverished Afghanistan’s politics can easily be imagined.

Clearly, the drug trade influences the decisions taken by numerous individuals in high positions involved directly or indirectly in the trade, involving most obviously Afghan warlords whose private militias are undoubtedly costly to maintain. In February 2006, Afghanistan’s counter-narcotics minister Habibullah Qaderi stated that several members of President Hamid Karzai’s cabinet are deeply implicated in the drug trade.⁶⁴ The international community has not taken on the drug trade seriously, knowing the short-term destabilizing effect this could have, even as the same warlords are useful for the U.S. in hunting down Taliban and al Qaeda remnants and keeping a modicum of stability in remote areas. But in the long term, the consolidation of the drug trade that can be seen among other in the increased geographic spread of opium cultivation across the country since 9/11 will have profoundly negative consequences. The emerging drug ‘cartels’ in the country have a vested interest in keeping the country from developing full stability, a fully grown licit economy and full integration into the world economy since that would automatically make Afghanistan less hospitable to the drug trade. As former Minister of Interior of Afghanistan Ali Jalali has noted, accommodating the drug trade in the name of stability would amount to creating a ‘pax narcotica’ or ‘pax warlordiana’.⁶⁵

⁶³ U.S. Department of State, *International Narcotics Control Strategy Report 2001*.

⁶⁴ Toby Harnden, “Drug Trade ‘Reaches to Afghan Cabinet,’” *Daily Telegraph*, February 5 2006.

⁶⁵ Ali Jalali, “Afghanistan Beyond Bonn,” address to the W.P. Carey Forum, Central Asia-Caucasus Institute, Johns Hopkins University-SAIS, December 7 2005, <www.silkroadstudies.org/new/inside/forum/WPC_2005_1207.htm> (December 28 2005).

The 'Afghanization' of the North Caucasus?

The first international casualty of the September 11 events was Chechnya. The event immediately changed the calculus of the Russian government, which began a campaign to portray the war in Chechnya as part of the global war on terrorism. Soon thereafter, President Vladimir Putin moved to effectively abolish federalism in Russia, as local governors, including the presidents of autonomous republics such as those in the North Caucasus, became appointed figures instead of elected. What followed from this was the removal of local leaders with local backing in the republics of the North Caucasus, and the appointment in their place of nominally native officials with a history in the Federal Security Services. This is most blatant in Ingushetia: From 1991 until 2003, during General Ruslan Aushev's tenure as President of Ingushetia, Ingushetia managed to maintain its neutrality in the conflict between Russia and Chechnya and remained mainly stable. However, the advent to power of Murad Zyazikov, an FSB officer handpicked by the Kremlin to the republic's leadership, brought mismanagement, insensitivity and repression that alienated considerable parts of the population and led some young Ingush not only to sympathize with Chechen separatists but to join forces with them.⁶⁶ These problems are not isolated, but part of a trend. Presently, the frequency of rebel military action in Dagestan has come to equal that of Chechnya.⁶⁷ Violent clashes between apparently isolated Islamic radical groups or cells and law enforcement is occurring on a regular basis in the region. In Summer 2004, the government of Karachai-Cherkessia imposed unofficial martial law, citing the presence of radical Islamist militant groups in the mountains in the south of the republic.⁶⁸

Most Russian and international experts now agree that the Russian government is losing control over the North Caucasus, and that its policies there have proven extremely counter-productive. The 'steamroller' tactic of resolving problems by increasing the level of repression while failing to address local sensitivities or to improve the socio-economic conditions of the region, is clearly failing. It is the region in the Russian Federation with the highest population growth; and is plagued by sky-high unemployment, radicalism, and unrest. What began

⁶⁶ Matthew Evangelista, "Ingushetia as Microcosm of Putin's Reforms," *Global Dialogue* 7, 3/4 (Summer/Autumn 2005).

⁶⁷ Murad Batal Al-Shishani, "From Grozny to Nalchik: Is the North Caucasus Heading Back to the Nineteenth Century?" *Central Asia-Caucasus Analyst*, October 19 2005, <www.cacianalyst.org/view_article.php?articleid=3739> (February 1 2006).

⁶⁸ Andrei Smirnov, "Authorities in Karachaevo-Cherkessia Fear Union of Basaev and Local Islamic Separatists," *Eurasia Daily Monitor*, August 9 2004, <http://jamestown.org/edm/article.php?article_id=2368383> (February 1 2006)

as the 'Afghanization of Chechnya'⁶⁹ is now turning into the 'Afghanization' of the entire North Caucasus: a societal and governmental meltdown in which government control over territory withers away, giving way to a myriad of insurgent, terrorist, and organized criminal forces with contradictory and changing relations to one another. Hence the region between the Black and Caspian seas north of the Caucasus mountains is gradually deteriorating into an uncontrolled territory that criminal groups, insurgents and terrorist native or foreign to the region can use as a transit area or as a base of operations.

The worst element of this quagmire is the fact that the international community is more or less powerless. Unable to influence Russian policy in the North Caucasus and unable to intervene directly there as it is Russian territory, the western powers are forced to merely take precautions to exercise damage control over the fallout likely to arise from this area. As the European Union expands westward and the Black Sea basin becomes a security hub for the new Europe, the developments in the North Caucasus risk undermining the efforts of the international community to stabilize the other corridor to the Caspian sea – the South Caucasus.

Georgia's Revolution: Turning Tables Around

When Mikheil Saakashvili came to power in early 2004, his two main priorities for his presidency were defined as reunification of Georgia and the eradication of corruption and crime. As Saakashvili correctly concluded, these two seemingly divergent goals were intimately connected. Indeed, the existence of the separatist territories of Abkhazia, Ajaria and South Ossetia was strongly connected to the illegal economy and to organized crime. South Ossetia, in particular, virtually lived on smuggling between Russia and Georgia, aided by its close proximity both to Tbilisi, and to North Ossetia, the most industrialized republic of the North Caucasus. As such, smuggling kept the separatist government functioning; while also greasing corruption and crime inside Georgia. Eradicating corruption could hence not take place without intervening in the separatist territories which were *de facto* outside Georgian control; while reuniting Georgia could not take place without fighting smuggling and organized crime. Small surprise, then, that Sakashvili considered Georgia to be completely free only when the Georgian flag flew at the Roki tunnel and Psou – the border points connecting South Ossetia and Abkhazia, respectively, to Russia.⁷⁰

⁶⁹ Svante E. Cornell, "The 'Afghanization' of Chechnya," *Central Asia-Caucasus Analyst*, February 28 2001.

⁷⁰ Freese, "Georgia's War against Contraband", 107.

In practice, Saakashvili initiated a complex anti-corruption program that has not yet completed the momentous task of eradicating corruption in Georgia, but has definitely halted the slippage of Georgia into the category of 'failed states', into which it was increasingly seen as heading in the late Shevardnadze era. Saakashvili began by aggressively attacking corruption and crime from the top, arresting several high-level officials and offering them a 'plea bargain' option: repay the state monies they were known to have stolen for their freedom, even though the evidence was occasionally sketchy.⁷¹ While this policy raised eyebrows in the west as it showed less than full respect for due process, it was certainly effective in ending the climate of impunity that had reigned in Georgia. Indeed, without these moves against high-level corruption, Saakashvili's measures to halt low-level corruption would probably not have been met with the same acceptance from the public. Secondly, Saakashvili moved against the notoriously corrupt traffic police, and gradually reformed Georgia's police force into a more professional one. Other subtle but important measures include reforming the university admissions system, which will for the first time create a generation of Georgian intellectuals and leaders beholden to no one but their merit for their entry into university.⁷²

The government also moved strongly to cut off the Ergneti market in South Ossetia, by targeting the roads leading into Georgia from the area. This gradually led to the disbanding of the market. While not ending smuggling from South Ossetia, this clearly increased the cost of smuggling and affected its systematic character, pushing it underground instead of fearlessly taking place in the open. Finally, by December 2005, Saakashvili had mustered the courage to go after the so-called 'thieves-in-law', organized criminal networks with strong social roots and dating back from the Soviet era. Georgians were heavily over-represented among the thieves-in-law in the Soviet era, and Georgia is likely the republic in the former Soviet Union where these networks are the strongest.⁷³ Legislation signed by Saakashvili aimed at going after the networks themselves rather than prosecuting individual crimes.⁷⁴ The law makes membership in the networks itself criminal, irrespective of whether an individual himself is tied to a crime, and allows for the seizure of the property of the network members. While again, problems

⁷¹ See for example, Whit Mason, "Trouble in Tbilisi," *The National Interest* (Spring 2005).

⁷² I am thankful to Temuri Yakobashvili of the Georgian Foundation for Strategic and International Studies for pointing this out to me.

⁷³ See the study by Georgi Glonti and Givi Lobjanidze, *Professionalnaia prestupnost' v Gruzii (vory v zakone)* [Professional Crime in Georgia: Thief-in-Law] (Tbilisi: American University Transnational Crime and Corruption Center Georgia Office, 2004).

⁷⁴ "Legislation to Crack Down on Organized Crime Goes into Force," *Civil Georgia*, December 29 2005.

related to due process may be raised, the law seeks to do what most attempts to crack down on organized crime have failed to do: first, go after the money, and second, target the leaders instead of the couriers and foot soldiers.

These measures combined are about to make Georgia an increasingly inhospitable place for organized crime. Clearly, it will take a long time to uproot practices with long histories and significant social rooting, and it will remain to be seen whether these policies are successful. Nevertheless, President Saakashvili's policies have already scored significant success in retaking the initiative and pushing organized crime on the defensive. In this sense, the trend in Georgia is definitively a de-criminalization of the state at least on the central level, even though lower levels of the bureaucracy still remain problematic. In the regional context, this is already an accomplishment.

Kyrgyzstan: Tulips or Poppies?

If Georgia represents hope for fighting the criminalization of the state in Eurasia, Kyrgyzstan unfortunately represents the opposite: a change in power that has led to a worsening of the situation: the 2005 parliamentary elections in Kyrgyzstan and their violent aftermath increased the power of organized crime leaders in the country's politics. To begin with, the parliament that was elected consisted of cronies of former President Askar Akayev and local potentates who simply bought themselves seats in parliament. Hence a number of figures with links to illegal business and organized crime were elected to parliament, partly since it provides a source of influence and partly since it provides immunity from prosecution. But southern Kyrgyzstan's drug barons in fact also played a key role in the emergence of the popular movement that ended up overthrowing the Akayev government. Organized crime kingpins are known to operate paramilitary forces, under the guise of martial arts sport clubs such as the "Alysh" (traditional wrestling) clubs.

In the aftermath of the 2005 elections, 2,000 young people from the Alysh clubs were gathered and fed for 25 days, stormed state offices in Jalal-Abad and Osh, and later reached Bishkek. Initially, the opposition movement in Kyrgyzstan did not want to align themselves with these organized criminal figures. But they lacked substantial funds and a wider popularity among the important informal networks of the south of the country. Furthermore, the lack of a clear structure within the opposition movement made it possible for criminal leaders to infiltrate the movement and provide financial support. Again surfaced Bayaman Erkinbayev, one of the richest and most influential men in southern Kyrgyzstan whose control of martial arts clubs was crucial in the initial phases of the protests in southern Kyrgyzstan. Erkinbayev was a presidential candidate who eventually endorsed President Kurmanbek

Bakiyev, but was later assassinated in Summer 2005 in an apparent drug-related controversy.⁷⁵

Overall, Kyrgyzstan's political situation has deteriorated since the revolution, and the influence of organized crime over politics has increased. This is illustrated by the increasing number of political assassinations in the republic.⁷⁶ Several government appointments have also created consternation: most importantly, the appointment by president Kurmanbek Bakiyev of officials known for their past high-level involvement in gold mining business scandals, including the disappearance of large quantities of gold revenues.

In countries such as Afghanistan, Tajikistan and now Kyrgyzstan, voluminous accusations of high-level participation in the drug trade by high government officials raises the question whether these states are infiltrated by criminal interests to an extent that merits the use of the term "narco-state".

Conclusions

The discussion above highlights the complex evolution of organized crime as a security challenge in Eurasia. On the whole, the situation cannot be said to have improved, even though two major successes have been scored: the decimation of the IMU and the anti-corruption trends in Georgia. These are encouraging elements that have helped fight the crime-terror nexus in Central Asia and the crime-state nexus in the South Caucasus. Even then, however, it is too early to count the IMU out or to qualify Georgia as a mission accomplished. Even if, as Central Asian security services estimate, the IMU only consists of some 300 scattered fighters,⁷⁷ the continuing and increasing production of opium in Afghanistan implies that the IMU may acquire access to funds that could help it rebuild military strength, especially if conditions in Uzbekistan deteriorate. Likewise in Georgia, the future of anti-corruption measures is tied to the future of the current government. Under tremendous pressure from Moscow, which seeks to systematically undermine the Saakashvili administration and prop up separatist regimes that are very much a part of the problem, the Georgian government is receiving precious little political support from the west. Its success can by no means be taken for granted.

⁷⁵ "‘Drug Link’ in Kyrgyz MP’s Death," *BBC News*, November 29 2005; Erica Marat, "Erkinbayev’s Assassination Provokes Controversy in Kyrgyzstan," *Eurasia Daily Monitor* September 27 2005, <http://jamestown.org/edm/article.php?article_id=2370267> (February 1 2006).

⁷⁶ Anara Tabyshaliev, "Political Violence on the Rise in Kyrgyzstan," *Central Asia-Caucasus Analyst*, January 25 2006.

⁷⁷ Khamidov, *Countering the Call*, 9.

Meanwhile, negative developments elsewhere are a distinct cause for worry. Among these, the situation in the North Caucasus is the most worrisome especially for Europe, given the proximity of the region to Europe and the inability of the international community to do something about the situation even if it had the will to do so. As the North Caucasus slips into a black hole of crime, insurgency, radicalism and terrorism, a quagmire is being deepened that will have no easy solution.

Afghanistan must be considered an equally if not more crucial problem. President Karzai has repeatedly warned that Afghanistan is turning into a narco-state. Nevertheless, no clear strategy has yet been adopted by the international community to handle this problem; in particular, despite being directly affected by the drug trade from Afghanistan, Europe has taken very few measures to fight the drug trade there. As the drug industry consolidates its grip over the state and no serious decrease in opiate production can be expected, the prospects for a stable and democratic Afghanistan are being systematically undermined.

The degradation of the situation in Kyrgyzstan, finally, has potentially far-reaching consequences. First of all, it risks undoing the relatively stable, open, and moderate polity that Kyrgyzstan in spite of its weaknesses and faults actually was until 2005. The fact that this process is tied to the revolution of 2005, in turn, provides a powerful argument for opposing political change and openness in its neighboring republics.

The pervasive state weakness in Central Eurasia has enabled the gradual criminalization of state authority in the region. The crime-terror nexus in the region has been paralleled and largely supplanted by a crime-state nexus. This development has very significant interests for the Euro-Atlantic community. It undermines the prospects of building stable, prosperous states in Central Asia with a participatory political system. As the example of Erkinbayev shows, the processes taking place in Kyrgyzstan and Tajikistan are empowering criminal forces with connections to terrorist organizations such as the IMU. There is a risk of a 'black hole' scenario developing where individuals in important state positions are connected not only to organized crime, but also to militant religious extremism and terrorism. The increasingly influential role of criminal figures in government in Afghanistan, Tajikistan and Kyrgyzstan, and the continued strength and influence of Tajik warlords with connections to the IMU, is a distinct cause for concern. Meanwhile, this development underlines the failure of western policies in Central Asia. Concentrated upon building a vibrant civil society, western assistance has failed to realize the need to build statehood, in particular functioning law enforcement and judicial organs. The idea that political development can be accomplished by circumventing the state has reached the end of the road. As the Georgian case shows, it is now clear that only the arduous task of building state institutions can rollback the advances

of organized crime in the region and reduce the security challenges arising from it.