



Drug trafficking in the MENA

The economics and the politics

by Georgios Barzoukas

The Middle East and North Africa (MENA) is a major source, transit point, and consumer of illicit drugs. With a steady base of clientele to the north, the Sahelian smuggling route to its south and the heroin route traversing it from east to west, the region both influences and is negatively influenced by illicit substance abuse and production.

Despite having some of the harshest penalties for drug-related crimes, trends in the region are unlikely to change because of the absence of alternative livelihoods for producers, weak demand-side reduction responses, and a lack of effective cross-border cooperation. While a costly insecurity incubator in itself, drug trafficking and consumption have a symbiotic relationship with fragile areas and terrorist groups. This adds to the region's highly volatile political environment and accentuates the security challenge that the MENA poses to the EU. While not part of the MENA, Afghanistan is an indispensable component shaping the region's drug trafficking dynamics given its role as the main source of heroin.

Roots, routes and markets

Several elements facilitate drug trafficking in the MENA. Cross-border tribal and ethnic affiliations allow for traffickers to build the networks they require

for successful operations: whether it is between Turkey and Iraq or Iran or the Sinai and Israel. While close ethnic links facilitate networks, sectarianism or ethnic enmities appear not to hinder smuggling as the Lebanese-Israeli or Syrian-Turkish border are equally porous when it comes to illicit substance trafficking. The MENA's geography is also critical. Extensive land and sea borders strewn with deserts and mountains complicate the work of government agencies that are tasked to project state authority beyond their physical capacities.

Currently estimated to be worth between \$400 and \$600 billion, the illicit drug business is growing alongside licit trade hotspots. Dubai airport and the port of Jebel Ali have seen their traffic increase over the past decades as the sultanates of the United Arab Emirates (UAE) have grown into major economic hubs. The sheer volume of container and passenger traffic in the UAE, Morocco's largest port, the Tangier-Med, or Istanbul's Ataturk Airport means that the interception of smuggled products is increasingly difficult.

Concentrated in its northeast Rif area, Morocco is the top global producer of cannabis resin with nearly 47,000 hectares under cultivation. The Rif alongside Lebanon's Beqaa Valley and Afghanistan are the main sources of cannabis supplying the MENA market.



In 2015, 38,000 tons of cannabis were produced in the Rif; to add financial context, in neighbouring Spain, the retail price of a kg of cannabis resin fetches more than €5,000. However, advances in hydroponics (the growing of plants without soil) and the online availability of indoor cultivation technology have downgraded the importance of geography for cannabis production.

The Gulf is facing an addiction crisis related to amphetamine-type stimulants (ATS): in 2015 ATS abuse accounted for more than 62% of all admissions to Saudi rehab clinics. ATS-substances feed an effect of modernisation in the area which hosts an affluent middle class increasingly exposed to western influences and lifestyles. To meet the demand, locally-sourced, as well as imported drug precursors (chemicals required for production) are lab-processed in Syria and Lebanon into ATS substances. However, pinpointing the exact source of ATS production is of limited value as easily substituted chemical inputs, low labour-intensity and easily-movable labs allow for the ATS supply to be geographically unrestricted.

The illicit trafficking of opiates to Europe yields an estimated \$28 billion annually, with the main artery of the Balkan opiate route starting in Afghanistan (where the plant accounts for nearly one-eighth of the country's GDP), crossing Iran and Turkey and entering Europe through the southeast. Different routes take the opiates directly north through Central Asia and or head south to the Pakistani ports of Karachi and Gwadar or the Iranian docks of Chabahar and Bandar Abbas, destined for the Gulf, South Asia and Africa.

The processing of opium poppies into heroin largely takes place in Afghanistan and along the route to Iran and Turkey. Iran has been experiencing a decades-long opiate-addiction epidemic with a prevalence rate more than six times the global average: some 786,000 people are currently receiving treatment for substance abuse. The country's proximity to Afghanistan keeps prices down, making drugs affordable for a large segment of the population.

A narco-terror nexus?

For the Taliban and other non-state actors in Afghanistan, taxing opium production, processing and trafficking raised around \$150 million in 2016. In the MENA, evidence of a wide drug-terror nexus varies, however. Take the example of Hizbullah: the group is an influential actor in, and draws support from, the Beqaa Valley, but its budget is almost completely dependent on funding from Iran

(estimates vary from \$200-\$800 million annually). However it has been alleged that Hizbullah has links through the Lebanese diaspora in the tri-border area of South America, from which it receives funding through narcotics smuggling.

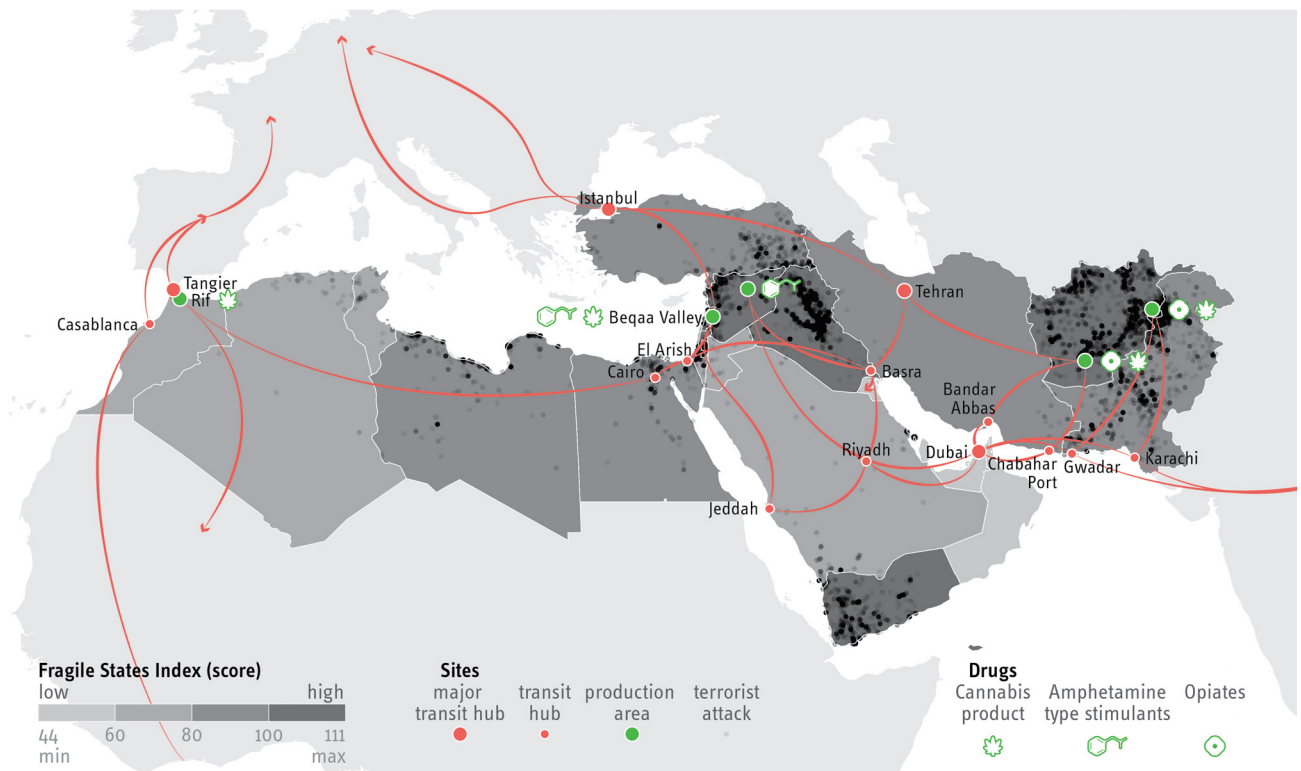
Individuals with a history of petty crime records and/or substance abuse are well-known to constitute a key pool of recruits for Daesh both in Europe and in the MENA; the group's founding father, Abu Musab al-Zarqawi, had been arrested for, among other things, drug possession. Daesh has been associated with the rise in the consumption and production of Captagon (fenethylline) in Syria: its fighters are said to be using the drug as a form of performance enhancer, and the group is accused of running production labs. Yet reports about Captagon's proliferation in Middle Eastern markets, especially in Saudi Arabia, vastly predate the emergence of Daesh, the Arab Spring or the Iraqi civil war; its growing consumption in the Middle East was first mentioned in 2003 by the United Nations Office on Drugs and Crime (UNODC).

While dwarfed by other sources of income, the proceeds from drug trafficking are not negligible. In 2015, the Syrian government seized more than 24.5 million ATS tablets – at the Saudi black market retail price of \$12 a tablet, the seizure could be worth \$294 million in 2015 prices. Assuming a mere 1% had made it across the border, and 30% of that sale was net income, the seller would have pocketed more than \$882,000; twice the cost of the 9/11 attacks to mount. The future territorial defeat of Daesh and the loss of a population to tax, will once more bring to the fore the importance of racketeering and trafficking as illicit sources of funds; addressing the causal factors of the various illicit market routes crisscrossing the region will therefore become key to counter-insurgency efforts.

Al-Qaeda in the Islamic Maghreb (AQIM) and *le Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO) have been closely associated with the drug-terror nexus. Operating along a key smuggling route of various illicit products, Islamist Sahelian terror groups have been used as high-profile examples of how drug trafficking contributes to financing terrorism. Yet evidence from the ground does not justify the primacy of drug proceeds as enablers of terrorism in the Sahel. On the one hand, it coexists alongside other more lucrative activities such as kidnapping, while on the other hand, drug trafficking appears to be a source of funding for all types of destabilising, armed non-state actors. Moreover, for loosely integrated groups, it is difficult to differentiate between group doctrine and livelihood strategies of individuals or sub-groups.



Trafficking through fragile terrain



Data: UNODC; Fund for Peace; Global Terrorism Database; Robins, Philip, *Middle East Drugs Bazaar: Production, Prevention and Consumption* (Hurst & Co, January 2015).

In areas of significant drug production or along key smuggling routes, the political capital reaped from facilitating illicit activities that would otherwise be banned or restricted under a government entity may be worth more than the actual financial revenue for some terrorist groups.

Post-Taliban, coalition forces in Afghanistan failed to provide lasting and sustainable alternative livelihoods for poppy farmers which made post-invasion eradication efforts unsuccessful. For the Afghan government, eradication efforts aim to deprive the Taliban of a key financial source while addressing high opiate addiction rates (2.65% of the population aged 15-64). By protecting the illicit market of opium and its by-products, the Taliban maintain a steady income source while also winning the hearts and minds of Afghan farmers by protecting their livelihoods. A poor sequencing of priorities may therefore render counter-narcotics policies damaging to counter-insurgency efforts.

Al-Qaeda's ban on khat (a flowering plant containing an amphetamine-like stimulant) in the areas it controls in Yemen is bound to be short lived; 90% of adult males chew its leaves, it is legal and is the number one cash crop of the country. In Mali, supply-side interdiction of the smuggling routes in the Sahel means losing the north, where economic elites and local state actors have vested interests in the continuation of illicit trafficking. In Morocco, stifling the

cannabis production of the underdeveloped northern Rif region holds significant risks for the government as protests in the region are already common and indicative of deep-seated grievances.

Support for the narco-terror narrative confers several benefits to both governments and individual organisations. Identifying insurgents as the main drivers of trafficking downplays the responsibility and role of state actors and economic elites in failing to address (or even fuelling) organised crime and illicit markets. In the post-9/11 era, accentuated by the geopolitical shock of Daesh's emergence, the drug-terror nexus allows counter-narcotics agencies to justify greater autonomy and more funds. The nexus brings drugs to the fore, raising it as an item on the agenda. Finally, linking Islamist insurgent groups to the consumption and trafficking of illicit substances discredits their pious religious façade.

The implications of drug-trafficking and consumption go way beyond terrorist groups, however. Illicit proceeds distort the economy to the detriment of licit businesses and markets; as the shadow economy grows, incentives to be part of the legitimate taxed economy disappear. A flourishing illicit drug market fuels corruption within the judicial and law enforcement sectors that are at the forefront of supply side-interdiction efforts, severely weakening, delegitimising and overstressing them. In 2015, 245,852 people were arrested by the Iranian authorities for

trafficking and 104,912 for possession. Finally, the impact on the health of a population and its economic productivity are significant. In 2015, for instance, 17 million disability adjusted life years (DALY) attributable solely to drug use disorders were lost globally.

Hard borders, soft effects?

The region's importance as a source, transit and consumer of drugs has steadily increased over the years despite severe penalties. Saudi Arabia and Iran alone executed 1,218 people for drug-related crimes between 2014 and 2016. All of the Gulf Cooperation Council (GCC) countries have capital punishment for drug-related offences – it is, however, hardly ever imposed. The criminalisation of drugs makes their illicit trafficking more lucrative, as interception risks and premiums are passed on to the consumer, thereby increasing the profit margin for sellers.

Seizures are greatest close to the site of production: in 2015, Iran, Pakistan and Afghanistan accounted for 52% of global heroin seizures while Spain, Morocco and Algeria accounted for 48% of global cannabis resin hauls. However, it is usually after several border crossings and closer to the retail market that illicit substances acquire their greatest value. In 2015 prices, the wholesale price of a kg of heroin in the UK was \$40,000 (49% purity), while in Iran it was \$5,760 (30-50% purity). As drugs move further away from their source, quantities get divided into smaller shipments for delivery, making them harder to intercept at the level where it is costliest.

Israel, despite having heavily militarised and policed borders, as well as well-funded dedicated agencies, has an unmatched drug abuse rate in the region. The country measures drug prevalence by the percentage of the population aged 18-40 that use substances annually: cannabis (8.88%) and ATS (1.01%) abuse are three times greater than the regional rate, while cocaine (1.07%) and ecstasy (1%) use are more than twice the global average. The Israel-Lebanon border is indicative of the limitations of supply-side interdiction where geopolitics are not an impediment to trafficking but hinder cross border cooperation; smugglers are able to successfully operate despite heavy monitoring by the Israelis along the border.

In Lebanon, drug users have the right to opt for state-sponsored rehabilitation programmes instead of prison, yet there are few facilities providing such support. Limited drug-related civil-society initiatives are being formulated in Saudi Arabia by organisations such as the Al-Anood Foundation. However, the counter-narcotics strategy remains firmly under the control of the Saudi Interior Ministry and

is considered more of an imported security threat rather than a domestic social problem. In Iran, the extent of the drug-epidemic is such that it is impossible to ignore. However, drug policy and its elements such as harm-reduction strategies, increased methadone treatment and funding for non-governmental organisations (NGOs) are dependent on how the political pendulum swings. While the conservative Ahmadinejad administration deprioritised demand-side policy orientations, under President Rouhani, a law making it harder to impose the death penalty for drug-related offenses was passed in August 2017.

Regional responses to local problems

Building on the recommendations of the 2016 UN General Assembly Special Session, countries in the region should increase their efforts in prevention measures, rehabilitation programmes, and the recognition of abuse as a complex and lengthy problem. Investment in demand-reduction measures needs to match supply-interdiction efforts. Assessing the relationship between drug trafficking networks and terrorist groups in each country is key. Governments need to identify the most appropriate and well-sequenced policy response to prevent counter-narcotics strategies from damaging counter-insurgency efforts. While no illicit proceed should be considered as negligible for insurgents, other factors influencing drug trafficking – such as the role of state actors – should not be allowed to be eclipsed by the drug-terror narrative.

In a region where cooperation and coordination is difficult, the use of international organisations such as the UNODC, the World Health Organisation (WHO) and Interpol is vital to bridge the gap left by geopolitics. While countries are forthcoming with data on seizures, it is not the case for prevalence rates, drug-treatment numbers, drug-related mortalities or drug use in prisons. Better data-sharing will allow the mapping of the region's consumption trends, its transit hubs, routes and the dissemination of best-practices. Regional organisations, such as the GCC and the Arab League have endorsed and cooperated with UNODC initiatives in the past, but the political cohesion of such groupings has suffered from the region's recent political turmoil. Addiction may have localised determinant factors, but, ultimately, responses need to be collective and enforced on a regional level.

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