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DRUGS IN THE EAST

by Rensselaer W. Lee III and
Scott B. MacDonald

The former Soviet bloc countries, occupying the vast Eurasian region stretching from Prague to Vladivostok, make up an increasingly large part of the world’s dismal drug panorama. They can no longer isolate themselves from the international narcotics trade that profoundly affects the economies, societies, and political institutions of countries throughout the world. Narcotics syndicates, once entrenched, can infiltrate the upper reaches of the power structure, establish territorial bases, alter the dynamics of national and regional power relationships, and revamp employment and foreign trade patterns, as they have in South America. The narcotics industry and the political movements it supports can contribute to the kind of violent political and economic disintegration that is now witnessed in such states as Afghanistan, Lebanon, and Peru. Meanwhile, the United States and other consuming countries must be concerned by the rise of drug trafficking in the former Soviet bloc countries because the world drug trade aggravates a wide range of social problems, including violent crime, homelessness, joblessness, and AIDS.

To be sure, the countries of the former USSR and Eastern Europe have so far felt fewer adverse consequences of drug abuse and drug trafficking than many other countries

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because the bloc's relative isolation from the West during the communist period precluded a significant influx of Western hard drugs like cocaine, heroin, and crack. In the controlled economic system of the communist world, small and uncoordinated narcotics traffickers found little opportunity to accumulate vast wealth. With the end of the Cold War, however, the newly liberated states of Eastern Europe and the Commonwealth of Independent States (CIS) have opened up an important new frontier for illicit drug traffic. The demise of communist totalitarianism in the East, the transition from socialist to free-market economies, and access to the global economy have kindled new incentives and opportunities for organized crime, including the narcotics industry. In addition, political liberalization and the easing of social controls have spurred urban young people, as well as many others, to experiment with psychoactive substances, a practice that has generated new demand. Uncertain economic conditions, weak law enforcement, permissive drug laws, unprotected frontiers, and porous financial systems further bolster the rapid rise of a vast new narcotics industry.

Western governments have been slow to react to those disturbing trends. Concerned with economic reform, ethnic strife, and disarmament, Western policymakers have failed to develop a coordinated antidrug strategy. To date, the total flow of U.S., European Community (EC), and United Nations narcotics enforcement assistance to the former Eastern bloc probably totals no more than $7-$9 million—and most of those funds have gone to heroin transit countries in Eastern Europe. In comparison, in fiscal year 1993, the United States has requested almost $7 million in such aid for Ecuador, a relatively peripheral trafficking country. Czechoslovakia, Hungary, Poland, Yugoslavia, and the former Soviet republics did not even make the State Department's 1992 list of 50 drug-producing and drug-trafficking countries, the annual International Narcotics Control Strategy Report, while minor trafficking countries like the Ivory Coast, Nepal, and Senegal were at least given a page. The United States has not dedicated a
Drug Enforcement Administration (DEA) or State Department narcotics representative for any of the postcommunist countries.

Such lapses seem shortsighted. During the 1990s, the former communist bloc countries will have the potential to flood Western and U.S. markets with narcotics, especially amphetamines, hashish, and opium derivatives. What is even more disturbing, the unrestrained growth of criminal narcotics enterprises threatens the integrity of Eastern economic and governmental institutions, magnifies the potential for East-West conflict, and complicates the building of a stable postcommunist order in Eurasia.

The former Soviet republics, economically poor but well endowed with narcotics crops, seem especially vulnerable to political and economic corruption by drug dealers and their criminal cohorts.

Fighting the war on drugs in the postcommunist states will be difficult because they offer extremely attractive opportunities for drug trafficking and for laundering drug money; in addition, a variety of historical, attitudinal, legal, regulatory, and economic factors work to undermine drug law enforcement in those states. The legacy of communism is itself a central factor. Communist leaders in the Soviet Union and Eastern Europe rigidly adhered to the belief that illegal drug trafficking was a problem peculiar to decadent capitalist societies. As a consequence, police, public health officials, and financial authorities in formerly communist countries now lack the training to deal with drug abusers and remain largely unprepared to cope with an unfettered drug trade.

Such political myopia permeates virtually all institutions. Just as police have little experience in investigating trafficking organizations, recognizing narcotics, and tracking the flow of drug money, health personnel have not been educated to identify drug addiction symptoms, furnish appropriate care, or conduct epidemic-
logical research. Schools, employers, families, and the news media do little to educate potential users about the health hazards associated with drug abuse. Instead, they reflect the prevailing belief that antinarcotics propaganda is actually counterproductive, and that it only stimulates curiosity about drugs, particularly among the young.

Political myopia is reflected by the antiquated drug laws that prevail throughout much of the postcommunist world. Drug use is not a crime in the Czech Republic, Kazakhstan, Poland, the Russian Federation, Slovakia, or Turkmenistan. In Poland, the penalties for trafficking that do exist are not necessarily imposed, even for those caught with large quantities of drugs. From 1985 to early 1992, not a single Polish amphetamine trafficker had been convicted and imprisoned by a Polish court. In the Czech Republic and Slovakia, a major loophole in the current narcotics law permits individuals to cultivate marijuana for botanical, horticultural, or aesthetic purposes; marijuana seeds are sold openly in local shops. In both Poland and the former Czechoslovakia, extraditing citizens is specifically prohibited, thus making it substantially more difficult for authorities to confront the transnational drug trade. Also, in many postcommunist countries, weak or nonexistent conspiracy statutes preclude the punishment of known drug criminals. Although planting narcotics crops and transporting and selling narcotics are crimes unless authorized by the government, strict rules of evidence virtually require that the perpetrators be caught in the act. As a narcotics official in Uzbekistan’s Ministry of Internal Affairs notes, “The organizers, the growers are not here in the field; they are back in the villages and to prove their involvement is impossible under the legal system.”

Not surprisingly, the authorities themselves exhibit a relatively relaxed attitude toward illicit drugs. One Polish Interpol official commented, “Fighting drugs is a low priority for us. Prosecutors, judges, and even police regard this crime in the same category as petty theft. They do not recognize that trafficking poses a threat or danger to society.”

Drug law enforcement also suffers from a
lack of broad-based citizen support. The law enforcement tactics employed during the communist era bred a deep and pervasive popular mistrust of the police. Consequently, criminal investigations continue to be hampered by the authorities' inability to recruit citizens as informants or to find witnesses who will testify in court cases. Prosecutorial systems in countries such as the Czech Republic, Poland, and Slovakia contribute to the malaise, offering little latitude for plea bargaining, so traffickers have little incentive to confess crimes, identify accomplices, or furnish details about their organizations.

The CIS is an ideal world for organized drug groups.

General economic and political disarray throughout the former communist world imposes an additional constraint on drug law enforcement. The Polish police budget, for example, declined 13 per cent from 1990 to 1991, forcing the police to limit the use of patrol cars to 60 kilometers per day and to abandon plans to modernize vehicles and purchase new car radios. Incredibly, there are only about 30 full-time drug enforcement officers for all of Poland, and their annual funding totals only about $100,000 or $200,000. Friedrich Moog of the German Ministry of the Interior estimates that Eastern Europe as a whole will need 1 billion deutsche marks (around $650 million) to meet the material needs of police forces for the next two years. In the former USSR, chaos characterizes law enforcement, especially in the Central Asian states, which relied on Moscow for much of their antidrug manpower and resources. Critical shortages of basic equipment like vehicles, typewriters, computers, herbicides, and bulletproof vests are common. As drug crops are increasingly sown in inaccessible mountain or desert regions, police forces stand by, virtually helpless.

The postcommunist states also make an inviting target for criminals seeking a place to stash their narcotics earnings. In the CIS and most East European states, money laundering
is not illegal. Banks are not legally required to report deposits, transfers, and withdrawals, and banking authorities have no incentive to screen their clients or report suspicious transactions. In Poland, the convertibility of local currency and the absence of controls on importing and exporting foreign exchange generate additional incentives to launder drug profits there.

Although the former Czechoslovakia and Hungary recently passed laws to control money laundering, the new laws will be difficult to implement: Western accounting procedures are relatively new, and bank regulators are generally inexperienced in conducting financial investigations. Moreover, increasing East-West economic integration and the stabilization of the ruble in the CIS will undoubtedly reduce the inconvenience of converting Eastern currencies. The European Community recently tightened its own laws on money laundering, encouraging the transfer of drug funds into more loosely run Eastern institutions.

In fact, lax laws and officials, a porous financial system, and stricter drug laws elsewhere have all encouraged drug traffickers to move east. While Balkan countries, especially Bulgaria and the former Yugoslavia, traditionally served as a transit region for narcotics moving between Turkey and Western Europe, the supply chain now extends to Central Europe. Traffickers convey record quantities of cocaine and heroin through the Czech Republic, Hungary, and Slovakia. Although still small by U.S. standards, the shipments are part of a dangerous upward surge. The relaxation of customs controls in the late 1980s and 1990s and the military conflict in Bosnia, Croatia, and Slovenia have prompted Iranian, Turkish, and Yugoslav traffickers—who dominate the overland heroin trade in Europe—to ship more heroin northeastward through Hungary, Slovakia, and the Czech Republic and from there across the Czech-German border. German heroin seizures along the Czech-German border exploded from 8.5 kilograms in 1989 to 616 kilograms in 1991, increasing as a proportion of total heroin impounded by German border officials from 5 per cent in 1989 to 60 per cent in 1991. Further, Colombian traffick-
ing organizations associated with the Medellin and Cali cartels are contemplating using the Czech Republic, Slovakia, Poland, Hungary, and even Russia as staging areas for smuggling cocaine to Western Europe. While such a route is exotic and undoubtedly expensive, cocaine’s European selling price of $50,000–$55,000 per kilo—compared with $15,000–$20,000 in the United States—makes the option one that traffickers can easily afford.

**Eastern-Made Drugs**

Northeastern Europe is also evolving into a source region for amphetamines, and Poland ranks as the most important producer and exporter. Polish amphetamines are currently the highest-quality drugs in Europe, with purity levels often ranging from 97 per cent to almost 100 per cent. According to figures released by Swedish forensic laboratories engaged in an amphetamine-profiling project that analyzes the chemical signature of amphetamine sulfate seized in Europe, Poland plays an ever increasing role in the amphetamine supply business: By 1991, 20 per cent of the amphetamines captured in Western Europe were made in Poland, up from only 6 per cent from 1985 through 1989.

While the CIS is not yet a significant drug exporter, it has a gigantic base of the raw materials needed for the production of illicit drugs. Huge expanses of mostly wild marijuana—possibly more than 1 million hectares—reportedly grow throughout CIS territory. Central Asian officials told a visiting U.N. team in the spring of 1992 that some 200,000 hectares of marijuana now thrive in Kazakhstan and Kyrgyzstan—about five times the recorded marijuana cultivation in the rest of the world—and that an additional 1 million hectares might be germinating in Russia. Drug manufacturers frequently process Central Asian marijuana into hashish, one of the most commonly used drugs in the CIS. An estimated 3,000–5,000 hectares of illegal opium poppies have been cultivated in Central Asia, mostly in Tajikistan, Turkmenistan, and Uzbekistan.

Although Central Asia does not maintain a monopoly on drug crops, the region’s high-quality drugs dominate illicit drug markets in
Moscow, St. Petersburg, and other major Russian cities. The narcotics relationship between Central Asia and Russia is comparable to the one between Latin America and the United States. Since the collapse of the USSR, which obliterated Moscow's direct control over Central Asia's law enforcement institutions, the parallel is becoming ever more apparent. The potential for conflict between Russia and Central Asia over the narcotics issue is evident. As Yevgeny Primakov, chief of the Russian intelligence service, declared in a recent interview: "Russia has no interest in leaving its borders open so that they can be crossed by gangs carrying weapons and drugs."

**During the 1990s, the former communist bloc countries will have the potential to flood Western markets with narcotics.**

In response to dismal economic conditions and rising demand for drugs, especially from the Slavic regions of the former Soviet Union, drug-crop cultivation in Central Asia has exploded. The chief of the antinarcotics unit of the Uzbek Ministry of Internal Affairs reports a 10-fold increase in the amount of poppies sown in only the past three years. Poppy cultivation offers enormous economic returns. In mid to late 1992, a hectare of Uzbek opium poppies translated into a gross annual income of at least 2,000,000 rubles (between $5,000 and $8,000)—approximately 20 times the earnings from a hectare of cotton and 35 times the income from a hectare of vegetables.

Central Asia's emergence as a major narcotics supplier might well be unstoppable. After the Soviet Union dissolved, Moscow ceased funding counternarcotics operations. Governments in the region lack the resources and probably the political will to continue fledgling counternarcotics programs begun by Moscow. Central Asia's grim economic conditions—poverty, expanding populations, and high unemployment—propel ever larger numbers of Asians into the lucrative opium business.

Dire economic conditions throughout the
former Soviet bloc have aggravated drug abuse, long a serious—albeit until recently little-discussed—problem. Throughout the region, patterns of drug abuse developed in isolation from the international narcotics market. The principal Western hard drugs—cocaine, crack, and heroin—were, and remain, difficult to obtain in postcommunist countries. The pattern of drug abuse does, however, vary somewhat by country. Home-made poppy derivatives, especially injectable compounds made from poppy straw or opium, are common in Poland, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. Marijuana and hashish are particularly prevalent in Kazakhstan, Kyrgyzstan, and Russia. Ephedrine-based amphetamines (actually meth-amphetamines) are gaining popularity in the Baltic states, the Czech Republic, Russia, and Slovakia. Also, the synthetic opiates methadone and trimethylenemethane, produced mostly in underground laboratories in Azerbaijan, are beginning to appear in Russian cities.

Not surprisingly, there is little reliable data on the number of people abusing drugs in Eastern Europe and the CIS. That is hardly surprising: The communist regimes viewed drugs as an affliction of capitalist societies and did not encourage epidemiological research on the subject. Health authorities thus have a weak overall understanding of the nature and scope of drug consumption. Yet even without reliable data, drug abuse appears to have reached serious proportions in some formerly communist states. Although the number of Poles treated in hospitals and outpatient facilities remains relatively small (only 6,700 in 1989), a senior health official estimated the drug-abusing population at anywhere from 50,000 to 300,000 in 1991. Needle sharing among addicts and unsanitary practices in the street sale of kompot (liquid heroin) contribute to the rapid spread of AIDS in Poland. Many addicts buy from street dealers who sell the drug from large bottles by the cubic centiliter. The same bottle serves as many as 100 addicts, who insert syringes and extract the required doses. According to 1990–91 health statistics, approximately 1 in 12 Polish drug addicts is infected with the AIDS virus, and
more than two-thirds of all HIV-infected people use drugs. An AIDS epidemic in Poland would certainly accelerate the spread of the disease in other parts of Europe.

Some indicators suggest that drug use in the former Soviet Union is increasing rapidly. Between 1985 and 1990, the number of drug addicts as a percentage of the Soviet population increased by more than 70 per cent, according to the Soviet Ministry of Health addict registry (though the number of new cases in most Soviet republics peaked in 1987). Soviet leader Mikhail Gorbachev’s ill-conceived anti-alcohol campaign in 1985–87, designed to reduce violent crime (alcohol figures in about 70 per cent of the murders committed in the USSR) and to bolster lagging productivity, probably contributed to expanding drug use by driving many young people to replace alcohol with other drugs. Young Soviets became familiar with drug use during the Afghanistan war, which provided a conduit for the large quantities of Afghan opium and hashish entering the Soviet Union and later stimulated increased production of those narcotics in the Central Asian republics. In the Slavic republics, the rapid growth in drug addiction rates between 1985 and 1990 ranged from a 90 per cent increase in the Russian Republic to a 320 per cent increase in Byelorussia. According to one of Moscow’s top narcologists, Eduard Drozdov, the percentage of Moscow secondary school students who sampled drugs increased from 6.4 per cent in 1986–87 to 16.5 per cent by 1992. Drozdov also pointed out that, in some of Moscow’s professional technical schools, virtually the entire student body has experimented with narcotics. Drug abuse will likely worsen. The Russian parliament’s decision to remove criminal penalties and fines for nonmedical use of drugs in December 1991—functionally an attempt to legalize use—will almost certainly foster the spread of narcotics in the Russian federation.

Central Asia also shows signs of the problem. In four of the five Central Asian republics—Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan—drug abuse rates in 1990 exceeded those in Russia and most other former Soviet republics. However, the compara-
tive rate of increase in drug use is smaller in Kazakhstan and Uzbekistan than in Russia, and Kyrgyzstan and Turkmenistan actually recorded declining addiction rates in 1985-90. Tajikistan stands out as the anomaly in the Central Asian group: The addict population is much smaller than Russia’s, but is growing somewhat more rapidly. At the same time, drug production in Central Asia—or at least commercial processing of opium poppies—appears to be increasing at an alarming rate, primarily to serve the expanding ranks of consumers in the Slavic regions of the former USSR.

Mafia Menace

The emerging drug trade in the post-communist states has attracted organized crime as well. Criminal organizations are rapidly acquiring the capability to transport drugs across regional and national boundaries, and international traffickers are gaining footholds in the region—a development that will ultimately enhance the sophistication of local trafficking and fundamentally alter the nature of the drug industry in Eurasia, making it more violent and difficult to eradicate.

Poland’s amphetamine industry constitutes the most sophisticated indigenous narcotics enterprise in the postcommunist world. Judging from the extremely high purity of the final product, criminal groups apparently use first-class laboratory equipment and highly qualified chemists. Yet Polish amphetamine gangs remain fairly rudimentary by international standards. Unlike the more advanced Colombian organizations, they exhibit little permanent structure or vertical integration and lack a core of salaried employees. However, the traffickers can ship drugs to markets in Germany and the Scandinavian countries, procure essential chemicals, and even clandestinely manufacture chemicals in Poland. Most important, Polish traffickers are adept at keeping the authorities at bay.

Like successful trafficking organizations elsewhere, Polish amphetamine gangs are starting to buy into the legal economy. They use their businesses as fronts to launder money, smuggle drugs, develop ties with the local authori-
ties, and make international contacts. Outside of Poland, especially in Germany and the Scandinavian countries, amphetamine gangs operate through a kind of Polish pipeline—a broad network of resident Polish citizens or former Polish nationals who serve as critical links in the wholesale trade, receiving drugs from Poland, storing them, and reselling them to local distributors. The Polish pipeline can move any type of drug into Western markets: Central Asian hashish, Afghan heroin, or even Colombian cocaine.

Ominously, international trafficking organizations are seeking to co-opt more East European nationals into smuggling. Their strategic objectives are easily discernible: to widen avenues of penetration into West European markets and to reduce the visibility and exposure of the parent organization. The authorities associate Colombians, Nigerians, and Turks with organized drug trafficking, making them targets for customs officials at national borders; East European nationals do not suffer that stigma.

The aggressive Colombian Cali cartel recently recruited Polish couriers to smuggle cocaine across the Polish-German border. For instance, in October 1991, Polish customs officials at Warsaw International Airport arrested a Colombian nurse carrying 600 grams of cocaine in vials she had swallowed. Police interrogation linked the woman to the Cali cartel and revealed that she had instructions to deliver the cocaine to a Polish courier who would then transport the cocaine to Germany across the Polish-German frontier. In September and October of 1991, Czechoslovak and Polish authorities impounded two 100-kilogram loads of cocaine hidden in bean shipments. The cocaine was destined for a Czechoslovak-Colombian agricultural import company based in Prague, for further shipment to the Netherlands. A Colombian national and, interestingly, two former intelligence officers from Czechoslovak security forces jointly owned the shipping company—perhaps a harbinger of organized crime’s future in the East.

Many Yugoslav traffickers are apparently motivated by more than profit, providing fi-
nancing and equipment for the Yugoslav civil war. Many, if not most, of the Yugoslavs arrested in Europe on drug charges in 1990 were Croats and ethnic Albanians, the latter from Serbia’s Kosovo province. Though Croatia has now more or less gained its independence, many ethnic Albanians in Kosovo demand freedom from Serbian domination, possibly as a prelude to Anschluss, or union, with Albania. Albanians have purchased semi-automatic weapons in Bern and Basel, using the proceeds from heroin sales in Switzerland. An analysis of other reports suggests that the Albanians either sold the weapons to Croats or passed the weapons to Kosovo’s Front of Resistance and National Liberation of Albanians (a small extremist group whose goal is to unite the ethnic Albanians residing in Kosovo with Albania), which claims to represent the 2-million-strong Albanian majority in that province. Other ethnic splinter groups might turn to narcotics trafficking to finance their own separatist or irredentist ambitions. The governments of the ethnically mixed countries that serve as source or transit countries for narcotics in the East—Kyrgyzstan, Russia, and Uzbekistan, for instance—view such a prospect as very disturbing indeed. Because narcotics industries threaten to exacerbate instability and civil hostilities in the postcommunist world (as they have in Burma, Peru, Lebanon, and elsewhere), the United States should take an active stand against the spread of such enterprises.

Interregional criminal organizations have also emerged to transport Central Asian drugs into the Slavic CIS countries. Caucasian groups—like the Azeris, Chechens, and Georgians—travel to Central Asia, purchase the drugs from local dealers, and distribute them in Kiev, Moscow, St. Petersburg, and other major cities. Several years ago, individuals or relatively small, uncoordinated groups managed the distribution of narcotics in major Soviet cities. Today the market is much more highly structured. Such gangs—which sometimes boast modern transportation, weapons, and communication equipment—pose a major challenge for the usually understaffed, under-equipped, and underfunded police forces in
the cities of the CIS.

Even more disturbing, organized drug criminals are making inroads into the legitimate sectors of postcommunist societies. On the economic front, cooperative commercial ventures established as a result of Gorbachev's perestroika campaign in 1985 act as convenient legal covers for laundering drug money; like the "protection" rackets that infest major Russian cities, drug traffickers' inroads into the commercial sector create corruption and anxiety about the privatization process. Organized criminals also corrupt the struggling governments of the CIS, especially in the poppy cultivation zones of Central Asia. In Uzbekistan, for example, leading drug dealers reportedly hold positions in government. Traffickers also bribe local officials, reducing the effectiveness—and credibility—of already weak governments.

In fact, the CIS is an ideal world for organized drug groups. The CIS retains a common economic space and almost transparent borders—although Russia reportedly intends to monitor its borders more closely—but law enforcement remains a prerogative of the sovereign member states. Though CIS interior ministries signed a document on antidrug cooperation in Kiev last October, agreements must still be hammered out on matters such as interdiction, joint investigations, crop eradication, antidrug legislation, and extradition. In effect, traffickers can roam freely around the Commonwealth, but the authorities are not free to pursue them. Moreover, in the near absence of customs controls, shipping drugs from Tashkent to St. Petersburg, for example, is virtually risk free. The Central Asian states are hypersensitive about their newly gained sovereignty and recoil from giving the Russian police information about local trafficking groups or drug shipments in progress. Finally, a new class of untouchables, beyond the reach of the law, has risen from the ruins of the Soviet empire. In Moscow, for example, Azeri clans control an estimated 80 per cent of the retail narcotics market. Yet the brain centers of those families—the organizers and financial controllers of the traffic—reside in Azerbaijan. In the absence of an extradition
agreement between Russia and Azerbaijan, Moscow authorities cannot touch the Azeri kingpins.

The Western Response

Confronting increasingly out-of-control drug traffic, police and public health officials from Warsaw to Bishkek desperately need antidrug assistance from Western countries, especially the United States. They need many things: helicopters, herbicide, vehicles, Western assistance in organizing and carrying out eradication missions, Western advice on improving their criminal legal codes for narcotics and on tracking the flow of illegal drug money, and foreign assistance in coordinating epidemiological surveys and the testing and production of drugs that show promise in treating addicts. But their appeals have not brought much response thus far. The region receives miserly antinarcotics assistance, and Washington—mired in an expensive and unproductive cocaine war in the Andes—has viewed drugs in postcommunist societies as an exotic and essentially tangential problem.

However, the West should take notice. The former USSR—by virtue of its size, geographic location, and potential for cultivating drug crops—will likely become a significant exporter of narcotics during the 1990s. Central Asia, because of its proximity to the Golden Crescent countries, will almost certainly be a staging area for moving narcotics from many regions.

Compared with other areas of the world—Southeast Asia, South America, Mexico—the problem appears relatively manageable. Trafficking organizations in the postcommunist world do not yet possess the technical capabilities and distribution links common in the Colombian cartels, the Turkish heroin clans, or the Chinese triads. Heroin refining has not yet caught on in former Soviet states, and although the gigantic marijuana fields in the CIS would daunt even the most determined eradicators, the Central Asian opium production of some 3,000–5,000 hectares stands on a par with production in Colombia or Thailand—not with that of major producers such as Burma and Laos. Generally, drug dealers

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have not yet bought into the upper reaches of the bureaucracy and the political system. As the chief of the Kyrgyz Interior Ministry's antinarcotics unit, Aleksandr Zelichenko, observed, "It is very worthwhile to invest money in our republic so that you do not have a second Colombia or Bolivia on your hands." He makes a good point: The marginal effect of sending drug-fighting assistance to the Central Asian countries could be much greater than sending the same resources to the Andean countries, where coca covers more than 200,000 hectares and where hundreds of millions of dollars in U.S. funding since 1989 have failed to make a dent in cocaine production.

By 1991, 20 per cent of the amphetamines captured in Western Europe were made in Poland, up from only 6 per cent from 1985 through 1989.

Although the emergence of a sophisticated Eurasian narcotics industry clearly threatens Western Europe, the risk to the United States seems less obvious. However, if regions such as Central Asia become major new opium, heroin, and cannabis producers, the worldwide supply of such drugs will undoubtedly rise significantly. If better transportation and marketing arrangements are negotiated, Central Asian drugs could flood the world market. In the near term, Central Asians—or Iranians, Pakistanis, Turks, or other enterprising outsiders—could easily build heroin refineries in Central Asia. The concomitant burst of cheaper, purer heroin would ultimately find its way to the streets of American cities. Moreover, if international crime networks are able to move successfully into the region, the profits, reach, and power of those already lethal international enterprises will surely soar, giving them new muscle to flex in Latin America and the United States.

The United States cannot ignore the geo-strategic implications of an aggressive drug industry in postcommunist Eurasia. Central Asia is not only the most prominent narcotics producer in the CIS, but it is also a centuries-
old battleground for competing national and ethnic interests. Drugs and associated trafficking operations consequently fuel an already incendiary political dynamic now characterized by ethnic clashes, border disputes, and religious challenges to state authority. In addition, opportunistic neighbors such as China, Iran, Russia, and Turkey might further undermine Central Asian stability by attempting to exploit the social and military vacuum produced by the collapse of the USSR. Making the situation even more volatile, Central Asian states have access to sophisticated conventional weapons, and Kazakhstan retains an ominous nuclear arsenal. At its worst, the resulting strife would inexorably demand U.S. attention. The United States could not overlook a Central Asian cycle of economic and political decay comparable to the narcotrafficking-fo
tmented crises in Afghanistan, Colombia, Peru, and other countries.

Drug traffickers’ escalating infiltration of fledgling Eastern financial systems threatens the integrity of Western commercial institutions, including U.S. banks and corporations operating in the region. The narcotics industry’s money-laundering enterprises in countries like Poland can potentially wire drug-trafficking profits to financial institutions around the world. The integrity of the international financial system is jeopardized by illegal drug profits, even though international and regional agreements like the EC directive against money laundering have recently improved accountability in international financial transactions. The penetration of East European banks by drug traffickers can introduce an element of volatility into the money supply and currency of the affected countries. A corrupt financial sector can derail efforts to provide the disclosure and transparency central to market reforms; and those countries with tainted financial systems may find themselves faced with costly international enforcement measures, including seizure of assets. Additionally, in Eastern Europe, where financial supervision is weak, U.S. banks need to be aware of financial fraud, including money laundering.

To be sure, geography dictates policy: The
evolving drug industry in the postcommunist world is more disruptive to Western Europe than to the United States. But Washington has been running in the wrong direction—the Bush administration slashed its 1992 contribution to the U.N. International Drug Control Programme by a huge 44 per cent. U.S. interests are too numerous—and world-class players too few—to disregard the emerging narcotics industry in the former USSR. The United States must consider a range of strategies, from cutting-edge to traditional, including but not limited to imposing conditions on aid packages, supporting crop eradication and substitution, and furnishing financial technical expertise. When the United States signs an aid agreement, such assistance should depend on the prospective recipient documenting legal and law enforcement reforms that criminalize money laundering, make drug trafficking a major offense, strengthen law enforcement tactics, and provide for cooperation with international law enforcement efforts. Washington could also influence conditions on multilateral aid by using its leverage with institutions such as the International Monetary Fund and the World Bank. The drug trade can be viewed as a socially perverse response to fundamental functions of supply and demand, so crop eradication and substitution programs should be key components of U.S. policy. If the United States intends to discourage Central Asian farmers from cultivating opium and encourage them to cooperate with eradication programs, it must offer them an alternative livelihood. Even successful eradication programs cannot prevent peasants from recultivating lucrative crops like opium unless farmers can turn to viable crops, gain access to Central Asian markets, and sell their produce for a profit.

Rudimentary financial systems in the CIS would benefit from a wide variety of technical assistance, including advice on needed legislation, basic accounting standards, current supervisory practices, and techniques for investigating financial crimes. Bankers, financiers, and associated government regulators need advanced training available only from the West. In addition, wherever possible, we should encourage countries to implement asset forfei-
ture programs, thus creating profit incentives for Eurasian government agencies to cooperate with their Western counterparts.

Most countries have an interest in seeing stable, democratic governments emerge from the postcommunist rubble. Yet democratization is not a foregone conclusion. The former Soviet republics, economically poor but well endowed with narcotics crops, seem especially vulnerable to political and economic corruption by drug dealers and their criminal cohorts. Moreover, the spread of drug trafficking and other forms of organized crime throughout Eastern Europe and the CIS—stark symbols of postcommunist social decay and political incompetence—could generate widespread pressure for a return to authoritarian rule or at least for a suspension of privatization and economic liberalization programs. Given the dangers, Washington should closely monitor developments in the newly liberated region from Eastern Europe to the Pacific Ocean, building antinarcotics coalitions when appropriate, and assisting those countries, as well as Western Europe, to shape responses to the increasingly global drug threat.