

Illicit Drug Trafficking and Islamic Terrorism as Threats to Russian Security

The Limits of the Linkage

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The post-9/11 war against terrorism has increased international attention to illicit drug business as a source of terrorist financing. For politicians and the media, the contentious term narcoterrorism has become fashionable. While the term implies a full merger between terrorism and drug business, the interrelationship between them is more accurately described in terms of linkages. As terrorism is rarely the only form of violence practiced by armed groups pursuing political, religious, and ideological goals, and illicit drug business is rarely their sole source of funding, the linkage, by and large, boils down to that between one of several tactics (terrorism) and one of a number of different financial resources (drug business).

Political-military terrorist groups using drug money for self-financing, particularly for the acquisition of arms, materials, and equipment, should not be confused with professional criminal drug groups. The closest similarities between militant/terrorist groups and criminal structures lie in the similar methods they use to accumulate and launder funds received from criminal/shadow economic activities. The greatest differences between them lie in the nature of their respective ultimate goals, which dictate the way they spend their money. Whereas for criminals gaining

maximal material profit by illegal means is an ultimate objective and a goal in and of itself, for militant/terrorist groups illicit drug business and other illegal sources of funding are means to finance their armed struggle, that is, they are a necessary but insufficient resource for advancing their main political, religious, or ideological goals. While in some cases, their attacks may be partly motivated by economic gain, this is not these groups' sole or dominant *raison d'être*. The links between criminal and terrorist/militant groups are mostly pragmatic and limited to a businesslike working relationship.

In the post-Cold War era, a sharp decrease of external financial and military support from former superpower antagonists and their allies has led many insurgency movements and other armed groups to search more actively for alternative means of funding and to become more heavily involved in various forms of shadow economic activity. The growing involvement of many of these groups in the illicit drug business partly stems from their main areas of operations or origin (the link is most evident for groups based in the world's main drug-producing regions or along main drug trafficking routes). Also a factor is the high profitability of this illicit business, which may even allow some groups (such as FARC, the Revolutionary Armed Forces of Colombia) to achieve full financial self-sufficiency. Militant/terrorist groups that use drug money as one of their sources of funding range from leftist guerrilla movements to right-wing extremists, and from secular nationalist groups (like the Kurdistan's Workers' Party or the Basque ETA [*Euskadi Ta Askatasuna*]) to Islamist organizations such as Hizballah or the Islamic Movement of Uzbekistan (IMU). They may participate in different aspects of illicit drug business, from imposing taxes on cultivation, production, and local trade to trafficking. To focus on linkages between illicit drug business (and shadow/criminal activities in general) and Islamic jihadist groups (all groups officially listed by Russia as terrorist organizations are, to various degrees, Islamist) does not imply that Islamist groups are more closely involved to drug business than secular or non-Islamic terrorist organizations.

Specifics of the Financing of Islamist Organizations

In terms of the role of illicit sources of funding, there seem to be two basic types of Islamist groups that use terrorist means.

The first category includes Islamist groups of a more traditional and widespread type, formed on the basis of radical Islamic ideology and, in their practical activities and even major political decisions, guided by special religious rulings (*fatwas*). The financial system of Islamist organizations of this type is in many ways distinct from the modes of financing of other militant/terrorist groups. For most Islamist organizations of this type, the main source of funding remains the redistribution of regular religious donations and contributions (*zakat*) and

voluntary alms (*sadaka*). These funds are raised not only among their own members, support groups, and local sympathizers, but also in Muslim countries and diasporas around the world. They are channeled to areas of operation of militant Islamic groups through a chain of Islamic charities, foundations, and banking institutions. At the collection stage, these funds are legal, but at a subsequent stage of redistribution, sometimes only after they reach a certain Islamist group, a portion of these funds are redirected for the needs of the armed struggle, including terrorism (the remaining funds might still be used for their initial benign purposes of social, humanitarian, and religious assistance). In sum, much of these groups' funding is not acquired through money laundering, but the reverse, through diverting a portion of initially legitimate religious funds to the financing of violent activity. Consequently, although combating money laundering is one tool to address the financial activities of non-Islamic terrorist groups as well as shadow financing of Islamist groups, it is not very effective in countering the main source of funding of this type of Islamist organization.

Groups of this type generally do not use brigandage or predatory criminal activities such as robberies or bank expropriations as sources of funding. They usually fight ordinary crime and try to maintain basic law and order, sometimes by extremely harsh means. Moreover, Islamic fundamentalist organizations in their countries, communities, and diasporas often tend to enjoy a better reputation for financial efficiency and probity in their operations than secular or non-fundamentalist Muslim authorities. In Gaza, for instance, Hamas-operated Islamic organizations and charities enjoy a better financial reputation and operate a more extensive network of social services than the Palestinian Authority.

Still, these groups, particularly when they operate in very weak or failed states, enclaves not controlled by state power, or areas of protracted conflict, may engage in various forms of parasitic shadow economic activity. These can include the imposition of taxes on smuggling activities, which embraces illicit drug trade/production in major drug-producing areas and along main trafficking routes, as well as related money laundering activities. Despite the highly negative Muslim attitude toward the use of drugs and a ban on drug consumption that Islamist organizations of this type strictly observe, the use of drug-generated money for financing jihad is justified by the need to weaken the main enemy (that is, the West). There is no known *fatwa* specifically sanctioning the use of funds generated from drug smuggling and other shadow activities in a jihad against infidels. However, the nature of global jihad that radical Islamic leaders have repeatedly declared (as, for instance, in the February 1998 *fatwa* of Osama bin Laden) is interpreted as sufficient justification for the use of funds of shadow/criminal origin in terrorist and other armed actions by Islamists that otherwise position themselves as clean and incorruptible within their own communities.

The second category includes groups, organizations, and movements that may be Islamicized to various degrees but are primarily financed from criminal and shadow economic sources.

The core of this category is composed of groups made up of militant actors who operate in regions formerly dominated by relatively moderate (Hanafi or Sufi) forms of Islam and where radical Islam has only spread in the course of recent decades (such as the Balkans and the North Caucasus). These groups were initially formed as nationalist or ethno-political movements but gradually became Islamicized, sometimes to a significant degree. As the bulk of these groups' initial and current funding comes from criminal and shadow economic sources, anti-money laundering activities are well-suited for countering their main forms of financing. If these organizations do get any funds generated from initially non-criminal religious donations, these are usually provided by international or foreign Islamic networks and charities.

This second category also contains a smaller subcategory that includes a few noteworthy exceptions from the first set of Islamist organizations. These are groups that initially formed genuinely on the basis of Islamist ideology, either independently or as part of a larger movement, but later degraded to semi-criminal status (such as the Abu Sayaf group in the Philippines) or found their own specific way to combine criminal activities and Islamist ideology (such as the IMU).

The Linkage between Drug Business and Terrorism in Russia

It is primarily core groups of the second type, terrorist organizations combining nationalist and religious overtones and financed mainly by criminal/shadow economic activities, that pose the most direct terrorist threat to Russia's security. For Russia, therefore, the link between terrorism and crime may be a greater problem than for some other states. The North Caucasian, particularly Chechen, separatist groups that actively use terrorist means, along with other militant tactics, are well known for their deep involvement in criminal and shadow economic activities. But while illicit drug business is one of the forms of these activities, it is hardly the main one for North Caucasian terrorist groups. The vast and deep-rooted shadow economy in Chechnya, and in the North Caucasus as a whole, is based primarily on large-scale illicit oil production and trade in oil products. In fact, more than narcotics, oil products, alcohol, and tobacco products are the main illicit goods smuggled through Russia's borders with other Caucasian states.

Chechen criminal groups are more closely involved in selling drugs on Russian territory, particularly in certain regions (such as the northwest). Still, the greater share of the national market is controlled by various groups of Central Asian origin, as well as other ethnic groups, often acting

in cooperation with and under the protection of Slavic or multiethnic criminal organizations. Some Chechen criminal groups that are involved in illicit drug sales in Russia may rechannel some of their profits for the needs of Chechen separatists (mainly on the basis of clan/patronage ties and networks rather than religious or other ideological reasons). However, the main interest of North Caucasian and other organized criminal groups (that is, material profit) is not necessarily identical or compatible with the political goals of armed separatists carrying out large-scale terrorist attacks in Russia. Among other things, heightened security and prophylactic measures undertaken by the authorities in the aftermath of each major terrorist attack are not the most favorable environment for Chechen illegal (and legal) business in Russia.

Afghan Opiate Trafficking and Terrorism in Central Asia

The linkage between Islamic terrorism and illicit drug business is more evident in the case of Central Asia, the main transit corridor for illicit drugs, mainly opiates of Afghan origin, into Russia.

The first Islamist groups in post-Soviet Central Asia, who acted mainly in the Fergana Valley in the early 1990s (Islom Lashkarlari, Towba, Nur, Adolat, and others), were closer to the first category, as they were funded mainly by donations from their own members and various Islamic foundations. They also used harsh measures to maintain public order and fight crime. Only after government efforts at suppression, their transformation during the civil war in Tajikistan, subsequent relocations to Afghanistan, and repeated incursions into Central Asia did a new hybrid type of criminal/Islamist militant group form. This is best exemplified by the Islamic Movement of Uzbekistan, which combined Islamism of the Salafi jihadist type with broad involvement in criminal activities of all kinds, from brigandage to drug trafficking. Other examples include parts of the non-integrated Islamist opposition in Tajikistan and some smaller and more localized groups, such as Bayat in Isfara.

While artificially reducing this hybrid phenomenon to plain criminality may lead to an underestimation of the threats posed by terrorism and insurgency as forms of political violence, the IMU and similar groups in Central Asia are as close to the criminal/terrorist nexus as possible. The spread of this phenomenon in Central Asia (along with, but distinct from, the non-militant Islamism of the Hizb ut-Tahrir) can only be explained by a combination of factors. Among them, particular attention should be paid to sociocultural factors, in particular, the specifics of Islamist mobilization which, given a lack of traditional focal points (like jihadist mosques and madrassas), instead penetrates local clan and patronage networks, many of which operate within the shadow economy. One should also note certain parallels between the *basmachi* movement of

the 1920s–1930s (which evolved in a different historical context but synthesized elements of pan-Islamism, nationalism, and brigandage) and a modern culture of violence that has merged with the rise of radical Islam in the post-Soviet vacuum.

Large-scale illicit drug trafficking is the single most critical security threat the situation in Central Asia poses for Russia today. The drug trafficking of the region should by no means be associated primarily or solely with armed opposition groups. Most professional criminal groups operate independently from them, and the drug business is generally apolitical in the sense that it as easily co-opts corrupted parts of the state apparatus as it cooperates with militant opposition groups. Still, the very close nexus between terrorism and crime in the region poses a threat that is twice as hard to confront.

In addition, Central Asia remains a transit route for illicit drug flow into Russia from, primarily, Afghanistan. The withdrawal of Russian border troops from the Tajik-Afghan border has led to a deterioration of the situation. This has also affected China by encouraging a growing flow of opiates from Afghanistan via Tajikistan into China's Xinjiang province. The security implications of Russia's withdrawal from the border may go beyond the growing scale of illicit drug flow, since the struggle between transborder criminal groups over control of the growing tide of drugs could lead to new violent clashes (which, in a worst-case scenario, would be on a scale that could threaten the internal stability of Tajikistan).

Against this background, Russia's attitude toward the current activities of its Western partners in Afghanistan, particularly to their counternarcotics efforts, is positive but skeptical. The genuine nature of these efforts, at least on the part of the United Kingdom, cannot be disputed; 95 percent of heroin in the UK is derived from Afghan opium. Still, these efforts are nothing more than a drop in the ocean: in 2004 alone, Afghanistan set several world records in terms of both total poppy cultivation area and opium production. More generally, no significant counternarcotics progress in a major drug-producing area can be expected to occur primarily as a result of foreign pressure. Afghanistan's ability to exercise its main functions and control its own territory is of critical importance.

At the same time, Western direct engagement and presence in Afghanistan have not often been so in line with Russia's national security interests as the current British-led (and increasingly U.S.-financed) counternarcotics activities are. This common interest provides a solid basis for mutual cooperation that should be further developed and reinforced.