

Political Development and Organized Crime: The Yin and Yang of Greater Central Asia?

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ABSTRACT

Central Asia faces a great challenge in terms of political reforms and organized crime. In essence, organized crime has strengthened its position in the region steadily after independence, to the detriment of state stability and a free and independent economy as well as development in the political sphere. It has become apparent that organized crime inhibits political development, but also that weak states reinforce organized crime. Without doubt organized crime has increasingly strengthened its position in many states around the world, but the states of Central Asia are more affected than most other states. This article explores how the two phenomena of political reforms and organized crime interrelate in the Central Asian context.

Keywords • Organized Crime • Greater Central Asia • Afghanistan • Corruption • Political Development • Democratization

Introduction

Greater Central Asia¹ is today struggling with two major phenomena: one is the lack of political development and the second is the growth of organized crime, in particular the narcotics industry. As organized crime has grown, political development has been thwarted or even reversed. While it would seem evident, almost tautological, to claim that the impact of organized crime on the state and on economic and legal development has been negative,² the question remains *how* this has impacted the political development of Greater Central Asia and, if there is an impact, how such an impact can be reversed. While some argue that increased political reforms can reduce the impact of organized crime,

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¹ Defined as Central Asia plus Afghanistan

² Niklas Swanström, "The Narcotics Trade: A Threat to Security? National and Transnational Implications," *Global Crime* 8, 1 (2007); Niklas Swanström and Svante Cornell, "The Eurasian Drug Trade: A Challenge to Regional Security", *Problems of Post-Communism* 53, 4 (July-August 2006), p. 10-28.

others assert, on the other hand, that political reform can do little in countering organized crime.

It would seem clear that organized crime has a negative impact on political development; it can also be the case that the lack of strong and free political institutions has created an environment conducive for organized crime. Strong state institutions tend to prevent extreme situations whereby organized crime co-opts political and economic functions. Even if political development has proven unable to fully prevent organized crime in states such as the U.S., Sweden, or Spain, the impact on these states is on a much lesser scale compared to the problem in Greater Central Asia; that is not to say that it is not also dangerous for those states and their citizens. Alternatively, it should not be dismissed that organized crime does, in some cases, have a positive impact on the local environment where states are so weak that they are unable to provide security and essential services for their citizens. Indeed, organized crime has been known to have improved security, established schools, and upheld basic medical structures. Notwithstanding this, the negative consequences in terms of human security, economic development, and so on, far outweigh any positive effects.

The trend in Central Asia is that the lack of one (political reforms) and the prevalence of the other (organized crime) are accentuated and that this trend is accelerating.³ Therefore, it is of interest to understand the relationship and interaction between the two in both directions and, in better comprehending such, to make greater efforts to strengthen political development and decrease the impact of organized crime. The lack of strong state functions serves to strengthen organized crime while the existence of strong criminal groups seems to weaken even seemingly strong political structures.⁴ The assumption in this article is that the criminalization of state apparatuses implies a symbiotic relationship between weak state institutions and organized crime which nurture on each other. This mutually reinforcing process cannot be broken unless state institutions are strengthened to the extent that they can survive on their own. Once this is accomplished, economic development, and later political and possibly, in the long run, democratic development, can take place. Should this fail to occur, the symbiosis of a weak state and organized crime poses a worrisome scenario: the eventual criminal co-optation of the state; the path to which forms a negative spiral, in that the further down one goes, the more difficult it is to reverse the trend.

³ Needless to say organized crime has a tremendous negative impact on human security as increased narcotics abuse normally accompanies the trade, as does increased levels of HIV/AIDS, Hepatitis C etc.

⁴ Swanström, "The Narcotics Trade: A Threat to Security? National and Transnational Implications."

New Forms of Organized Crime

Organized crime is not a new phenomenon. It has existed across the world for a very long time, albeit manifesting itself in very different forms. It has in effect been an integrated part of different societies over time, but without being an existential threat to the security of the state or society. The problem has, moreover, been localized to certain states, regions, or cities, such as Sicily, Chicago, and Kobe. This has changed significantly, however, and the major changes in the structure and shape of organized crime are such today that it is no longer purely national but transnational—it penetrates and uses national borders to a degree previously unseen.⁵ It can even be argued that organized crime is strengthened by national borders: while criminal organizations seemingly have few problems cooperating over national borders, national governments have serious problems coordinating their efforts over the same borders.⁶

The intensity of organized crime is severe, and the corruption and co-optation of the state has become increasingly common. Moreover, the problem is that it is no longer a question of the relatively innocent form of corruption. 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.”⁷

It has been noted that organized crime possesses a large corrupting power and influence over the political spectrum, with substantial implications for the functioning and legitimacy of the state. It is also noteworthy that organized crime is attracted to conflict areas due to the relative weakness of the state in its ability to uphold law and order there. What is more, conflict with the state apparatus has in fact proven to be unnecessary if criminal networks can preclude government intervention through the subversion or infiltration of the state by means of corruption, co-optation, and violence. This has had the result that organized crime inherently seeks to corrupt state authorities, since this facilitates

⁵ Phil Williams, “Transnational Criminal Organizations and International Security”, *Survival* 36, 1 (1994).

⁶ Swanström, “The Narcotics Trade: A Threat to Security? National and Transnational Implications.”

⁷ Kimberley Thachuk, “Transnational Threats: Falling Through the Cracks?” *Low Intensity Conflict & Law Enforcement* 10, 1 (2001), p. 56.

business, decreases risks, and thereby also decreases costs and increases profit.⁸

The extent of the corruption and co-optation of states worldwide is very difficult to estimate, but it seems reasonably safe to come to the conclusion that it is significant in most states, and is dominating in a few cases. The global estimate of the total value of the trade is between US\$500 and US\$1500 billion per year, but these figures are notoriously unreliable.⁹ According to the IMF, approximately US\$500 to US\$1000 billion each year is *laundered* in international financial institutions.¹⁰ Such an estimate would indicate that between 1.5 percent and 4.5 percent of the world's combined gross domestic product (GDP) is laundered each year. Regardless of the estimates, it is quite certain that there is a significant illegal economy that easily influences weaker economies and may severely hamper political development. Between 1990-1993 it was estimated that 25-30 percent of the money gained from criminal activity in Russia was used for the purpose of corrupting state officials.¹¹ Though the figure has not decreased, it has at least remained stable since then.

The structure of organized crime has developed from the more traditional hierarchical structure of the Mafia in Sicily and the Triads in China to more network-based type of organizations characteristic of private business and terrorist organizations.¹² Decentralization and increasingly independent units separate from the original "mother" organization are emerging. This very flexible organization is followed by a much more diversified portfolio among the criminal networks that often has narcotics as its primary merchandise, but has included trafficking in women and children, weapons, oil, gas etc. This makes the organizations very difficult to handle as their trade is much more diversified and decisions and control are placed at the level of local leaders who often do not know who their immediate superior is, much less the kingpin at the top. As noted by Europol:

"The traditional perception of hierarchically structured organized crime groups is being challenged. There is now a development

⁸ David C. Jordan, *Drug Politics: Dirty Politics and Democracies* (Norman: University of Oklahoma Press, 1999); Louise Shelley, "The New Authoritarianism", in H. Richard Friedman and Peter Andreas (eds.), *The Illicit Global Economy and State Power* (Lanham: Rowman and Littlefield, 1999).

⁹ Rachel Ehrenfeld, *Funding Evil: How Terrorism is Financed and How to Stop it* (New York, Bonus Books, 2003).

¹⁰ UNODC, Global Program Against Money Laundering, <http://www.unodc.org/unodc/en/money_laundering.html> (October 1, 2005)

¹¹ Louise Shelley, "Crime as the Defining Problem: Voices of Another Criminology", *International Annals of Criminology* 30, 1-2 (2002), p. 79.

¹² Svante Cornell and Niklas Swanström, *Transnationell Brottslighet--Ett Säkerhetshot?* (Transnational criminality - a security threat?) (Krisberedskapsmyndigheten, 2006).

suggesting that a greater percentage of powerful OC (Organized Crime) groups are far more cellular in structure, with loose affiliations made and broken on a regular basis and less obvious chains of command...This type of OC groups structure holds intricate theoretical, legal and practical difficulties for law enforcement, since it is more difficult to determine the actual OC Group to which a cell belongs. It also limits the effectiveness of law enforcement efforts to target particular cells, as these seem to be replaced fairly easy"¹³

These "improvements" in the structure and economic strength of criminal organizations not only make their activities more lucrative but also make them increasingly difficult to penetrate and combat. While it has been known that corrupting judges and border personnel is commonplace and increases the security of criminal operations, the problem has become progressively more serious with the emphasis of strong and decentralized criminal organizations now being placed on corrupting state apparatuses and co-opting governance structures.

Co-optation of the State

Criminal organizations have long realized that political instability decreases the possibility of effective countermeasures from states and legal institutions. Therefore, the fomenting of political instability by supporting insurgencies and separatists, if not working directly with or being one of them, has been a particular objective of organized crime so as to undermine the state.¹⁴ Recently the strategy has changed, however, and especially weak states, politically or economically, or preferably both, have been targeted by organized crime in an attempt to co-opt crucial state structures, institutions, and of course key individuals. There is no need to control all state functions but rather the focus has been on the legal, military, and policiary functions of states and also political elites. In fact the corrupting of high level officials and key individuals has always been a priority, but recently this has been on a larger scale and more coordinated.

In Central Asia it has been common knowledge for a long time that criminal organizations have sought to exert influence bordering on control over crucial government institutions in all states, but especially in Afghanistan, Tajikistan, and Kyrgyzstan. Uzbekistan and Kazakhstan are also targeted but due to stronger economies, and to a certain extent being stronger states, organized crime has not been able to co-opt these

¹³ Europol, *European Union Organized Crime Report* (2003), p. 3.

¹⁴ For more on the linkage between organized crime and militant organizations see: Svante E. Cornell, "Narcotics and Armed Conflict: Interaction and Implications", *Studies in Conflict and Terrorism* 30, 3 (2007).

states to the same degree. The level of impact on Turkmenistan is relatively unknown, even if it is an open secret that the heroin industry in particular continues to maintain a strong grip over the economy. In all these states, organized crime has especially targeted the judicial system, the security, police, and border forces, and the financial sector. As their efforts have largely been 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 organized crime. The worst-case scenario is what David Jordan terms “narcostatization”—where organized crime is perpetrated by the state, as in North Korea.¹⁵ In Greater Central Asia, Tajikistan, Afghanistan, and increasingly Kyrgyzstan seem to be headed in this direction due to the strength that organized crime exerts over the economy and the political process.

Wholesale state capture is rare, but 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.¹⁶ The implication of high-level individual government officials in organized crime is also common. In Burma, Colombia, and Turkey, governments facing insurgent challenges have resorted to the creation of pro-governmental militias, which have all become implicated in the narcotics trade, to the extent of becoming uncontrollable.¹⁷ The financial strength of organized crime is immense and criminal organizations have shown an interest in investing this in long-term security by co-opting states and officials.

In Colombia, Burma, and other producing states, militant organizations have been directly involved in organized crime. In Central Asia this has been the same case but possibly not to the same extent, even if it is apparent that many military structures are directly involved in the narcotics trade. This is particularly true in the case of Afghanistan where the Northern Alliance is directly involved in the trade and has financed much of its operations with narcotics money, much as other militants in Afghanistan are similarly dependent on narcotics to finance their military operations. In Central Asia the Islamic Movement of Uzbekistan (IMU) has played a pivotal role in heroin trafficking from Afghanistan as it has been involved in organizing some of the transit

¹⁵ Jordan, *Drug Politics*; Raphael F. Perl, “State Crime: The North Korean Drug Trade”, *Global Crime* 6, 1 (2004), p. 117-128; Balbina Y. Hwang, “Curtailing North Korea’s Illicit Activities”, *Heritage Foundation Backgrounders*, no. 1679, (August 2003).

¹⁶ Jordan, *Drug Politics*, p. 142-157.

¹⁷ The Paramilitary AUC in Colombia; the KKY in Burma; and the Kurdish village guards under Sedat Buçak in Turkey.

trade.¹⁸ Complicity in the drug trade is not only limited to Central Asian and Afghan military forces; the Russian military forces in the region are directly involved in the trade and command much of the transport to Russia. Controlling the transit trade is increasingly profitable for all actors involved.

In all drug-producing countries, there is a comprehensive body of evidence implicating the highest levels of the state, occasionally including heads of state, in corruption by or collusion with the narcotics industry. Credible allegations include the Burmese ruling junta¹⁹ and thirty-five percent of Colombia's Congress including former President Ernesto Samper.²⁰ The fact that transit states are increasingly included in this was shown by the impeachment of the President of Lithuania in late 2003 for his close contacts with Russian organized crime.²¹ Afghanistan, as the only producing state in the region, is very much in line with the trend of co-opting officials; it could even be argued that Afghanistan is a narco-state or at least a narco economy. Despite the fact that only Afghanistan is a producing state on any significant scale, all states in the region, including their political elites (which will be seen in a later section), are heavily involved in drug trafficking. Such high-level complicity constitutes a clear-cut threat to the security of these relatively weak states.²² Growing criminal influence over state institutions changes the impetus for decision-making and the 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, it's most debilitating and indeed existential effect may be to undermine the legitimacy of ruling elites.

Domestically, the criminalization of ruling elites poses a danger to their survival or grip on power in the face of public protests. Internationally, it may cause economic sanctions and other forms of

¹⁸ Tamara Makarenko, "The Changing Dynamics of Central Asian Terrorism," available at <http://cornellcaspien.com/briefs/020201_CA_Terrorism.html> (January 1 2005).

¹⁹ Dupont, "Transnational Crime, Drugs and Security in East Asia" *Asian Survey*, 39, 3 (1999); Richard M. Gibson and John B. Haseman, "Prospects for Controlling Narcotics Production and Trafficking in Myanmar", *Contemporary Southeast Asia* 25, 1 (April, 2003), pp. 1-19.

²⁰ Patrick L. Clawson and Rensselaer W. Lee III, *The Andean Cocaine Industry* (New York: St. Martin's Press, 1998) pp. 171-4; Jordan, *Drug Politics*, p. 158-170.

²¹ Arunas Juska and Peter Johnston, "The Symbiosis of Politics and Crime in Lithuania", *Journal of Baltic Studies* 34, 4 (2004), pp. 346-359.

²² Kazakhstan is by far the strongest state in the region, albeit seen from an international perspective still weak. Tajikistan and Afghanistan are two very weak states both in a regional as well as an international perspective.

threats, including military action by states threatened by the resulting unrest. One of the most obvious effects of organized crime is the lack of a legal economy, which tends to collapse in states that exhibit a weak legal economy and are under the strong influence of transit trade organized by criminal organizations. The illegal economy becomes far superior to, and lucrative than, the legal economies and so invites all sectors of society to partake in illegal trade. In fact many come to depend on illicit activity that also creates a form of economic security where the state has failed them. The collapse of legal economies in conflict-torn and transition countries has created a severe corruption problem across the region at all levels. Low-paid government officials in law enforcement are routinely bribed to look the other way as smugglers take a shipment through, and are otherwise involved in protecting the local transport and distribution of drugs. A leading Central Asian specialist estimated the proportion of corrupt officials in the law enforcement agencies of the region to be as high as 70 percent.²³ The Interior Ministries across the post-Soviet space remain the most unreformed sectors of the state, and have attracted little foreign interest with the exception of some activity on the part of the OSCE. This has facilitated and sustained high levels of corruption among these entities.

In Central Asia, as in other post-Soviet states, however, the problem is larger than that of just corruption. The systematic involvement of high-level government officials in organized crime in general and the drug trade specifically is borne out by a substantial amount of direct as well as circumstantial evidence. As will be seen below, this implies that the problem has passed the stage of passive corruption and bribe-taking and moved into complicity—the direct involvement of state officials in the drug trade. This process has apparently affected all regional countries to significant extents, especially at local and regional levels of governments but extending into the central government hierarchies. Available information depends largely on the openness of the countries; consequently, most of the information available concerns Afghanistan, Kyrgyzstan, and Tajikistan, whereas information on Turkmenistan and Uzbekistan in particular is scarcer.

Effects in Central Asia

Afghanistan itself is the country probably worst affected by criminal infiltration, which is unsurprising given that the opiate industry is by far the largest source of wealth in the country, with a value equivalent to over 50 percent of the country's GDP and 92 percent of the world's

²³ Personal communication, former official, Kyrgyzstan Drug Control Agency, June 2004.

production of opium.²⁴ The power of regional potentates is strongly linked to their involvement in the drug economy, and the national government is not exempt. Most blatantly, significant evidence links the dominant faction in the 2001-2004 interim administration, the so-called Northern Alliance, to the opium economy. The Northern Alliance power base is in the Badakhshan province north of Kabul, which it has continuously and firmly controlled over the past five years. Opium production in Badakhshan skyrocketed by 385 percent from 2000 to 2004, beginning with a 162 percent yearly increase in 2001, the year the Taliban implemented a ban on opium cultivation in the areas under their control. Of the 20,000 ha of opium fields eradicated in Afghanistan in 2003, almost nothing was eliminated in Badakhshan.²⁵ All this would point to the systematic involvement of Northern Alliance personnel in the opiate industry. Clearly, no evidence of involvement has been advanced against the leadership of the Northern Alliance, although the hierarchic nature of the organization implies at least a tolerance at the highest levels for the continued presence of the opiate industry. The Northern Alliance is not the only political force in Afghanistan affected by the drug trade. On the contrary all regions and political actors in Afghanistan seem to produce opium, but the Alliance's significant influence on the government (holding a pivotal control of the ministries of defense, interior, and foreign affairs of the administration) makes the issue of criminal infiltration all the more worrisome.

In post-Soviet Central Asia, the most directly affected country appears to be Tajikistan, which is also the country in the region with the most significant international drug control presence. Tajikistan gained funding (mainly from the U.S. through UNODC) to create a Drug Control Agency (DCA) in 1999. This effort was largely inefficient and drug trafficking has increased every year since, both statistically as well as in real numbers. This indicates a strong complicity by the state and avoidance of international efforts in combating narcotics trafficking. The Russian 201st motorized rifle division, on the other hand, tasked to guard large sections of the Afghan-Tajik border, plays a major role in countering the drug trade in the region. Although, however, both institutions (DCA and 201st) have sought to stem the narcotics trade (at least to manage their competing interests), both are also riddled with problems and directly complicit in the narcotics trade. The DCA was widely lauded as a corruption-free institution until the appointment of General Ghafor Mirzoyev as its head in January 2004. A warlord during the civil war, Mirzoyev's great personal wealth is strongly believed to have been accumulated from involvement in the drug trade in the mid-

²⁴ UNODC, *2007 World Drug Report* (New York: United Nations, 2007), p. 37.

²⁵ UNODC, *Afghanistan Opium Survey 2003* (Vienna: United Nations, October 2003).

1990s. The appointment led to a collapse of morale in the organization and dwindling seizures. His dismissal and arrest in August 2004 on unrelated charges may have alleviated the problem, but the episode stands as a dangerous precedent that questions the Tajik leadership's commitment to drug control. Likewise, the Russian military may be instrumental in intercepting large quantities of heroin, but its involvement in the drug trade is widely recognized and has of late been publicly acknowledged.²⁶ Though Tajikistan is desperately poor, great wealth is flagrantly displayed in the mansions of government ministers and other members of the ruling elite, both in the capital and in the provinces. The involvement of officials at the highest levels of the state has been repeatedly, and credibly, alleged. The most publicized example occurred in May 2000, when Tajikistan's ambassador to Kazakhstan was seized with 63 kg of heroin in his car.²⁷ In 2001, the Secretary of Tajikistan's Security Council acknowledged that numerous drug traffickers and couriers are representatives of government agencies, especially law enforcement and security services.²⁸ These instances are compounded by a wealth of allegations implicating leading figures in the heroin industry, and are frequently alluded to by neighboring governments, especially by Uzbekistan.²⁹

Turkmenistan in the late 1990s seized substantial quantities of illicit drugs and precursors, with heroin seizures peaking at nearly 2 metric tons in 1997.³⁰ 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. Since 2000, Turkmenistan has refused to provide data on drug seizures,³¹ but there is no evidence to show that the smuggling of drugs through the country has abated. Quite to the contrary, evidence from police cases of heroin smuggling in Western Europe as well as Iran has uncovered links with

²⁶ Asal Azamova, "The Military is in Control of Drug Trafficking in Tajikistan," *Moscow News*, May 30, 2001. This was the first acknowledgment by Russian officials of the long-suspected involvement of its troops in Tajikistan in the drug trade. See also "Civil Order Still a Distant Prospect in Tajikistan," *Jamestown Monitor* 7, 137 (July 18, 2001); Jean-Christophe Peuch, "Central Asia: Charges Link Russian Military to Drug Trade," *RFE/RL*, June 8 2001.

²⁷ "Heroin Found in Tajik Ambassador's Car in Kazakhstan," *Interfax Kazakhstan*, May 22 2000.

²⁸ "Drug Trade Engulfs Tajikistan, Spills into Russia," *Jamestown Monitor*, January 31 2001.

²⁹ "Tajik Leadership Implicated in Drug Smuggling," *RFE/RL Newslines*, May 20 1999.

³⁰ 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: November, 2002).

³¹ UNODC, *2007 World Drug Report* (New York: United Nations, 2007).

Turkmenistan.³² Anecdotal evidence of grave heroin addiction problems in the country also indicates that smuggling continues to be a growing problem.³³ In December 2003, Chief Prosecutor Kurbanbibi 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 being publicized by domestic agencies. Allegations by exiled former government officers pointing to high-level collusion with the drug trade abound, but the objectiveness of the sources is doubtful as they in their turn have similar allegations directed toward them.³⁴

While Kyrgyzstan does not border Afghanistan, it has become a major transit corridor for opiates from Tajikistan en route north and westward. The focal area is the southern Osh, Jalal-Abad, and Batken areas of the country. Osh is a crucial center for the illicit trafficking of narcotics due to its geographic location, close to the Uzbek border and at the head of the only road connecting the northern and southern parts of Kyrgyzstan. In the southern regions, the government's writ has gradually been withering away, and drug traffickers operate with increasing impunity.³⁵ Moreover, there are clear indications that drug trafficking groups in the south of the country have financed the political campaigns of individuals aspiring to political office.³⁶ International drug control officials confirm that several successful candidates in the 2000 parliamentary elections were elected in the southern parts of the country from the Batken district with the support of drug money.³⁷ The same process was repeated in the February 2005 parliamentary election. Moreover, Kyrgyzstan has gone through rapid changes as a result of the so-called "tulip revolution" in spring 2005. Though not widely reported, this "revolution" seems to have strengthened the position of organized

³² As communicated to the author by the Swedish police criminal intelligence division. Similarly interviews with staff from drug enforcement agencies in Iran have painted a bleak picture of Turkmenistan as a transit state.

³³ "Turkmen Addiction Rising", *IWPR Reporting Central Asia* 64 (August 10 2001). Also numerous personal communications from western researchers in non-political fields visiting Turkmenistan.

³⁴ Rustem Safronov, "Turkmenistan's Niyazov Implicated in Drug Smuggling", *Eurasianet*, March 29 2002; Alec Appelbaum, "Turkmen Dissident Accuses Niyazov of Crimes", *Eurasianet*, April 26 2002; "Russia Turns its Back on Turkmenbashi", *Gazeta.ru*, 27 May 2003.

³⁵ Osmonaliev, *Developing Counter-Narcotics Policy in Central Asia*, p. 22; Oibek Khamidov, "Drug Courier Taken Abroad", *Vecherny Bishkek*, May 19 2004.

³⁶ Niklas Swanström and Svante Cornell, "Kyrgyzstan's Revolution: Poppies or Tulips?", *Central Asia - Caucasus Analyst*, May 18 2005.

³⁷ Author interviews, Bishkek, July 2004.

crime in the country, indeed providing what could become a textbook case of how state weakness and drug trafficking produce the infiltration of state authority by organized crime, even in the absence of armed conflict.³⁸

Uzbekistan is militarily the strongest state in the region, and effectively guards its border with Afghanistan. It is nevertheless believed that substantial quantities of narcotics transit Uzbekistan, mainly from Tajikistan. As elsewhere in the region, corruption in the ranks of the Uzbek law enforcement structures is endemic. The Interior Ministry is also highly autonomous from the Presidential office, a fact that enables the infiltration of the law enforcement structures in spite of the general consensus that the central government is committed to the struggle against the drug trade. Uzbekistan is also the home of well-known suspected organized crime leaders that have significant political clout and semi-official status. The head of Uzbekistan's boxing federation, for example, was denied a visa to attend the 2000 Sydney Olympics by Australian authorities because of alleged links to organized crime. The allegation was vehemently denied by Uzbek officials, sparking a diplomatic incident between Uzbekistan and Australia. Kazakhstan is financially the strongest state and organized crime has relatively little control over the economy; while it is still higher than the international average, with political leaders and high officials undoubtedly involved directly in the drug trade, the level of infiltration and cooption is still much lower by regional standards at least.³⁹

In countries such as Tajikistan, and possibly Turkmenistan, the numerous 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." In this context, the vague concept of corruption is unsatisfactory in understanding the processes occurring in Central Asia. The World Bank uses the term *State Capture* to describe attempts by organized forces, whether legal or illegal, to buy, control, or otherwise influence administrative decisions, legislative acts, court verdicts, or state policy in general. State capture involves transforming the institutions of the state to serve the interests of narrow interests rather than the population at large. This is conducted by businesses, regional interest groups and the like in many developing and post-communist states.

The World Bank definition does not differentiate between the types of interests that seek to influence state institutions. However, when organized crime infiltrates the state in order to influence or affect its decision-making mechanisms, the process is qualitatively different than

³⁸ *Ibid.*

³⁹ Author interviews, 2006-2007.

“ordinary” state capture, in fact amounting to a *criminalization* of the state. Organized crime has infiltrated state authorities in Central Eurasia with an increasing degree of success, in part because of its absolute and relative financial strength in the region, but also because organized criminal networks have a greater interest than most actors in capturing the state, since the state poses the main possible impediment to organized crime.⁴⁰ Consequently, pervasive state weakness in Central Eurasia has enabled the gradual criminalization of state authority in the region. At present, the question is whether drug trafficking in Central Asia is turning into a business conducted by states or individuals in official positions in states—and whether government complicity is in fact a main reason for the booming organized crime in the region. In this sense, there is substantial reason to argue that the crime-terror nexus in the region has been paralleled by a *crime-state nexus*.⁴¹

Vicious Circle

Central Asia is characterized by the weakness of the states in the region and their pervasive economic and social difficulties, which are intimately interrelated with organized crime. The primary weakness of the Central Asian states is grounded in the fact that, before 1991, no independent state, kingdom, or emirate had existed with the same name or similar borders as the five post-Soviet Central Asian states that suddenly gained independence. These territorial units were created by the Soviet central government in the 1920s, and the delineation was plagued by arbitrary decisions, much like colonial border delimitations in Africa and elsewhere, and with a direct interest in dividing the existing identities and creating new ones. The borders are an obstacle to transportation as well as legal and political and economic relations between and within countries; all this in an area that historically constituted a single economic space.⁴² Accordingly, the border delimitation created economically unviable states whose component parts are geographically isolated from one another. Numerous enclaves, small territorial units belonging to one state but encircled by another, exist, but, more crucially, topography forms a formidable impediment to the physical unity of states, especially in Kyrgyzstan and Tajikistan. Since independence, this has grown to be a significant impediment to trade and economic relations, especially with the securitization of borders following the

⁴⁰ Swanström, "The Narcotics Trade: A Threat to Security?"

⁴¹ Cornell, "Narcotics and Armed Conflict: Interaction and Implications".

⁴² For more information see: S. Frederick Starr, (Ed.) *The New Silk Roads: Transport and Trade in Greater Central Asia* (Washington DC: Central Asia-Caucasus Institute & Silk Road Studies Program, 2007).

Islamic insurgency of the late 1990s and efforts to combat organized crime.⁴³

The absence of historical statehood and the existence of practical boundary problems contribute to existential fears among Central Asian ruling elites, a problem that is reinforced by organized crime and the increasing weakness of the states. The weak legitimacy of states, both internally and externally, was exacerbated by the absence of vital state institutions at independence. This absence has been widely exploited by organized crime and, to a certain degree, they have filled the vacuum and become a more legitimate security provider. These factors contribute to making state-building and the consolidation of sovereignty a primary priority for ruling elites in all countries, a process that is now under pressure from decreased internal legitimacy and organized crime. In turn, ruling elites have eschewed deeper regional cooperation (for example in combating organized crime), understood to be a weakening of sovereignty.⁴⁴ Economic development and a possible economic bulwark against organized crime in the Central Asian states is mainly limited to raw material production, and especially cotton production and energy extraction, while traditional agriculture has been downgraded. Their industrial products are expensive, of low quality, and are not in demand internationally, while the cost-efficiency of their primary products is uncompetitive. Oil and gas have particular potential for Kazakhstan, Turkmenistan, and to certain degree Uzbekistan, even if this is today far from the lucrative business it can become in the future with proper infrastructure that is not directed to Russia solely. Central Asian integration into the world economy has been complicated by the states' landlocked geography, as Afghanistan's continued unrest has hitherto prevented the restoration of traditional trade routes to South Asia and so sustained economic dependence on Russia. All this makes the Central Asian states, most significantly Tajikistan and Kyrgyzstan, dependent on organized crime and more specifically the heroin trade.

Afghanistan has, in contrast to Central Asia, existed as a distinct entity for two centuries, but its slow process of state-building was completely undone by the Soviet invasion of 1979 and the ensuing civil war that lasted for a generation with various configurations of power.⁴⁵ The war led to the collapse of Afghanistan's infrastructure and economy

⁴³ Svante E. Cornell and Regine A. Spector "Central Asia: More than Islamic Extremists", *The Washington Quarterly* 25, 1 (Winter 2002); Swanström, "The Narcotics Trade: A Threat to Security?"

⁴⁴ S. Frederick Starr, "Central Asia in the Global Economy", Supplement to *Foreign Policy Magazine*, September 2004.

⁴⁵ Larry P. Goodson, *Afghanistan's Endless War* (Seattle: University of Washington Press, 2001); Ralph H. Magnus and Eden Naby, *Afghanistan: Mullah, Marx and Mujahid*, (Boulder, CO: Westview, 1998).

and to its international isolation, especially during the 1996-2001 Taliban government. The isolation and the centrality of Afghanistan made it quickly the main contender for controlling opium and heroin production. With few institutions that could counter organized crime and with low economic development, it became a pivotal actor in production and today controls more than 90 percent of the total international production of opium. In terms of organized crime and opium production in the historical heart of Central Asia, Afghanistan's centrality to the political and economic future of the entire Central Asian region became increasingly clear by the late 1990s. It is, at one and the same time, the main security threat to the Central Asian region through its exportation of opium and heroin, but also the hope for Central Asia's economic reintegration into the world economy, as transportation links through Afghanistan to Pakistan and onward were understood to be crucial to the region's future. This has strengthened the linkages between Central Asia and Afghanistan and also made it much more difficult to effectively combat organized crime.

Political Development versus Organized Crime

The relationship between organized crime and political stability and development seems to go in both directions. Weak states are easily penetrated by organized crime and co-opted to a high degree; while strong organized crime seems to weaken states and their operational ability to a very large extent. It seems obvious that organized crime in Central Asia affects state functions negatively and allows little or no independence, i.e. political development. It is even so problematic that the legitimacy of the state is directly affected and in some ways threatened by the influence of organized crime.⁴⁶ Political and legal corruption and cooption have become so commonplace in some states that it has been generally accepted by the people to a degree that was hitherto unheard of. There is really not much the national governments of these states can do to combat organized crime individually, as most states are too weak and too integrated in the business themselves.

When the legal and political structures have become so infested with corruption and illegal control, it is very difficult to reverse the development, as much of the economy and potential personal gains are directly connected to organized crime. The more illegal structures establish themselves, the more difficult, and eventually virtually impossible, it becomes to use political institutions to decrease the influence of illegal structures and improve political participation. It is difficult to see organized crime being interested in create political institutions independent of the criminal structures, especially as they

⁴⁶ Swanström, "The Narcotics Trade: A Threat to Security?"

would potentially be used to combat organized crime or at least improve the surveillance functions. Too many individuals and organizations simply have too large a stake in securing the current structures, and it has become extremely difficult to reverse this without extreme measures. This makes it impossible in reality to ensure stable political and economic development without a secure foundation to start with. There is a need to strengthen and create “islands” of resistance in the individual states and improve the institutions in Central Asia to more effectively combat the problem. Without doubt this requires strong international support and a long term engagement, an engagement that is not prevalent today.

The Long Road to Political Development

Before political, and also economic, development can take place, there is a need to secure a base of stability. When organized crime is in control, partly or fully, of state institutions, the state carries little or no legitimacy and both the economic and political spheres are corrupted. At this stage it is very difficult, if not impossible, to improve the economic and political structures as there would be strong incentives for organized crime to prevent interference. Political development would in essence be impossible without creating independent and less corrupt institutions. Similarly economic development would be impossible as organized crime controls every aspect of the economy either directly through extensive drug trafficking or indirectly through investments and money laundering. Major restructuring of the institutional base is required, which has been called Security Sector Reforms or Institution Building among many other terms. The fundamentals are that without an institutional base it is impossible to secure further development. Institutions need to be manned by uncorrupt officials with both a moral superiority and salaries that make them more difficult to corrupt. Building on human resources is crucial in this process and, in contrast to the building of institutions, the human factor takes both a longer time and resources from the state and the international community. There are a number of engaged people in the region, but they need to be given resources and installed in the right places by their own governments to combat organized crime and to strengthen the institutions in this effort.

The second level is to control the economic sector. Since organized crime tends to be so comprehensive in many of the Central Asian states, it would be difficult to forge any political development before the economic sector is reformed. This is because the political structure could still be influenced heavily by the very strong economic incentives that organized crime offers to political leaders and the population at large in economically weak states—but also in more affluent societies, too. The

economic incentives are simply too great to disregard, and this is especially the case in societies such as Afghanistan, Tajikistan, and Turkmenistan where the licit economy is very weak. Any attempt to create a political structure that would limit organized crime without reducing—eliminating is almost impossible—criminal influence over the economy would be redundant. International investments in Central Asia will be largely absent unless this can be handled, with the exception of the oil and gas industry which seems to prosper regardless of the current problems due to the high demand and importance of diversification. Strengthening the economic institutions would require tying them to the international norms of the World Bank and the WTO. Before this can be done there is a need to train economists and legal experts, and expose them to other systems. This can be done through exchange programs, but also through more direct training programs where the people are removed from their respective constituencies and then reinstated after finalized training. This would carry some legitimacy problems, but could be essential in the worst affected states. The same goes for the legal and policy institutions in the region. This is a simplified version of the process, whereas in reality all processes emerge simultaneously. However, it is crucial that institutional development is established in the respective area before economic development and political reforms are initiated, due to state complicity in organized crime in Central Asia.

It becomes important to create and strengthen new institutions that are able to counter organized crime, i.e. islands of stability. This is difficult to accomplish without strong external intervention and the complete restructuring of the institutions. As already mentioned, a telling lesson comes from Mexico where the drug enforcement agency had to be reorganized three times in the 1990s before it could effectively function—this even in a national setting where the criminal organizations did not have the same control over the economy as they have in Central Asia. A primary concern for the states in the region, but also the EU and the U.S., should be to strengthen existing programs that engage the positive elements within parliaments. For example, some cooperation has been established by the EU Parliamentary Cooperation Committee and its joint sessions with Kazakhstan, Kyrgyzstan, and Uzbekistan. But this cooperation needs to be expanded and more prioritized. Much could be learnt from already existing bilateral engagements, and it would be of benefit to follow the initiatives that have already been initiated such as the cooperation between the French Senate's administration and the Uzbek Oliy Majlis's (parliament's) Senate that could potentially strengthen political and legal institutions in Uzbekistan and elsewhere.⁴⁷

⁴⁷ Nicklas Norling, "The EU's Central Asia Strategy: The Adoption of a Strategy Paper 2007-2013" *Central Asia and Caucasus* 3, 45 (2007), p. 13.

It is crucial that economic structures in Central Asia adhere to international norms and values (i.e. IMF, WB and ADB) to improve the climate for licit economic development and international investments. International investments and international trade will not be accomplished without a reasonable, acceptable legal structure that is guided by predictability and recourse if disputes arise. Moreover, open and transparent economic institutions will first of all increase the costs for money laundering and illicit investments, increase the critique and surveillance of illicit activities, increase the transaction costs for criminal organizations, and, in the end, decrease profit. Only when this is accomplished will it be possible to establish political reforms and development.

Much of the problem is directly related to the tremendous economy behind organized crime, in particular the heroin trade. The trade is a source of huge economic value in a region where both criminal elements and terrorist/rebels would lack large funds without it. The engine behind this is the profit made and it is also there where the international community can act. Money laundering could be made much more difficult if there were more genuine interest, but the reality is that many states and organizations benefit greatly from this trade. However, “going for the money” is a recipe that more states need to take seriously if the trade and the impact on states will decrease. It is not a question of eliminating the trade as such, but rather to increase transaction costs and decrease profit for the criminal organizations. If there is less profit there would naturally be less political impact on the states affected by the trade.

Conclusion

Central Asia faces a great challenge in terms of political reforms and organized crime. In essence, organized crime has strengthened its position in the region steadily after independence, to the detriment of state stability and a free and independent economy as well as development in the political sphere. Needless to say political reforms have been largely absent. This has had a spiral effect, for in lieu of a stable political and economic situation in the region, government officials and militants have increasingly been relying on organized crime as a provider of resources and benefits. It has become apparent that organized crime inhibits political development, but also that weak states reinforce organized crime. Without doubt organized crime has increasingly strengthened its position in many states around the world, but the states of Central Asia are more affected than most other states.

Efforts to combat organized crime have been misguided as they have relied on institutions that have already been co-opted or at least corrupted

by organized crime; this has effectively hindered any meaningful attempts. Similarly, voices for political reforms have been raised internationally, regionally, as well as nationally in Central Asia, but reforms have been largely absent due to the lack of institutions and non-corrupt officials to work with. Many officials are not heavily involved in the business but nonetheless a critical level has been reached in many states. The restructuring and reform of institutions and a strengthening of the situation so that positive forces can take hold and combat organized crime in these states is needed first before economic development can take place. Thereafter political reforms have a greater chance for success.

The international community is by no means innocent in this struggle: the commitment to fighting narcotics in Afghanistan has been dismal and has left much to be desired. Greater efforts need to be implemented in an effort to increase transaction costs by making trade more difficult and less profitable. Much of the aid policy needs to be reformed by possibly focusing less on creating democracy *today* and more on improving the current situation and creating institutions and structures to combat organized crime—which would lead to sustainable democratic development tomorrow.