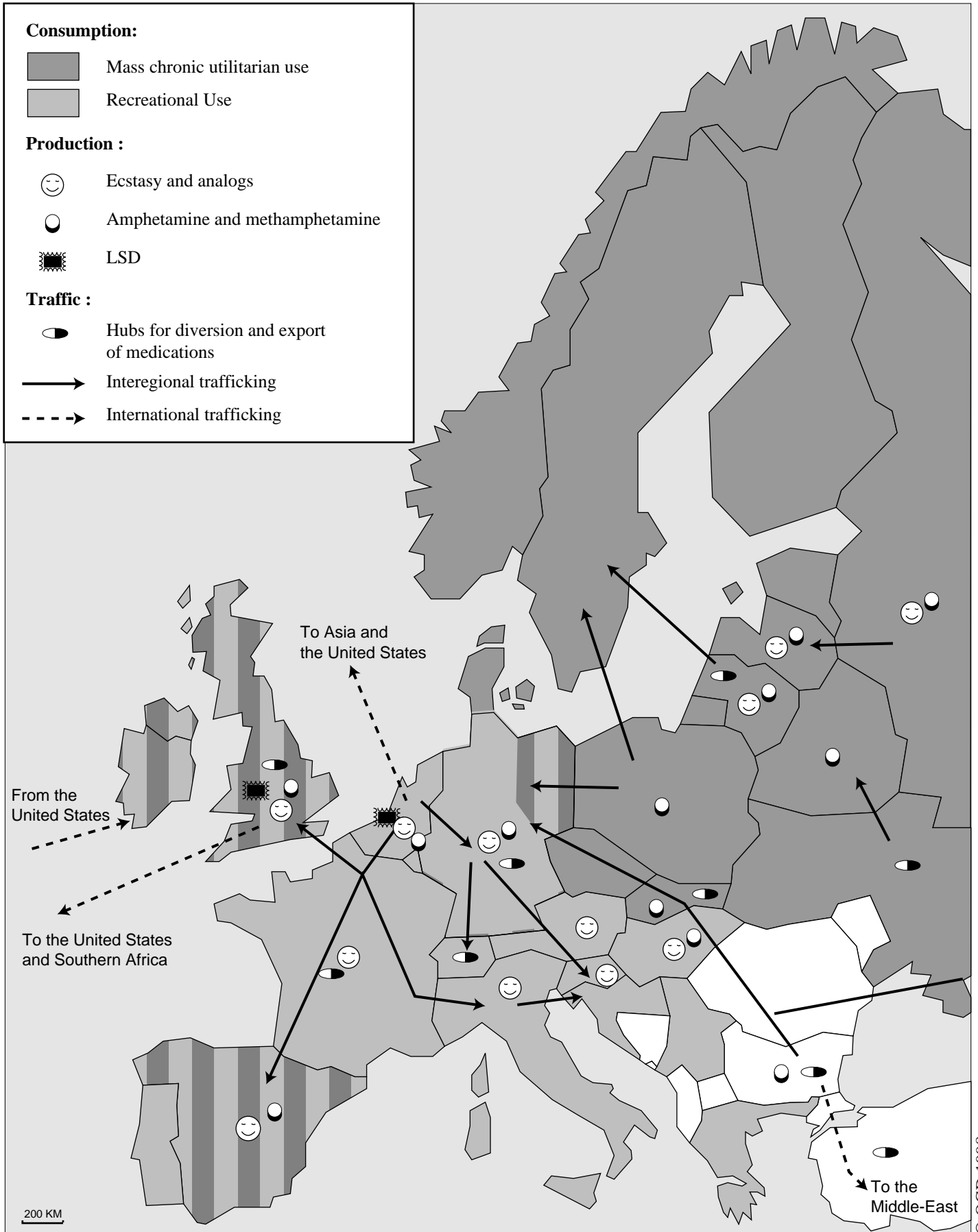


## **II. ANALYSIS**



**Map 1: Synthetic Drugs and Medications in Europe**

## THE WORLD OF SYNTHETIC DRUGS

“Synthetic narcotics will be the nightmare of the year 2000,” according to John Abbot, head of Britain’s National Criminal Intelligence Service (NCIS), in spring 1998. Two years earlier, when US authorities were preoccupied with the methamphetamine epidemic, the “crack of the 1990s,” the European Union decided to make the fight against synthetic drugs its priority. In June 1998, the United Nations General Assembly Special Session (UNGASS) reaffirmed the urgency of combating “Amphetamine-Type Stimulants” (ATS), which had allegedly become the second most popular illegal substance in the world: 30 million consumers, compared to 140 million users of cannabis derivatives, 13 million cocaine users, and 8 million heroin users. Methamphetamine is the most consumed drug in Japan and the Philippines, and the second most used drug in South Korea and Australia (after cannabis). In Europe (United Kingdom and Sweden<sup>15</sup>, for example), amphetamine occupies the second position, also after cannabis, whereas ecstasy and similar drugs are experiencing explosive growth throughout the European Union. International seizures of ATS testify to the accelerating trend. Some 281 kilograms were seized in 1976; 1.4 metric tons in 1990; and 14.5 tons in 1996. The late 20th century is thus marked by a rising global awareness of the importance of synthetic narcotics.

### *The Modernity and Flexibility of Synthetic Substances*

The success enjoyed by synthetic narcotics throughout the world is explained by a number of factors. From the point of view of producers and traffickers, these drugs offer many advantages, such as the possibility of producing the drug very close to the market (as shown by the examples of Mexico and the Netherlands) and the high flexibility of its manufacturing, which makes it easier to escape detection by the authorities. With sassafras oils, camphor, or nutmeg oil extracts, producers obtain safrole and piperonal, re-agents of ecstasy. These substances can then be used to produce other substances, which can be used to manufacture either MDMA or any of its associated drugs. Moreover the phenomenon of designer drugs has led to the appearance on the market of original composites, unknown to the authorities and thus unregulated. From the point of view of consumers, the popularity of psychotropic medications is above all due to the fact that the borderline between narcotic and medication is blurred. Many of these secretly-manufactured substances initially appeared on the streets as medications produced by the legitimate pharmaceutical industry. These drugs, which are easily used (no more complicated preparation or consumption methods), are considered by “hedonistic” youths as a normal part of their daily lives, on the same level as their clothes, circle of friends, music, and night clubs. This explains why the drugs are not generally perceived as being dangerous. In the United Kingdom, between 1987 and 1996, some 42 deaths were officially attributed to ecstasy use (in contradiction to the late 1980s press campaign against the “Killer Drug Ecstasy”). Taking into consideration estimated consumption during the same period, this represents a death rate of 1 in 3.4 million. Empirically consumers are perfectly aware of the relative risks presented by the drug. And quality tests undertaken in places of consumption in the Netherlands and, selectively, in the United Kingdom and Germany, are seen more as a means of avoiding being ripped off on the quality of the merchandise rather than a means of reducing risks.

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<sup>15</sup> See the chapters on “Polydrug Trafficking and Polydrug Use in the United Kingdom: A Model for Europe?” and “Sweden”.

The confusion of consumers between drug and medication and the expectation that producers will be banned from making the drug, are two principal characteristics of synthetic drugs, which could almost be referred to as virtual drugs. Virtuality also refers to another aspect of synthetic drugs' "modernity": these substances fit into the mindset of networking. Ecstasy and "club drugs" are the best illustrations. Consumption habits have spread out from networks of initiates made up of increasingly restricted circles. Gay groups have played a deciding role in this process. First of all in the mid-1980s with the export of ecstasy from "acid house" discotheques in the United States to their counterparts in Europe. But also, since the early 1990s, with the popularization of recreational use of a series of new substances, often following a line linking "gay capitals" London, San Francisco, Miami, Sydney, and Cape Town. In this way two other products, initially popularized by the gay community, benefit from the banning of *Rohypnol*<sup>®</sup> in the United States. Their use is developing in Miami and in other large East Coast cities. One of the drugs is GHB (gammahydroxybutyrate), a sedative used as a sleeping pill in the 1960s and 1970s. It then became popular among body builders for its ability to stimulate growth hormones. It appeared in 1995-1996 on the European techno scene, this time for its euphoric and uninhibiting effect, accentuated by alcohol consumption (in the United States it is known as another date rape drug, along the lines of flunitrazepam). The other drug is ketamine (ketamine hydrochloride, also known as "Special K"). This is a hallucinogenic tranquilizer used in veterinary medicine and chemically close to phencyclidine (PCP). Its distribution has spread from gymnasiums to discotheques. In the United States its sale is only restricted (and not banned) in most states. But ketamine is classified as a narcotic in New York. And finally, an ecstasy-related drug up to then unknown in the United States made its appearance in Miami in 1993. Nexus, or 2C-B, came to the US from Cape Town, South Africa. New means of communications such as the internet have also played a role in the spread of amphetamine derivatives (in discussion forums between users, exchange of preparation recipes, and information on the latest related drugs) and all other substances associated with them in the rave culture.

### *The World of Stimulants*

The study of psychotropic substances markets reveals another important fact: synthetic narcotics do not generally act as substitutes for more traditional drugs. They meet a new or complimentary demand. In the United States, the majority of methaqualone (*Quaaludes*) users consume the drug with marijuana and/or alcohol, but not other drugs, even if mixing it with morphine or cocaine is common practice in some regions. And in Western Europe, this is demonstrated by the boom in stimulants among teenagers, who are also heavy users of cannabis derivatives. In the latter case, a new form of polydrug use has appeared: cannabis, alcohol, other amphetamines, LSD, and cocaine. It does not correspond to the desperate opportunism of marginalized drug addicts who are searching to get high at any price, but instead to a hedonistic utilitarianism (a "youth party culture")<sup>16</sup>. Paradoxically, in less developed countries, synthetic narcotics are sometimes the traditional drugs, while natural drugs are the new product. *Pervitine* in the former Czechoslovakia is slowly being pushed out by heroin since the middle of this decade. And Mandrax in southern Africa is losing ground to crack and, soon, to heroin.

This phenomenon, however, is not as recent as people generally believe, and is based on well-established consumption habits in different parts of the world. What is new is the creation of an underground industrial production apparatus in the hands of powerful criminal organizations (Chinese

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<sup>16</sup> Readhead, S.: *Ecstasy: au-delà de la transgression, la régulation de l'usage et la naissance d'une jeune culture de l'excès*, Metropolitan University of Manchester, 1994.

triads, Mexican cartels, and Italian, Russian, Dutch, British and Turkish mafia groups) for whom psychotropic medications serve as a way to diversify their activities.

Three large markets for synthetic drugs can be defined according to the type of substances used, although they may overlap in some cases. The “World of Stimulants” is by far the largest market. It comprises the United States, the Asian-Pacific region, Europe (mainly Eastern and Northern Europe), and the Middle East. 95% of amphetamine seizures throughout the world are made in Europe, which in 1997 represented 1.6 tons and 252,000 pills (265 kg more than in the previous year), according to Interpol. The United Kingdom comes in first place (691 kg), followed by Germany (177 kg, compared to 107 kg in 1996), and France (175 kg, compared to 56 kg in 1996). This situation corresponds to consumer habits established long ago. European drug addiction specialists<sup>17</sup> distinguish between three modes of amphetamine consumption in Europe.

Chronic use is common among marginalized groups, comparable to heroin addicts. This type of use is found in countries where amphetamine abuse is oldest, such as the Scandinavian countries, Germany, and Britain. In Sweden in 1943, 35% of the adult population had taken amphetamine during the previous year. Abuse of this substance began in the 1950s. In 1965, Stockholm officially counted 4000 amphetamine “addicts.” It is estimated today that 81% of Swedish drug addicts (believed to total 17,000 in 1992) consume amphetamine intravenously and that this is the preferred drug of 44% of them. In Eastern Europe such as in Russia, the Czech Republic, and Poland, amphetamine has historically served as a substitute for “Western” hard drugs such as heroin, out of reach for the average person. That is why, for example, amphetamine derivatives in injectable form (in particular *Pervitine*, an old commercial name for methamphetamine) continue to dominate the Czech market.

Utilitarian or functional use of amphetamine is historically and universally the most widespread form of consumption. It was initially better described as performance boosting rather than drug addiction. With utilitarian use, stimulants are used by truck drivers, students, night-shift workers, and athletes to improve performance, as well as by women trying to lose weight. The best example of this type of consumption is the Spanish market, where 66% of students in 1969 admitted to having taken amphetamine during exams or at parties.

Recreational use is without a doubt the fastest growing form of amphetamine consumption, particularly among youths. It will be covered in more detail below in the “World of Ecstasy” section. This type of use stems from a tradition among youths in Britain, where motorcycle gang members in the 1950s popped pills. This phenomenon in fact followed in the footsteps of amphetamine use by the “Flappers dancers” of the 1920s, and eventually gave way to the use of speed by mods and rockers in the 1960s, punks in the 1970s and the range of “club drugs” available today.

Outside of Europe, dextromethamphetamine hydrochloride is an example of a stimulant undergoing rapid growth, mainly in its smokable, crystallized form known as “ice” in the United States and Britain, *crystal* in Mexico and *shabu* in Asia. The market for methamphetamine in Asia was since the 1950s confined almost exclusively to Japan, where consumption, traditionally of the utilitarian type, has reached a new peak since the middle of this decade<sup>18</sup>.

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<sup>17</sup> European Monitoring Centre for Drugs and Drug Addiction (EMCDDA): *New Trends in Synthetic Drugs in the European Union*, Insights Series n°1, November 1997.

<sup>18</sup> See the chapter “Japan”.

The Philippines and South Korea, originally trafficking hubs for supplying the Japanese market, have experienced the development of domestic consumption of synthetic narcotics (The Philippines allegedly is home to 1.7 million shabu users, of which 1.2 million are under 18 years old). Moreover the utilitarian use of amphetamine is very widespread in the rest of Southeast Asia (Thailand, Burma, Laos, and Indonesia<sup>19</sup>).

Methamphetamine was known in the Midwest region of the United States in the 1960s as “redneck cocaine.” In the early 1990s, the drug made a spectacular comeback, reaching its climax in 1994-1995. Since then consumption has tapered off and, in 1997, “meth” appears more than ever as a “West Coast” drug. It is benefiting from the decline in crack consumption in large urban areas. In Arizona, methamphetamine is, along with heroin, the most consumed drug. It is also the most popular drug in Hawaii, San Diego and San Jose, California, Seattle, Washington State, and Denver, Colorado. The drug is injected in San Francisco, Denver, and Texas; smoked in the form of ice in San Diego and Hawaii; and snorted in Minneapolis and Saint Louis. No matter which way you look at it, methamphetamine use in the United States is essentially of the chronic and utilitarian types.

### ***The Transformation of Ecstasy***

“The World of Ecstasy” could also be called the “World of Club Drugs.” This type of consumption blends in mainly with the “World of Stimulants,” though it is more restricted. It affects in particular Western Europe, where, since the Love Summers of 1987 and 1988, a hedonistic model has developed among youth. This can be described as a “rave” sub-culture, mixing music, social interaction, and drugs, in particular ecstasy (or MDMA) and other hallucinogenic synthetic stimulants (methcathinone, MDEA, MBDB, 2C-B, etc.).

Statistics for seizures of ecstasy and related substances in Europe, furnished by Interpol, show that the market has been stable over the past two years. Seizures totalled 693 kg in 1995; 830 kg in 1996; and 826 kg in 1997. The most important seizures registered by the World Customs Organization took place in Germany (49 hauls involving 19.88 kg and 346,134 tablets), Great Britain (35 seizures, involving 453.37 kg and 90,999 tablets), France (44 seizures involving 12.53 kg and 115,071 tablets), the Netherlands (10 hauls involving 245,000 tablets in total), and Belgium (6 seizures involving 79.81 kg and 89,000 tablets). As if by tradition, consumption is especially entrenched in the United Kingdom (470 kg in 1997), where over 500,000 tablets are ingested each weekend, according to the most widely-accepted estimate. The UK is followed by Germany (175 kg), Belgium (104 kg), and France (33 kg). In the latter two countries, seizures generally involve drugs in transit to Great Britain and Southern Europe’s two largest markets, Spain and Italy. While the Netherlands appears in only fifth or sixth position on the list (25 kg in 1997 compared to 27 kg in 1996), this country is the source of 60% of the products seized throughout Europe.

The most comprehensive study to date of synthetic drug consumption in the European Union<sup>20</sup> reveals that ecstasy is the fastest growing drug in the EU since the mid-1990s, mainly in the under-25 year old age group. A 1995 survey showed that 52% of discotheque patrons in Amsterdam have already tried ecstasy, 41% of them within a year of the survey. In northeastern Italy, the survey showed the percentage of users at between 9% and 65% depending on clubs. In France, a report published in

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<sup>19</sup> See the chapters on these countries.

<sup>20</sup> *New Trends in Synthetic Drugs in the European Union*, op. cit.

February 1998<sup>21</sup> cites a study into the behavior of drug addicts in selection centers undertaken in 1996 by the French military's health service. The study used a sample of 2800 men with an average age of 20 years. It appears that 3.9% had tried ecstasy and that 1.2% take it regularly; in other words, 5.1% had tried the drug at least once. "In view of this information," the authors write, "ecstasy use increased sharply between 1995 and 1996."

Alongside this, a shift to recreational use of amphetamine among very young people has been noted in European countries with a tradition of amphetamine consumption. In 1995, 7% of Germans from the former West Germany aged 18 to 20 years admitted to having consumed amphetamine at least once in their lives (compared to 0.8% in 1990). In Spain, also in 1995, while 2.3% of the population between 15 and 70 years claimed to have used amphetamine at least once, the proportion increased to 5% for the 19 to 24 year old age group. And in Britain in 1996, the proportion rises from 9% for the 16 to 59 year old age group to 16% for the 16 to 29 group. Likewise, the ecstasy boom goes hand in hand with the return to fashion of a series of other synthetic drugs among the techno/rave crowd. These drugs are grouped under the name of "club drugs" or "dance drugs", and answer to the same hedonistic objective of consumers. These narcotics lower the inhibitions of users, enhance the hypnotic or euphoric effects of music, and improve the physical performance of dancers. "Club drugs" are hallucinogens (ketamine, and LSD 25, or "acid", especially popular among adolescents who like this inexpensive, "psychedelic" product whose effects can last up to 12 hours), sedatives (GHB), or steroids.

Since the early 1990s, this European model has spread to a certain number of large urban and tourist centers. Paradoxically, the United States has only just begun to discover ecstasy consumption as a mass phenomenon. It was nevertheless from American college campuses and discotheques that the "love pill" spread to Great Britain. In 1997 US police registered only three seizures of ecstasy, for a total of 21,436 pills. The drug is sold in clubs and its use remains restricted to large cities and to young or adolescent whites, despite the fact that its price is declining (from between US \$5 and \$30 per pill in 1997, depending on the region, compared to between \$5 and \$50 in 1996). An Australian market has also developed in the same way. And in South Africa, ecstasy has made inroads into the white communities of Cape Town and Johannesburg since 1994, aided by the country's strong cultural ties to Great Britain and the Netherlands<sup>22</sup>. But the most significant emerging market for ecstasy and related drugs is Southeast Asia. From mainly tourist centers (in Jakarta and Java in Indonesia, Malaysia, and Thailand), ecstasy has developed in similar style on the fertile ground of the old and prosperous ATS market. From zero seizures of ecstasy and related narcotics recorded by the World Customs Organization in the Asia-Pacific region in 1993, the number came to 407,862 tablets and 54.26 kg confiscated in 1997.

Southwest Asia is not spared the onslaught, even if, as Indian police claim, the phenomenon "is limited to a half dozen university campuses in the country's large cities, where students are influenced by Western ways." But it is fashions passed on by young Indians who have traveled abroad, in particular to Great Britain, and especially by the media, that are the reason for the current popularity of ecstasy and mescaline. For example, Police in Madras carrying out routine checks at a shop near a university campus in April came across an unlabeled box containing 120 tablets of an unidentified substance. A month later, the American laboratory to which they had been sent for analysis reported that they were ecstasy tablets. Since these drugs were initially imported by sea, or overland from Nepal, consumption was restricted by prohibitively high prices until the start of 1998. An ecstasy capsule cost \$40. Shopkeepers who sell the

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<sup>21</sup> Observatoire français des drogues et des toxicomanies (OFDT): *Consommation d'ecstasy en France: indicateurs et tendances*, Paris.

<sup>22</sup> See the chapter on "South Africa and its Environment".

drug to students in New Delhi, questioned by the OGD correspondent, say the recent collapse of prices shows that ecstasy and mescaline are now being produced either in India or across the border in Burma, in laboratories that used to process heroin.

### ***The World of Medications***

“The World of Medications” concerns regions where narcotics consumption up to the late 1980s involved almost exclusively the abuse of diverted medications, whether stimulants or, as in most cases, depressants. Psychotropic medications appear to serve as a substitute, a “poor man’s narcotic.” In fact, the abuse of medications was traditionally the prerogative of urban centers in Africa and Eastern Europe. The case of *Pervitine* in the former Czechoslovakia has already been mentioned. Those of *Mandrax* and *Wellconal*® in South Africa could also be cited<sup>23</sup>. At times cultural restraints reinforce economic ones. For example, in Muslim countries psychotropic medications are sometimes deemed to be “dry alcohol.” Amphetamine derivatives of the *Captagon* type are particularly popular in the Arabian Peninsula, while amphetamine is sought after in Pakistan (mainly among truck drivers and women). Benzodiazepine use is growing sharply among an Algerian population traumatized by violence.

Whereas developing countries are increasingly open to so-called natural drugs, wealthier nations also experience the illegal diversion of medications. It is in this light that European specialists worry over this phenomenon’s role in the development of polydrug use (some speak of “street pharmacology”<sup>24</sup>). Drug addicts have become accustomed to mixing their own cocktails, substituting a certain legal drug for another illegal one, or chasing one drug with a particular psychotropic medication either to compensate the effect, or to accentuate it. That is how temazepam (a benzodiazepine), which was the subject of massive abuse in Scotland since the mid-1980s, was finally banned from sale in capsule form in 1996. In that same year the United States also decided to forbid the import of another benzodiazepine, flunitrazepam, known under the brand name *Rohypnol*®. Purchased in large quantities in Colombian and Mexican pharmacies, flunitrazepam entered into the range of “club drugs” consumed mainly in Miami, Atlanta, and Washington, D.C., as well as all along the Mexican border in Texas. Prized for its ability to lower inhibitions, especially when taken in combination with alcohol, *Rohypnol*® also came under fire after its implication in the rapes of several young girls drugged without their knowledge at parties (it has been nicknamed the date rape drug). Since its ban, a substitute has appeared in the Mexican border area: clonazepam, known worldwide under the brand name *Rivotril*®. This drug is imported secretly from Mexico, despite the fact that, unlike *Rohypnol*®, it is sold legally but on prescription in the United States.

### ***Production and Trafficking: From “Cooking” Recipes to Cartel Factories***

The production of synthetic drugs (and, typically, of ATS), follows a three-phase model described by specialists<sup>25</sup>. The first step is the over-prescription of psychotropic medications, followed by large-scale diversion leading to beefed-up controls (such as the regulation of amphetamine distribution in the United States and Britain in the 1960s, and of some benzodiazepines in the US and England in 1996). The subsequent decreasing availability of these products leads to the second phase: the reproduction of the drugs in secret laboratories (such as amphetamine beginning in the 1960s and *Mandrax* from the mid-

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<sup>23</sup> See the chapters on these countries.

<sup>24</sup> Toufik, A. (CRIPS Ile-de-France) and Mucchielli, A. (REPSUD 06): “Pharmacologie de la rue”, in *Médecins du Monde: Détournements de médicaments*, Paris, May 1998.

<sup>25</sup> Remberg, B.: « Stimulant Abuse: from Amphetamine to Ecstasy », in UNDCP: *World Drug Report*, Oxford: Oxford University Press, 1997.



1980s). The final phase is one of innovation. Substances which have never been tested by the pharmaceutical industry are developed secretly and sold directly in underground markets. Today, the move from one stage to another occurs rapidly. In Europe and the United States, the transition from the first to the second phase took place in the 1960s in the case of ATS. The third phase was not introduced until the 1980s (the underground manufacture of ecstasy in the Netherlands began in 1989-1990). Since then, however, Burma, Mexico, and South Africa, for example, have just passed from the first to the third stage in less than a decade, thereby sparking talk of a world revolution in synthetic drugs. The collapse of communism has played an undeniable role in this process, by placing the formidable potential of the chemical industry in the former Soviet Bloc and in China (transformed into an economic dragon) in the hands of criminal organizations. Ever since, the consistent rise in demand is met by multi-form secret production in Midwest American “kitchens” and Baltic, Burmese, and Mexican refineries.

Methamphetamine furnishes the best example of the differences in scale. In the United States, the market was initially fed by local home-made production, whose distribution was controlled by motorcycle gangs and the yakuza, who supplied ice to Japanese tourists (and to residents of Asian origin) in Hawaii and California. Since then, networks have both opened to competition and become more sophisticated. Laboratories, known as “kitchens”, are on the rise in the rural areas of the Midwest. In the state of Missouri alone, 396 laboratories were dismantled by the authorities in 1997. That is double the number uncovered in California, which is nevertheless the largest producer state.

From a recipe available on the internet, almost anybody can easily turn a \$150 initial investment into \$1000 to \$1200 in profits. The raw materials are for the most part furnished by legal, ephedrine-based parapharmaceutical products (often grouped under the name herbal ecstasy), which are very popular in health and diet stores, thus making their control very difficult. Ephedrine can easily be extracted from these products to make methamphetamine and methcathinone. On the other side of the scale, Mexican methamphetamine cartels – in particular the Amezcua Brothers organization linked to the Tijuana cartel<sup>26</sup> – supply the North American market from numerous laboratories located in the border region, or inside the United States itself (California and Arizona). Distribution is now in the hands of Latino gangs, who have taken over from the motorcycle gangs.

In 1997, of 48 methamphetamine seizures in the United States (for a total of 1.1 tons), the drug originated in Mexico in 16 cases. In Miami, the drug was imported in mixed cargoes along with heroin and cocaine. And in Hawaii, Mexican networks based in California are in control for the time being. In Asia, on the other hand, psychotropic medications leave little room for small enterprises. The principal suppliers of the local market are China and Burma (more than five million pills were seized by authorities there in 1997). But secret production laboratories are also noted in Laos, the Philippines, and, since 1997, in Vietnam. The powerful heroin trafficking organizations in the Golden Triangle region, such as the United Wa State Army (USWA) in Burma, have invested massively in the manufacture of synthetic stimulants (amphetamine, methamphetamine, and, more recently, ecstasy) from chemical re-agents coming from China<sup>27</sup>.

Seizures of amphetamine in the Netherlands increased from 400 grams in 1996 to 100 kg and 19,000 pills in 1997. This is a sign that Dutch authorities have decided to crack down, given that the Netherlands is still the largest supplier of amphetamine to Western Europe. It is accused by its European Union partner countries of being to synthetic drugs what Colombia is to cocaine. The Netherlands was

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<sup>26</sup> See the chapter on “Mexico”.

<sup>27</sup> See the chapters on “Burma”, “China”, “Laos” and “Thailand”.

the country of origin of 956 kg out of a total of 1.6 tons of amphetamine seized in Europe in 1997. This was just ahead of the Czech Republic and Poland, where 10 secret laboratories were discovered by authorities in 1997, compared to two in 1993. Poland supplies on the average 20% of the amphetamine seized in Germany and 40% in the Scandinavian countries. Laboratories situated in Lithuania, Latvia, Hungary, the Czech Republic, Bulgaria (where 222.34 kg were confiscated by Customs in a tractor-trailer in 1997), Britain and Ukraine also supply the markets of Western Europe.

According to observations made by the OGD, pills sold as ecstasy in Paris and England are with increasing frequency in reality almost only made up of amphetamine. This could be an indication of the arrival of products from Eastern Europe. In Russia, an amphetamine derivative, amfepramone, has enjoyed spectacular success (in 1997, some 263,727 pills were confiscated in 95 seizures, compared to 141,445 pills in 100 seizures in 1996). In almost all cases, the pills are imported from China by train or by air. In 1997, authorities in Kazakhstan dismantled a network specializing in this type of trafficking.

Ecstasy production has been a European monopoly up to the present. The principal manufacturer is by far the Netherlands, but laboratories have already been reported or dismantled particularly in Hungary, in the Baltic States, France, Britain, and Spain. The majority of ecstasy consumed in Asia still comes from the Netherlands by air, as proven by the seizure at Amsterdam airport in April 1997 of 95,696 pills carried by a passenger on his way to Malaysia, or the 66,000 pills confiscated on two other occasions in the same year on passengers traveling to Asia. In February 1997, 42 kg of the drug were intercepted in Antwerp, Belgium in a postal delivery destined for Indonesia. Singapore is the principal transit point for these networks. But local production is developing in Asia, as shown by the discovery of a secret laboratory in Nanning, China in November 1997, when 25 kg of the drug were seized. Moreover in Indonesia, though none have yet been discovered, it is more than likely that laboratories are already operational there. The existence of such laboratories in Burma and Australia, on the other hand, is certain<sup>28</sup>.

Since the mid-1990s, law enforcement measures have tightened with growing awareness of the problem by international authorities. One of the consequences has been the modification of production structures in the former Soviet Bloc countries. Whereas in the early 1990s synthetic drug production there was essentially done by poorly- (or in some cases highly-) controlled pharmaceutical industries, it is increasingly being replaced by production in more discreet, underground laboratories. In Asia, conversely, synthetic narcotics manufacture has sometimes become a state effort. The People's Republic of China is the world's largest producer of ephedrine, the principal re-agent of methamphetamine (and of methcathinone, popular in Russia and in Central Asia under the name of ephedrone). It is obtained either by synthesis or drawn from the *Ephedra* plant, which grows wild mainly in China's Yunnan and Fujian provinces. Tons of Chinese ephedrine destined for secret production laboratories are regularly confiscated around the world. Such large quantities of re-agents can only be produced and transported by the People's Liberation Army<sup>29</sup>.

Even more striking is the example of North Korea. Abundant evidence shows that authorities in Pyongyang have developed industrial manufacture of various psychotropic medications to help meet their desperate need for hard currency. This involves above all methamphetamine destined for the Japanese market. In 1998, Bangkok police seized 2.5 tons of ephedrine at the airport. The substance came from India and was destined for North Korea, but had not been declared as required by law. The

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<sup>28</sup> See the chapters on these countries.

<sup>29</sup> See the chapter on "China".

North Korean government has stated that the ephedrine was to be transformed into a remedy for blocked noses. But 2.5 tons would have been enough to free all North Korean noses for a whole year, while it is remarkable that a country where famine prevails should choose to use very expensive air freight for the transportation of a non-essential product. By contrast, such expenditure becomes justifiable when related to the seizure in Hososhima, by Japanese customs in April 1997, of 58,4 kg of methamphetamine concealed in honey jars from a ship from North Korea. Those behind this shipment were linked to an association of Korean and Japanese residents known to be close to the Pyongyang regime. They had already been accused of secretly importing arms and methamphetamine for sale to the yakuza.

The market for illegally-diverted medications has also experienced the arrival of organized crime. In 1997, some 1.1 million pills of *Captagon* (or fenetylline), an amphetamine derivative produced in Germany and Bulgaria, was seized from Turkish networks. In Jordan, police intercepted three million pills of diverse sorts in 1997, or ten times more than in 1996. Turkish networks thus use their heroin routes to send stimulants in the other direction, headed for markets in the Arab world. Moreover, Eastern routes play a determining role in this trafficking. The OGD's 1995-1996 annual report cited the role of Ukraine as "Eastern Europe's pharmacy." Slovakia and Lithuania also appear to be source countries for diversion networks for pharmaceutical products destined for Scandinavian countries (Sweden, Norway, and Denmark), where nearly all of Europe's seizures of flunitrazepam (*Rohypnol*®) occurred. In Africa, mention must be made of Côte d'Ivoire (pharmaceutical products represent that country's number one import), and Nigeria, both hubs for illegal trading in medications, and the lesser known example of Lesotho, which occupies an important place in the smuggling

## **POLYDRUG TRAFFICKING AND POLYDRUG USE IN THE UNITED KINGDOM: A MODEL FOR EUROPE?**

The United Kingdom (UK) is the largest consumer market for illegal substances in Europe. Many indicators leave no doubt about its significance. Cannabis is by far the most widely used drug, but amphetamine and other synthetic stimulants, LSD, “magic mushrooms” and all the other substances that the British call “dance drugs” or “club drugs” are widespread. Cocaine and heroin are also very much a part of the British drug scene, but because they are the object of discreet, even hidden (especially for cocaine), consumption in many instances, they are under-represented in national prevalence estimates.

Because polydrug use has become commonplace, users no longer view drugs as “forbidden fruit” but instead as tools allowing to maximize the hedonistic pleasure from leisure activities or to perform better at work. This utilitarian mindset is leading users to design their own pharmacopoeia, using one substance to alleviate the adverse effects of another or on the contrary to boost the effects that are perceived as positive. This logic entails the blurring of the lines between licit and illicit substances and “soft” and “hard” drugs. If it is pushed to the limit, the logic means no drug is perceived any longer as potentially leading to addiction.

It is against this background that Keith Hellawell, the first-ever British “Drugs Tsar”, appointed by Tony Blair in October 1997, warned his fellow countrymen in early August, 1998 that a new heroin “epidemic” was threatening the UK. The government, taken up by the media, maintains that the masters of the British heroin market, and therefore those responsible for the epidemic, are “Turkish Cypriots” based in northern Cyprus but who obtain their supplies in Turkey. London further charges that they enjoy the protection of the authorities in Ankara (the Ciller clan)<sup>30</sup> and applies diplomatic pressure on Turkey. British authorities have arrested many Turkish traffickers since 1995.

According to Hellawell, these foreigners have developed a strategy with a view to creating a new demand for heroin among the UK’s youth and middle classes. But while the Turkish narcos have a quasi-monopoly over the wholesale end of the UK heroin market, it is in partnership with the British mafia. Indeed, there are many indications that drug distribution is in the hands of British traffickers. Additionally, the latter play a major role in drug trafficking in Europe.

### ***Europe’s Largest Drug Market Gets Bigger and Younger***

A study by the UK Office of National Statistics published in July 1998 says that the income of organized crime in Britain is so large that the fact that it is not included in the national accounts “provides a distorted picture of the British economy”. This government department estimates that British users spend a huge £7.5 billion (about US \$12.5 billion) annually to buy drugs, while spending on prostitution amounts to “only” £1.2 billion (\$2 billion)<sup>31</sup> Indeed, some 25% of the population aged 15 to 69 years, or about 10 million people, have used an illegal drug at least once in their lives, according to prevalence estimates for 1995/1996 (the latest available when this article was written) compiled by the Institute for the Study of Drug Dependence (ISDD)<sup>32</sup>. This independent research center also estimates

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<sup>30</sup> See the chapter on “Turkey”

<sup>31</sup> ONS: “Developing a methodology for measuring illegal activity for the UK national accounts”, in *Economic Trends*, July 1998.

<sup>32</sup> ISDD: *Drug Misuse in Britain*, London: ISDD, 1997.

that about 10% of the general population (4 million people) have used a drug in the previous year, and 5% in the previous month.

Various official reports show that the British drug market is growing. The number of deaths by overdose has increased from 1399 in 1993 to 1805 in 1995, while 48% more people have resorted to public health services for drug problems between 1993 and 1996<sup>33</sup>. The trend is confirmed by the indicators of supply, all of which are on the rise, as in the rest of Europe. The number of drug seizures has been increasing steadily since the mid-1980s: from under 10,000 in 1986 to over 120,000 in 1996. The same is true for the amounts of drugs seized: between 1986 and 1996, the quantities of cocaine seized increased nearly tenfold; 5.3 times more hashish was seized; almost 23 times more amphetamine; and 4.8 times more heroin<sup>34</sup>.

Drug use is the most widespread among young people. Almost half (48%) of those aged 16 to 24 (3.5 million people) admitted to having used a banned substance at least once in their lifetime in 1995 (45% in 1994). First use occurs fairly early: an estimated 8% of 12-year olds have used a drug, and 33% of 14-year olds. And the population of drug abusers (addicts) is getting younger. The incidence of drug addiction (new cases) among those aged under 21 years has increased from 8% in 1991 to 11% in 1995.

According to the ISDD, in 80% of the cases mentioned above, the drug involved is cannabis. No less than 21% of the general population (over 8 million people) and tellingly 40% of those aged between 16 and 25 admit to having experienced it at least once, while 5% of the general population have used a cannabis by-product during the previous month. Although high, such figures are not unique in Europe.

### *Stimulants Call the Tune*

By contrast, the use of stimulants reaches exceptional proportions in Britain. It is fueled by the “dance scene”, i.e. nights spent dancing until dawn in clubs (and private parties) — the most popular distraction among British youth. Stimulants allow users to dance longer to the rhythms imposed by the DJs while hallucinogens facilitate “getting into” the music.

The use of stimulants seems to be *de facto* depenalized in Britain. It is forbidden to make explicit publicity for banned drugs, but there are roundabout ways. The cover of the August 1998 issue of *Ministry* magazine – a by-product of the mythic *Ministry of Sound*, a successful London night-club belonging to James Palumbo, a friend of Prime Minister Tony Blair – announces a game: readers must “spot the real deal” by finding the real “firestarter” ecstasy (MDMA) pill hidden among a large number of other pills displayed on a color interior double-page. Also in interior pages, a column deplores the poor quality of “the latest batch of doves” (ecstasy pills), while ironically wondering how long “anti-drugs’ dance bands” will last.

The British market is characterized by the pre-eminence of stimulants (including cannabis) and hallucinogens. Ecstasy (*E*), which is half-stimulant half-hallucinogen, is, so to speak, the best compromise solution even if it seems to have lost some ground to other substances such as alcohol and LSD. But the symbol of Britain’s enthusiasm for stimulants has been and remains amphetamine sulphate (*speed*), the second most-widely used drug in the country (sometimes intravenously). In third place come hallucinogens like LSD (*acid*), whose use is increasing, and “magic mushrooms” (mainly psilocibes), then stimulants of the ecstasy type (MDMA, MDA, MDEA) and all the other synthetic

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<sup>33</sup> *Tackling Drugs to Build a Better Britain, The Government’s Ten-Year Strategy for Tackling Drugs Misuse*, The Stationary Office, April 27, 1998.

<sup>34</sup> Corkery, J.M.: «Statistics of drugs seizures and offenders dealt with, United Kingdom, 1996», *Home Office Statistical Bulletin*, issue 10/98, 9 April 1998.

substances falling into the category of “dance” or “club” drugs (ice, amphetamine base, ketamine, methamphetamine and other phenethylamines). Finally, the drugs less used are reported to be heroin (*scag*), cocaine (*Charlie*) and crack (*rock*) whose prevalence is estimated at between 1% and 2% of the general population (with less than 1% injecting).

But while it does seem that crack is restricted to a small group of urban abusers, heroin and above all cocaine use tends to be under-represented in national prevalence estimates in Europe. This is because users usually belong to the elite and most of them are well-equipped to keep use under control. They do not cause street crime and the addiction problems some of them may nevertheless encounter are dealt with “privately”, that is without becoming known to law enforcement nor resorting to public health services, which makes them “disappear” from the statistics<sup>35</sup>.

In fact, it is likely that all the festive events which presently give rhythm to the life of young British people – and play a crucial part in their socialization – give rise to drug use. For instance, football (soccer), an extremely popular sport among youth, is, alongside the sacrosanct institution of “clubbing”, an occasion to use both legal and banned drugs. According to OGD sources, the use of cannabis and LSD is not rare in football terraces, notably in London stadia, while in the rooms reserved for VIPs cocaine is the drug of choice.

### ***Normalization and Polydrug Use***

In view of all this, it is hardly surprising that some studies, including those conducted by sociologist Howard Parker (a specialist on drug issues) in 1995, maintain that the reason behind the increase of drug use among young people in Britain is its “normalization”, which means that in future it is those who do not use drugs who will be viewed as deviant by their peers. Although it has been challenged by other researchers, the normalization thesis has been taken on board by the government. Thus, one of the objectives of the new ten-year strategy made public by the Labour government in April 1998 is to “help make the misuse of drugs less culturally acceptable to young people”, especially by teaching “young people from the age of five upwards” how to resist pressure to take drugs<sup>36</sup>.

Normalization goes hand in hand with the development of polydrug use and abuse as both are closely related. If it becomes normal to use drugs, why not try them all? Both phenomena betray the wide gap separating the British political establishment and young people. While the former stresses the ill-effects of drug “misuse” and keeps prohibiting substances, the latter have normalized drug use and even claim it as part of their culture. The banning of rave gatherings by the government of John Major in 1994, which was based on a legal definition of acid music as “sounds wholly or predominantly characterized by the emission of a succession of repetitive beats”, was probably the maximum expression of this generational conflict. In a country that is proud of its pubs, where beer flows freely and where alcohol abuse is ruining many lives, it has become difficult to convince the population of the risk attached to using banned drugs. Especially since supply-reduction policies have failed in Britain and the rest of the world, and opportunities to use drugs have mushroomed.

It is less and less the drug which determines the use and more and more the opportunity. Users no longer specialize in just one drug while despising or diabolizing other substances, but instrumentalize drugs according to their needs. It is not by chance that stimulants lead the way on the British drug

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<sup>35</sup> OGD: *Where Does Cocaine Go in Europe?*, report for the French ministry of research, Paris, 1996.

<sup>36</sup> *Tackling Drugs to Build a Better Britain*, op.cit.

scene<sup>37</sup>. And the current increase in the prevalence of a hallucinogen like LSD is due to the fact that this classic “trance drug” is now being marketed and used as a “dance drug”, according to the ISDD. Today’s consumers buy it in “mild” doses of 50 to 70 microgrammes – as opposed to 250 microgrammes in the 1970s – for £3 to £5 (roughly the price of a pack of cigarettes) before going out to a club or a football match, and no longer for a “trip” of introspection. The substances themselves have been forced to adapt to the new situation. So, the development of a form of drug use combining functional and recreational purposes is hardly surprising. The main consequence of the spread of this model is that addiction tends to disappear from the minds of users, especially younger ones, as an underlying danger of drug consumption. It is by this process that reputedly “hard” drugs like heroin are gaining access to the mass market for recreational substances.

### ***Heroin: “Epidemic” Foretold***

The campaign against heroin is a government priority because the new wave of opiate use is upsetting the epidemiological image that Britain had of itself. According to official estimates, the country currently numbers 100,000 to 150,000 heroin users (50% of whom inject the drug), including about 45,000 registered addicts. Most of these “identified” heroin users live in the deprived neighborhoods of Britain’s large cities such as London, Manchester and Liverpool, which specialists say are areas of endemic opiate use. This population of urban marginals is relatively well studied and was remaining stable (it was even thought to be getting older) since the last heroin epidemic of the early 1980s from which, so to speak, it was inherited.

According to Drugs Tsar Hellawell, the new epidemic is the result of a marketing strategy designed by the traffickers in order to develop a consumer market for heroin among teenagers. A brown sugar pure enough to be smoked or snorted is presented in a new packaging of £5 and £10 bags (\$8 and \$10), and reportedly sometimes as cheap as £2, which puts the opiate in the price range of widespread recreational drugs. The result is that the majority of new identified users continue to come from poor backgrounds, but they are markedly younger — from 14 to 19 years of age. And while most of them are still urban dwellers some come from the country and many do not live in the usual endemic zones, but in small or middle-sized towns of the center, east and north of England with no past history of heroin abuse. Finally, middle- and upper-class teenagers have been the victims of overdose or prey to addiction, which has led the government to warn that brown sugar could be spreading to vast sectors of the society.

In fact, there is little doubt that the country numbers far more heroin users than the usual estimated 150,000. The present boom of heroin use started in the early 1990s (351.4 kilograms seized in 1989, 602.7 kg in 1990), then accelerated in 1995, a year when heroin seizures first went through the symbolic ceiling of one metric ton (744.2 kg in 1994, 1394.6 kg in 1995). Since, annual heroin seizures in the UK have never been less than one ton, and they passed the two-ton mark for the first time in 1997 (2 067.2 kg)<sup>38</sup>.

If the figures of the estimated size of the heroin-using population do not yet reflect the increase in trafficking, it is probably because it takes longer for heroin to create addiction problems acute enough to push users to make themselves known to the authorities when it is smoked for recreational purposes. Moreover, some serious cases go unreported. For instance, well-off families often prefer to send an addicted member to a private clinic rather than be “stigmatized” by resorting to public health institutions.

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<sup>37</sup> See the chapters on “The World of Synthetic Drugs” and “France and French Antilles-Guyanne”.

<sup>38</sup> Interpol: *The European Scene 1997, Heroin*, Sous-directorat drogues, Lyon.

Additionally, the prevalence of heroin use among communities of immigrants from Southwest Asia, who are both numerous in the UK and directly connected to opiate producer, transit and/or consumer countries such as India, Pakistan and Bangladesh, is underestimated. According to the Drug Action Team (an official coordinating body at local level) of the London borough of Tower Hamlets – one of Britain’s poorest – where a large Bangladeshi community lives, young Asian first- or second-generation immigrants usually do their utmost to hide an addiction problem from their family, or wait a long time before saying it. And the parents of those who eventually do come out often blame the “permissive” surroundings in the UK and prefer to send them “home” to Asia — where heroin is at least as widely available and much cheaper.

There are many indications that the current heroin epidemic is part of the normalized polydrug use model described above. For instance, it is known that the opiate is fairly widely used to offset the negative feeling of “coming down” from a high of ecstasy or other substances (including crack). A London “polydealer” who delivers drugs directly to the homes of his yuppie clients – who work in advertising, broadcasting, computers, finance, fashion, etc. – offers a brown sugar that can be snorted or smoked for £80 a gram (about \$130), alongside several types of cannabis products, two grades of cocaine, LSD and ecstasy. Therefore, a strategy focusing on a well-off clientele which is reached by the provision of “luxury” services such as home delivery should be added to that targeting teenagers denounced by the authorities.

The presence of Turkish organized crime on the British heroin market is undeniable. Judging by the origin of the heroin seized by customs at ports of entry, only a few networks originating in Pakistan are attempting, but not quite managing, to compete with the Turks. Albanian traffickers, who are the Turks’ main competitors elsewhere in western Europe<sup>39</sup> are, oddly, all but absent on the British scene. However, the Turkish *maffiyas* only have a quasi-monopoly of the wholesale end of the market, which could explain why the price of a kilogram of heroin is higher in the UK than in other European countries: on average £25,000 (\$40,000), that is about twice as expensive as in the Netherlands, Germany or France. Paradoxically, although it is the largest drug market in Europe, the UK seems to be insulated from the fall of wholesale prices noted elsewhere on the continent. The explanation is probably that it is the families of British organized crime that have control over the streets and therefore the retailing end of the market. The current heroin epidemic would then be the result of a partnership between Turkish importers and British distributors which would leave little room for foreign competition.

The UK, which is located at the end of the Balkan Route has been seizing for three years roughly as much heroin as Turkey, the starting point of the Balkan Route and Europe’s largest supplier. The efficiency of British law enforcement, especially customs, partly explains this situation. But it is likely that Britain has become a heroin storage/distribution territory. The opiate could even be manufactured there. Although no heroin refinery has been discovered in the UK so far, two shipments of 5 tons and 3 tons of acetic anhydride (an essential chemical for manufacturing heroin) seized in 1997 in Sri Lanka and Kenya, respectively, were meant for export to England.

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<sup>39</sup> See the chapter on “Heroin Markets and Networks in Europe”.



### *A Hub for Europe*

The mass markets for cannabis and “dance drugs”, the most lucrative ones and those that structure national drug consumption as a whole, are dominated by the families. This is the case with the huge hashish market. According to Interpol, while the UK is only in third place as far as the quantities of hashish seized in Europe are concerned, with 56.7 tons in 1997 (compared to 293 tons in Spain and 70 tons in the Netherlands), more than a fifth (21.2%) of the 523 tons confiscated in the whole of Europe the same year were found on British nationals. Her Gracious Majesty’s subjects are Europe’s main traffickers of hashish, far ahead of Spanish (17%) and Dutch (9.06%) citizens. Additionally, Britons are the second largest group involved in both LSD and amphetamine seizures – fairly large amounts of which are manufactured illegally in the UK and exported abroad – and third largest for ecstasy. Furthermore, increasing quantities of hydroponics-cultivated marijuana (*skunk*) are grown in the country, while the way seizures are structured, decreasing in number but increasing in weight, shows that skunk production is increasingly concentrated — in the hands of organized crime, according to Interpol. The UK also seems to be a fairly significant player on the European cocaine scene, being one of the main ports of entry of the substance on the continent, according to Interpol and Home Office figures. Overall, Britain is the fourth European port of entry for cocaine, while the London airports of Heathrow and Gatwick combined rank third in the category of seizures of 50 kg and above carried out at airport, after Dutch and Spanish airports.

These elements suggest not only that British traffickers monopolize the supplying of their home market but also that they organize part of the trafficking, in particular in hashish, to other parts of Europe and perhaps beyond. Britain’s historical role as a commercial hub and a former hegemonic sea power has endowed it with highly efficient port and airport facilities, which today can be taken advantage of by the traffickers.

Its grip on Europe’s largest drug market has given British organized crime, which switched to large-scale drug trafficking at least 15 years ago, the financial backbone required for a successful expansion out of its home ground. London and its huge finance industry (one of the largest contributors to GNP) is without a doubt one of the largest money-laundering centers in the world. Several cases, including that of Turkish-Cypriot money launderer Asil Nadir and his *Polly Peck* holding company, have shed light on the deficiency of the British anti-laundering apparatus. The complacency shown by the Conservative governments in power for nearly 20 years toward the generous donors who bankrolled their electoral campaigns (the party admitted having received £1 million from the family of a Chinese drug trafficker wanted by British police), as much as its *laissez-faire* policies in a business community engulfed in a speculating frenzy during the 1980s (real estate and finance), have provided fertile ground for the development of a sophisticated type of organized crime. One can only imagine, with a shiver, the financial power built on the profits from the £7.5 billion Britons spend on drugs annually. It is all the more surprising to note that the Blair government seems no more worried about drug money laundering in Britain than its conservative predecessors. The problem does not deserve so much as a mention in the ten-year antidrug strategy of New Labour.

The other assets of British crime families include their correspondents in Gibraltar, one of the main points of entry for Moroccan hashish (and probably cocaine) on the European mainland, Ibiza (the cradle of the European rave movement and wave of ecstasy use) and the south of Spain as a whole (a traditional shelter for criminals wanted in Britain where many shady deals are struck nowadays) where Britons own much tourist infrastructure, as in Cyprus, southern Portugal, and southwestern France. The Commonwealth abounds in drug producer and/or transit countries (India, Pakistan, Hong Kong, South

Africa, Kenya, Nigeria, Jamaica, Belize, etc.) and offshore centers directly connected to the City of London (Channel Islands and the Caribbean). Britain also has a special relationship with large consumer countries like Australia, Canada and the United States.

Last but not least, the UK is a member of the European Union, the largest drug consumption area in the world, and can thereby export goods on the continent practically without checks. Because the UK is thought of mainly as a drug consumer country (and therefore an importer of drugs), its exports are not suspicious in the eyes of customs officers around the world, an advantage as far as drug traffickers are concerned. By contrast, Britain is not a member of the Schengen agreement and maintains border checks. In short, it is a country which is fairly difficult to enter but easy to exit. This tends to create a *de facto* situation of protectionism in favor of local traffickers who are far better armed than foreign competitors to go around checks in their own country. Law enforcement forces are their unwilling allies in limiting competition from abroad, although at the cost of the loss of a share of their own merchandise.

However, the great strength of the British narcos is to have been able to combine all of these assets in order to give rise to one of the underlying trends of supplying the European market for illegal drugs: polydrug trafficking.

### ***Polydrug Trafficking: A Typically British Affair***

Western Europe is where seizures of several drugs on the same vehicle are the most frequent in the world. And Britain has the Western European record of such seizures. The most spectacular one took place in Dover on December 12, 1997 when customs discovered in a truck registered in Britain a multi-drug shipment containing a ton of hashish, 250 kg of marijuana, 140 kg of speed, 22 kg of ecstasy and 9 kg of cocaine. The same year, HM Customs & Excise carried out another 30 such mixed seizures of ten or even hundreds of kilograms of drugs — a third of the total for Europe, to which should be added seizures made elsewhere in Europe but involving drugs belonging to British traffickers. The October 1996 arrest in the Netherlands of one of the most significant European narcotraffickers ever identified, Curtis Warren, an Englishman, has provided the most striking example to date of the European dimension of British polydrug trafficking. Before his arrest, Warren was known in Liverpool and Manchester as a real estate tycoon and one of the UK's 500 richest people. He moved to the Netherlands in 1995 to avoid the surveillance he was subjected to by British authorities ever since he was acquitted in 1993 in a case involving the import of 900 kg of cocaine into Britain. His downfall was caused by a shipment of 350 kg of cocaine which was disembarked "by mistake" at the port of Rotterdam. Warren hastily tried to organize the drugs transportation to Bulgaria and caught the attention of Dutch police. Following his arrest together with two of his assistants, both English, 75 kg of heroin, 5 tons of hashish, firearms and grenades were recovered in the Amsterdam area. His trial revealed that he obtained his supplies directly from Colombia (cocaine), Turkey (heroin), Morocco (hashish) and the Netherlands (ecstasy and speed).

The grip of British traffickers on "their" market characterized by polydrug use has led to the development of polydrug trafficking. It seems that supply is adapting to demand, although it could be the other way round. Whatever the case, British users now tend not to specialize in one product only and the same is true for British traffickers. While users "transform" substances so that they meet their needs, traffickers master drugs through their networks. The global boom in drug production and the mushrooming of stockpiles in European and bordering countries has made it easier than ever to buy drugs or barter them. But it is more difficult to deliver them on the consumer markets. That is why transportation and marketing networks are of crucial importance, and explains the development of

polydrug trafficking, for if it is possible to smuggle hashish, why not take advantage of the infrastructure to embark heroin, cocaine, ecstasy, etc.? The final result is the boom in polydrug use. A single dealer can easily meet a demand for several types of drugs, or create that demand, because his wholesaler is stocking them all. The UK seems to be pioneering the mutually-dependent relation between polysupply and polydemand, which increasingly is a hallmark of markets across Europe.

The situation described above is a far cry from the vision of Britain as a besieged fortress, notably by “wicked” Turkish traffickers, which underlies the claims of the British government and civil servants and helped structure the new ten-year strategy.

## HEROIN NETWORKS AND MARKETS IN EUROPE

In 1996 and 1997, total heroin seizures on the European continent fell below seven metric tons<sup>40</sup> but the reduction was far from uniform in different countries. In some of them, the drop was attributed to the development of “risk reduction” policies. Thus in France (a country that seems to have made up some of the time it has lost on its neighbours in adopting this type of approach to drug addiction), confiscations in the past two years have been around 210 kilograms, or two thirds of the haul in previous years. In Germany, seizures declined from just over 700 kg in 1996 to 555 kg in 1997; in Switzerland, the decrease from 1996 to 1997 was more than 100% (from 210 kg to less than 100 kg). These two countries have been implementing risk reduction policies for a long time, and are upgrading them by setting up “experimental” heroin distribution programmes (a policy that was approved by referendum in Switzerland in 1997). However the fall in seizures in these countries (mostly made at the level of small-time domestic or cross-border trafficking and street dealing), taken alongside other indicators which are also headed lower (overdoses, the incidence of AIDS, and so on), concern mainly populations at risk. It is therefore natural that, using the same indicators, we see similar results in the Netherlands.

This is not the case in the United Kingdom, where hauls in 1997 rose above the record level of two tons. In that year, seizures in Britain and Turkey represented 50% of all heroin confiscated on the European continent. The same situation prevails in all the Central European countries; the Czech Republic<sup>41</sup>, Bulgaria, Slovenia and Austria have all at least doubled the volume of heroin seized. In Slovakia, for example, the figure rocketed from 1 kg in 1996 to 145 kg in 1997. In Hungary, although there was a noticeable drop in hauls between 1996 and 1997, there has been an upturn in the first eight months of 1998. In the Balkans and the Iberian peninsula, which like Central Europe are on the overland or maritime branches of the Balkan route, seizures are generally on the increase, with Romania, for example, moving up from a haul of 57 kg in 1996 to 170 kg in 1997. In all these countries, the pressure of heroin supply has intensified, while methods of consumption and types of consumer have become diversified.

### *The Turkish and Kosovar Networks: Quality Rises, Prices Fall*

The greater part of the European heroin market is supplied by Turkish and Albanian networks, with the exception of the Scandinavian countries, where the heroin consumed comes mainly from Asia. Interpol statistics show that Turkish nationals and Albanian-speakers from Albania, Serbia and Macedonia were the target of 30% and 14% of arrests respectively in 1997. Moreover, while the average quantity of heroin per person confiscated from European dealers is below 2 grams, the figures are 180 grams for Turkish nationals and 120 grams for Albanian-speakers.

In all European countries, more and more No.4 quality (white) heroin is being found (several hundred kilograms were confiscated in 1997), whereas previously the market was almost exclusively supplied with No.3 quality (brown sugar). In Turkey, white heroin is increasingly available, and at prices that are extremely competitive with brown sugar. And an OGD study of consumers and prices in the greater

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<sup>40</sup> See Interpol: *The European Scene, 1997, Heroin*, Sous-directorat drogues, Lyon.

<sup>41</sup> See the chapter on “Slovakia and the Czech Republic”

Paris region<sup>42</sup> has shown that there is a population of No.4 heroin consumers, who sniff or smoke it, who are socially integrated and most of whom never find their way into the health-care or crime statistics. Studies in the United Kingdom have also revealed the existence of these “invisible” consumers<sup>43</sup>. These developments may go some way to explaining the fall-off in the confiscation statistics, because they show that there is a growing and largely undetected market of consumers using non-injected heroin that is now available at extremely low prices.

Tracking the prices of heroin on their journey from Istanbul or Tirana to Paris or Amsterdam enables us to trace the visible or invisible routes and frontiers along which the drug is moved. Thus in 1997, the average price of brown sugar in Turkey was below US \$7500 a kilogram. In Greece, a member of the European Union, the same kilogram costs \$25,000-\$30,000, because of the extra risk involved in smuggling the drug into Greece from Turkey across a tightly-guarded border between the hostile neighbours. But in other countries of the region, profit margins are more reasonable: in Romania, a kilogram of No.3 costs around \$13,300; in Bulgaria and Macedonia the price is nearer to the Istanbul level, at around \$10,000; in Albania prices are even lower, at about \$8300 dollars; and in the Netherlands and Germany, a kilogram of brown sugar seldom costs more than \$15,000.

Two main routes determining the vectors of heroin penetration into Europe emerge from these figures; one running from Istanbul and the other from the Albanian-speaking region (Albania, Macedonia and Kosovo) into the heart of the Schengen area. Although they are well known, they present some important new features.

The first is that in all the above-mentioned countries, refined No.4 heroin costs only 20%-30% more than brown sugar. For example, white heroin costs around \$9000 a kilogram in Turkey. Considering that this price includes risk costs (especially the bribes needed to avoid those risks), it does not seem too steep, particularly when set against the \$6000 that a kilogram of China white fetches at the Burma/Thailand border, in the middle of the jungle. Such low prices do of course indicate that No.4 heroin is being refined in Turkey. In Romania it costs around \$15,000 and around \$23,300 in Germany and other European countries.

The purity of the product, at wholesale level, follows a similar but descending curve as the drug is sold further away from Turkey (it is often more than 70% pure in Turkey, and 55%-40% pure in Germany or the Netherlands). But in contrast to the situation prevailing in the early 1990s, the purity of wholesale heroin never falls below 35% nowadays.

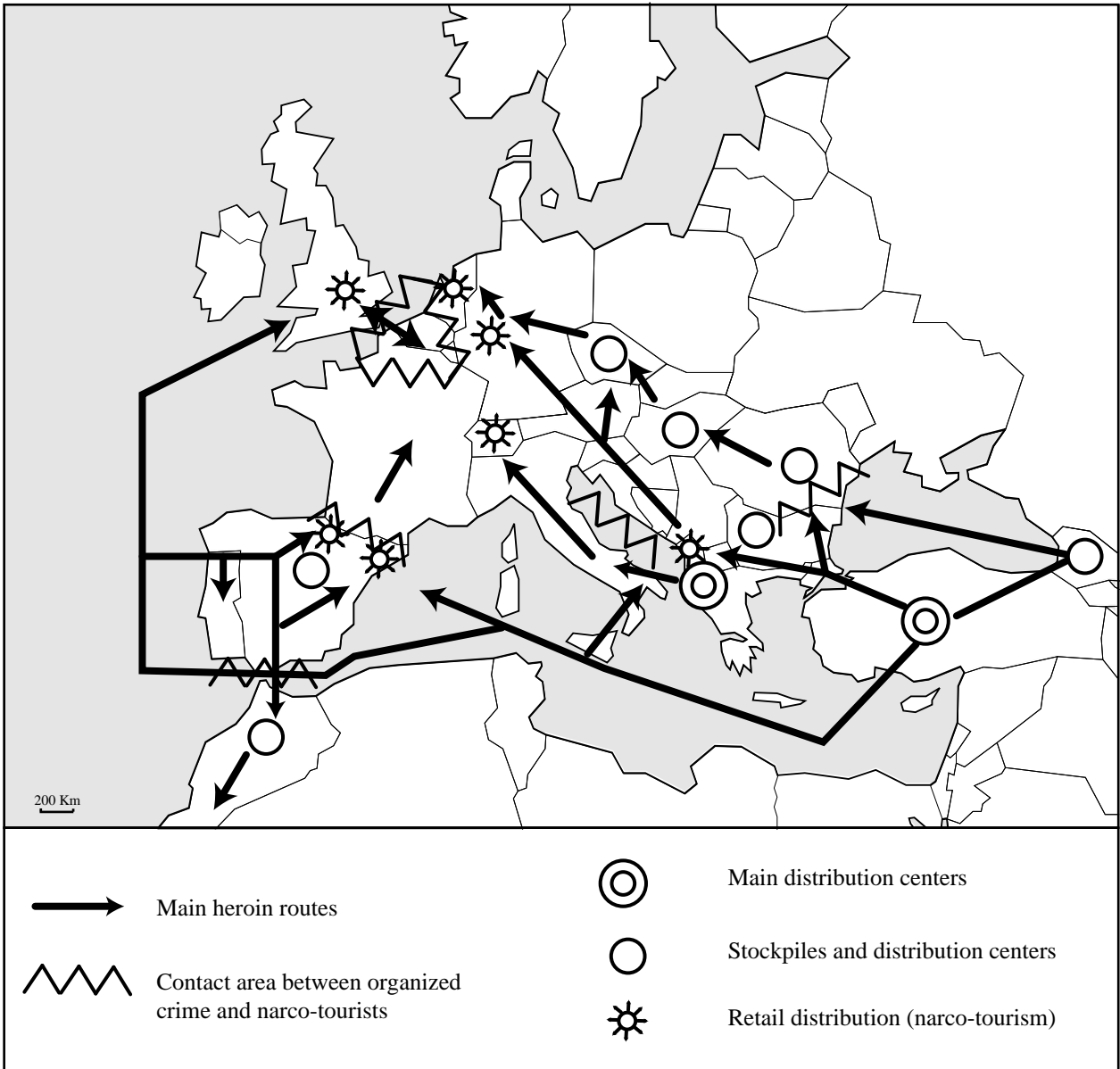
The same effect can be seen in European retail sales: in Paris, Amsterdam or Frankfurt, a gram of 15%-plus pure heroin can be bought for under \$65 dollars (No.3) and \$100 (No.4). In Italy, the Benelux countries and Spain, No.4 heroin imported from Turkey is on offer at a price 10%-20% lower than China White.

To complete the picture, all along the Balkan route (Bulgaria, Macedonia), in Turkey itself, as well as in Germany and the United Kingdom large hauls of the precursor chemical acetic anhydride, imported from countries such as Sri Lanka, Kenya and Macedonia, suggest that there are processing laboratories on the borders of, and even inside, the European Union.

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<sup>42</sup> See the chapter on “France and French Antilles-Guyanne”.

<sup>43</sup> See the chapter on “PolydrugTrafficking end PolydrugUse in the United Kingdom : Model for Europe?”



**Map 2: Heroin routes in Europe**

Another important piece of information is the fact that the same networks are now increasingly turning towards polydrug trafficking. One Turkish or Kosovar heroin dealer in five arrested in Europe is also selling other banned substances: the Turks handle cocaine and ecstasy, and the Albanian-speakers deal in cannabis. At least two Turkish networks broken up in the United Kingdom in 1998 held large stocks of two products, heroin and cocaine.

And Europe is not the only continent affected by multi-trafficking; it is a general trend. In West Africa, especially Nigeria and neighbouring countries, which are drug transit hubs *par excellence*, heroin and cocaine are called “the twins” because they are so often sold by the same people<sup>44</sup>. In Mexico and Colombia, according to DEA and Turkish military counter-intelligence sources, No.4 heroin is being refined by Turkish chemists, mainly but not exclusively for the North American market; more than 100 kg of Colombian heroin were confiscated in Europe in 1997. Geneva Canton narcotics police say they are arresting more and more Swiss narcotourists who buy heroin directly from dealers in Colombia.

### *Albanians Versus Kosovars*

While Turkish traffickers avoid getting involved in retail distribution, preferring to use nationals of the countries where they operate, Albanian-speakers take the opposite tack. They are not shy about selling heroin on German, Swiss and Austrian streets themselves, to make up for their profits shortfall on the higher wholesale prices they have to pay, compared to Turkish dealers. The reason is that even though their networks may sometimes appear to be in competition with those run by the Turkish *babas* (godfathers) and clans, they get their supplies almost exclusively from the *babas*, in Turkey itself or in Bulgaria and Romania. In Hungary, the Czech Republic and especially in Switzerland, where Kosovars have built up a well-structured presence over the years, they do not hesitate to go up against the Turkish networks, although Albanians and Kosovars are now torn by the same sort of fratricidal infighting that bedevils the Turkish traffickers.

Until 1997, networks of ethnic Albanians from Kosovo, a province of Serbia which is today prey to violent clashes, controlled the heroin market in Switzerland. But nationals of Albania seem to have taken it over a few months ago.

The sentencing in mid-May by a Lausanne court of one of the most significant Kosovo godfathers, Musa Rifat Selmani, for the trafficking of 285.3 kg of heroin during the first half of the 1990s, is a paradoxical illustration of that trend. The godfather, born in 1958, applied for political asylum in Switzerland in 1980. He was expelled from the country twice, first for his involvement in a network dealing in false dollars, and then for the traffic of 1 kg of heroin. In 1994, he set up shop in Istanbul, Turkey, where he led an organization shipping heroin to Switzerland and other European countries in fuel tanks specially designed for the drugs to go undetected by sniffer-dogs. The drugs were bought from a Turkish gang and shipped to Skopje, Macedonia, before reaching Pozharan and Gjilan, two villages in Kosovo, where Swiss-registered cars drove them to Switzerland, via Austria. Selmani received the corresponding payment in cash at Skopje airport. While Lausanne police had come to Istanbul to arrest him, he managed to delay his extradition by getting himself accused of drug trafficking on Turkish soil. From his prison cell he continued to manage his business – notably by using the prison director’s cellular phone – before he was eventually extradited to Switzerland.

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<sup>44</sup> See the chapters on “Togo” and “Gulf of Guinea: Toward a Common Drug Market?”.

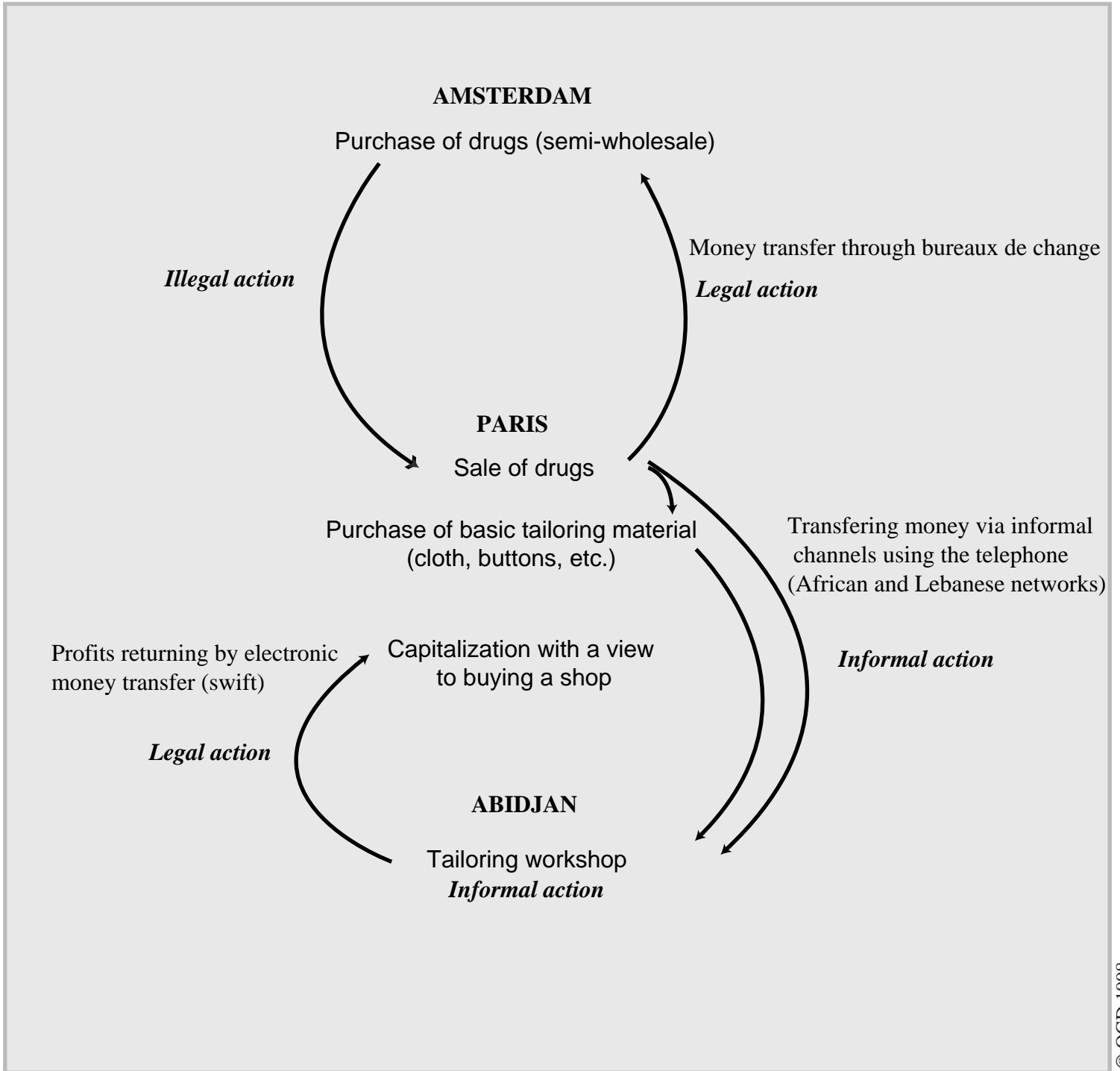
This case illustrates the fact that not every Kosovo trafficker was in the business to fund the political struggle against the Serbs. The drug connections of “patriots” usually involved smaller quantities of a few kilograms at the most, destined to bankroll arms purchases which were shipped to Kosovo mainly via the Albanian region of Macedonia. However, during the crisis in Albania which led to the downfall of President Sani Berisha in 1997, Albanian army barracks were pillaged and tens of thousands of war arms flooded the Balkans, Kosovo and Macedonia in particular, so much so that while asking for guns to fight their cause, Kosovars have started exporting weapons abroad.

The late 1990s saw major changes in the Swiss market for heroin. First of all, heroin prices fell from 500 Swiss francs (about \$350) in the early 1990s to 50 Swiss francs today, a price so low that currently street deals usually involve batches of 5 to 10 grams. The other novelty is that while ethnic Albanians still control 80% of the market, Albanian nationals have grabbed the lion’s share at the expense of Kosovars. During an interview with the OGD correspondent, a judge who asked not to be named noted that it is not easy to differentiate between Kosovars and Albanian citizens since they speak very similar languages and because Albanians pose as Kosovars persecuted by Serb authorities in order to file for asylum. This is rarely granted but the procedure to expel them becomes far more complicated. However, according to the same magistrate: “during interrogation, their accent betrays them... when a genuine Kosovar is arrested usually he plays only second fiddle in the organization”. This has been confirmed by Norbert Klosser, chief of police precinct No. 5 in Zurich, a narcotics specialist. At the other end of the country, Jean-Bernard Lagger, chief of the Geneva canton Brigade, tells the same story: “until recently ‘our’ heroin abusers got their supplies from Kosovars based in Zurich. But now Albanian traffickers have moved into Geneva to deliver drugs to their doorstep”. Not content with mastering the Swiss heroin market, the newcomers have moved onto the street market for cocaine which was in the hands of gangs of West Africans and, to a lesser extent, Latin Americans. However, there has not been any gang war so far because Albanians have restricted their activities to supplying heroin addicts who have recently started abusing cocaine too.

It is probable that they get their cocaine from Turkey and Lebanon. It is shipped to those countries from Latin America, particularly Argentina, by Syrian/Lebanese networks, and from Brazil by sea and air (hidden in cargoes of food and cut flowers), and sometimes from Africa, before being moved up the Balkan Route. The Levantine heroin networks seem to be shipping increasing quantities of cocaine, while Turkish heroin chemists are established in at least three Latin American countries, Brazil, Colombia and probably Mexico. The cocaine is now being transported by networks of tourists (see below).

The investigating magistrate further remarked that while “Kosovo criminals are tough, Albanians are tougher and more violent still. While the former usually confess when our facts prove that we know the truth, the latter have a lot of nerve and always deny absolutely everything, even the obvious”. This can be explained by the fact that while both Kosovars and Albanians are organized along the same clan lines (*fares*), Kosovo traffickers belong to a diaspora of traders while Albanians, especially those from the north of the country, are part of extremely violent mafia-like clans. However, the Swiss authorities have scored points since the beginning of 1998. Dozens of Albanian traffickers have been arrested during large-scale police operations. The largest bust, called “Operation Virus”, has resulted in the arrest of 37 people.





**Figure 1: The example of an integrated network led by one person only and based solely on extended family links**

### ***Gangs Use Narcotourists to Penetrate Markets***

The OGD annual report for 1995/96 stated<sup>45</sup> that the first effective barrier against Turkish networks using the Balkan Route was the Hungarian border. However, the report added that new strategies for skirting round this problem were being put in place, that corruption was endemic, and that Hungarian customs officers with insufficient budget backing were relatively powerless in the face of the logistic resources of the Turkish *babas* and Kosovar *fares* using short networks of nationals living abroad. It described new smuggling methods developed to get round the “Hungarian barrier”, which has now partly given way, as these bypass strategies are now encountered in Slovakia, the Czech Republic and Austria.

All along the Balkan route, the traffickers have set up stockpiles of heroin as redistribution centers in “weak” countries such as Romania, Hungary, Bulgaria, Macedonia and Albania. On either side of the borders of these countries, traffickers split up large cargoes moved by TIR trucks, and increasingly by tourist buses, and ferry them across using individuals and private cars. As these transfers are carried out far from the frontiers, enough heroin can be left on the spot to satisfy growing domestic consumer markets. Within the Schengen area, it is becoming increasingly common for criminal organizations to use narcotourists as retail distribution channels, taking advantage of “safe havens”: the Netherlands, the United Kingdom, Spain and Morocco.

Narcotourists have become a diplomatic issue (although more low-key than in 1996) between the French and Dutch drug control agencies, which approach the problem from different angles. But the fact is that the question of narcotourism is no longer simply a clash between two administrations fighting the drug phenomenon, and is no longer confined to either side of the border between France and the Benelux countries.

In the Mediterranean, the Caribbean, Southeast Asia and some African countries, the narcotourist is now becoming the ideal vehicle linking countries where heroin is stocked (the safe havens) and consumer countries, and is thus a dynamic factor that shapes consumption models. Scandinavian users of China white are mainly supplied by loosely organized networks in Southeast Asia (Thailand, Indonesia, Hong Kong and the Philippines) that have sprung up from a mutation of tourist networks. Cocaine and crack shipped from Latin America to the Caribbean are moved to Europe on tourist charter flights and cruise ships.

In Tunisia, Egypt, Turkey and the Middle East, tourists are now sought-after “mules” who, like the Rotterdam narcotourists (in fact far more numerous than the much-hyped Amsterdam happy holidaymakers), are given the task of developing their home markets. Thus Colombian, Turkish, Spanish (or Moroccan organizations in Spain), and Lebanese gangs (in Côte d’Ivoire and Senegal, for example), have given up smuggling large volumes of heroin and other drugs, which they now stock in their safe havens (see map) and entrust to tourist couriers who expand the target markets.

In contrast to the flood of tourists who flock to Rotterdam and Antwerp, most tourists to the above countries belong to socially integrated groups and return from countries where the tourist is king (Côte d’Ivoire, Tunisia, Egypt, the Caribbean, Thailand, etc.). Although this type of traveller play a minor role in bringing drugs into France, Germany and Italy, in Sweden or Denmark, for example, they have a

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<sup>45</sup> See WGD (1995-1996), p.77.

virtual monopoly on heroin imports into their countries, and sell it to social strata that are not easily detected by enforcement and public health agencies.

## **THE “CARIBBEANIZATION” OF THE INDIAN OCEAN**

International anti-money laundering authorities systematically cite offshore tax havens in the Caribbean as one of their principal targets. Most of the anti-money laundering operations carried out by the United States take place in the Caribbean. The corruption and lawlessness of the region has also opened the doors to all sorts of smuggling activities, in particular narcotics trafficking. The East African coast and Indian Ocean islands share obvious similarities with the Caribbean, in addition to the particularities of Asian-style money transfers and African barter trade. As such, the region rivals the Caribbean as an efficient money laundering center.

An analysis of the mechanisms which have throughout history made the Caribbean a hub for smuggling and the laundering of trafficking profits is necessary in order to better understand the way it operates. These funds in turn provide investment for illegal and criminal activities.

### ***The Nature of Smuggling in the Caribbean***

A number of factors help explain the situation in the Caribbean. First of all is the region’s past as a smuggling center for alcohol and marijuana, not to mention slaves. Then there is the region’s proximity to the cocaine- and marijuana-producing regions of South America, and their well-structured criminal organizations, including Colombian and Mexican cartels, Jamaican posses, etc. Another important element is the proximity of the immense North American market and the “privileged” links which unite the Caribbean islands with the “home countries”: France, the Netherlands, Great Britain, Spain, and the United States. The ease with which Caribbean nationals cross their respective borders and make use of tourist circuits has facilitated infiltration into the European Union. Nearly 50% of the cocaine seized en route for Europe are made in the Caribbean; and 50% of the cocaine seizures in France are made in the Antilles and in French Guyana. Finally, the region’s makeup of hundreds of islands surrounded by mainland areas, each with distinct laws and jurisdictions, is also an important factor.

The conquest of “areas of impunity” as a result of the geopolitical stakes involved (dictators frequently imposed and protected by the great neighbor to the north: in Haiti, Jamaica, Santo-Domingo, Grenada, Panama, etc.) has been replaced by tax havens, where drug money corrupts governments. In 1996, the younger brother of the Prime Minister of Antigua and Barbuda was arrested on drug trafficking charges. Well-placed sources suggest that the two principal political parties in St. Kitts-and-Nevis could be funded partly by drug money. Added to this are the ministers who have been suspected or found guilty of narcotics trafficking in Antigua and Barbuda, the Bahamas, Montserrat, the Turks and Caicos, etc.

Impunity creates favorable conditions for drug trafficking, and for the development of a domestic market for crack. In addition, the increased vigilance of the authorities along the Mexico-US “Tortilla Curtain” is pushing the cartels to redeploy their activities, once again, to the Caribbean.

### ***Similarities between the Two Regions***

The differences between the Indian Ocean and the Caribbean are obvious. The islands of the Indian Ocean are located far from Western drug consumption markets. While Zanzibar, the Seychelles, and the

Comoros are all archipelagos made up of numerous islands, they are nevertheless separated from each other by hundreds, sometimes thousands, of kilometers of ocean. With the exception of Mauritius, none of these islands has evolved a sophisticated offshore banking system. On the contrary, they seem to continue to look to Africa, or even the sub-region, as a model. Others, such as Madagascar, are nothing less than isolationist in outlook. But beyond these differences, a number of more or less strong similarities exist between the two regions.

First of all is a tradition of smuggling going back several centuries in Africa. This initially involved gold, spices, and, to a lesser extent, slaves (through the Omani seaborne empire and Portuguese trading posts). Later, rhinoceros horns, elephant tusks, and, since the arrival of apartheid in South Africa, arms and Mandrax trafficking have forged new, and intensified existing, smuggling routes.

Another similarity is the proximity of production zones. While South American cocaine is the main narcotic transiting the Caribbean countries, heroin from the Indian sub-continent (Afghanistan, Pakistan, and India), along with cannabis resin and Mandrax, are the prerogatives of the Indian Ocean networks.

As far as the proximity of a consumer market is concerned, Africa is now a transit hub for narcotics, after long remaining excluded from transcontinental smuggling. As such, Tanzanian and Kenyan traffickers, for example, arrested in Europe (and sometimes in the United States) on drug trafficking charges, are increasingly numerous. Most of these are sailors (working mainly on Greek or Cypriot ships) who in 15 years have forged important links to Pakistani and Indian suppliers. But small-scale smuggling by sailors is increasingly overtaken by wholesale smuggling where African ports (Dar es-Salaam, Maputo, and Mombassa) and airports (Nairobi and Addis Ababa, in particular) play an important role in the forwarding of narcotics to Europe. Distance plays only a secondary role. "Areas of impunity" and watertight networks are principal ingredients in the development of trafficking. The growth in "areas of impunity" in the Indian Ocean has similar causes to those in the Caribbean. But they are reinforced by endogenous factors.

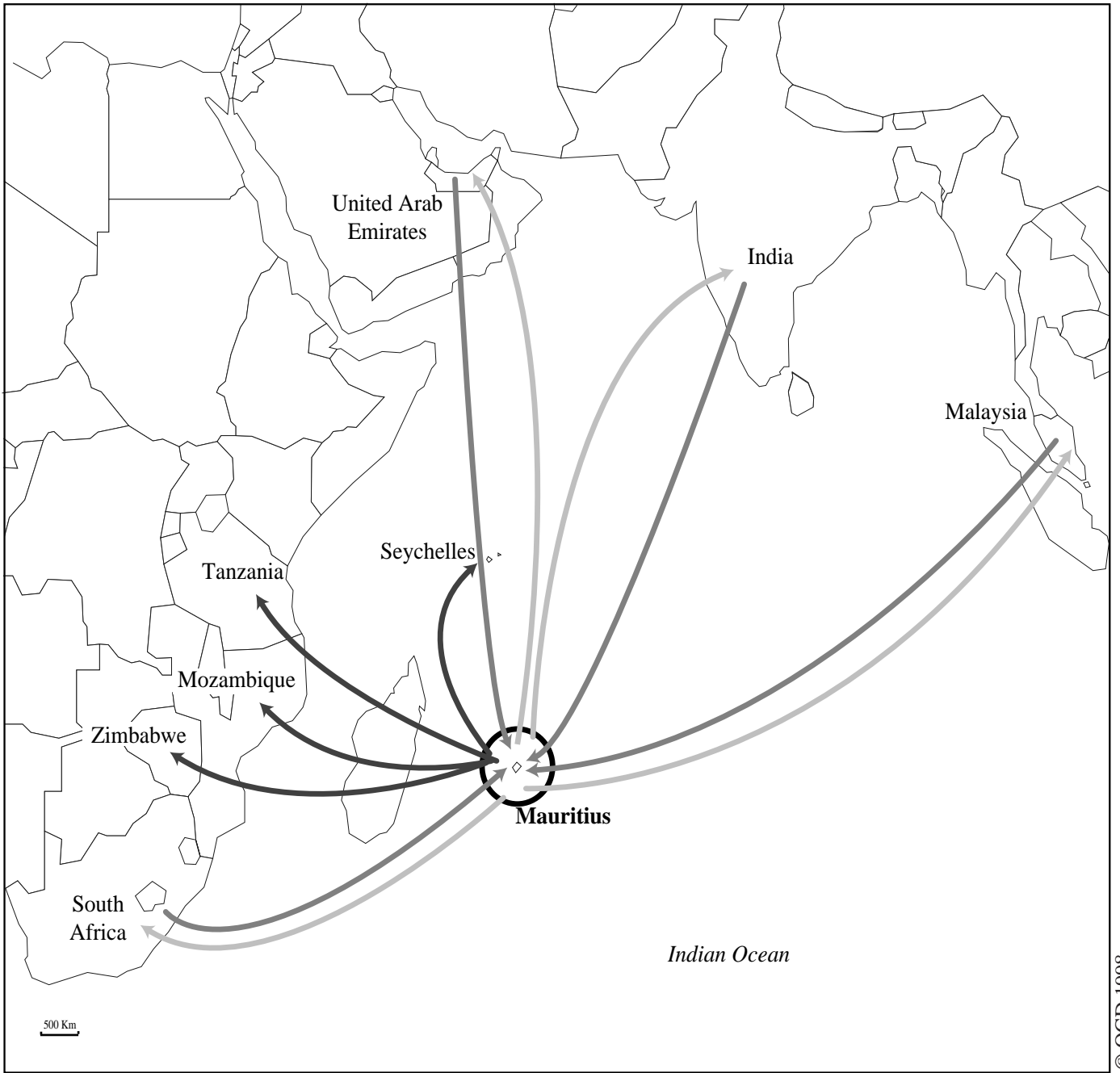
If the Indian Ocean region is much less parceled and spread out than the Caribbean, its ethnic and religious divisions contribute to the development of trafficking networks and make law-enforcement very difficult. On Mauritius Island, which is nevertheless given as an example of peaceful coexistence among the numerous communities making up its population, trafficking networks of Chinese, Pakistanis, Indians, Tamils, and others are tightly closed entities, much as their communities of origin. Law enforcement organizations (Police, Customs, etc.), on the other hand, are made up for the most part of Indians, and admit their inability to identify the networks.

### ***The Indian Ocean in its African Environment***

The increase in the number of "areas of impunity" initially resulted from the geostrategic and economic stakes of the Cold War (East West conflict, apartheid, liberation wars, etc.). But today the tendency has been strengthened by international action over the past two decades with the imposition of structural adjustment programs, privatizations, and the lowering of customs tariffs in societies where the state apparatus remains extremely fragile.

Therefore it is not surprising that investments in the region combine naked political intervention, rigged or non-existent tenders, and unaccounted-for funds coming not only from "investor" countries in the region (Mauritius, South Africa, and the Persian Gulf countries), but also from Europe (Russia and particularly Italy). These investments are aimed at privatized companies (in Zimbabwe, Tanzania, Madagascar, etc.), currency exchanges (Mozambique, Tanzania, Kenya, Zambia, etc.), casinos (South

Africa, Swaziland, Lesotho, Kenya, Mauritius, etc.), tourist infrastructure (South Africa, Mauritius, the Tanzanian islands of Zanzibar and Pemba, the Kenyan coast, Egypt, etc.), and certain heavy infrastructure (South Africa, Mozambique, Zimbabwe, Tanzania, etc.).



**Map 3: The complementary nature of formal and informal money transfers for laundering money. The example of Mauritius**

- **First stage:** informal money transfers
- **Second stage:** electronic money transfers, investments
- **Third stage:** formal investments taking advantage of tax breaks

Informal money transfers, known as *hundi*, partially return to their country of origin, whether Kenya, Mauritius, the Seychelles, or South Africa. But there are variations on this form of money circulation. Funds sent to (and laundered in) Malaysia or India (from Mauritius or South Africa, for example), can be wired to Tanzania, Zimbabwe, or Mozambique (and vice versa). They can be used for setting up a textile factory in Madagascar or the purchase of a sugar cane plantation in Bolivia. In fact, they can guarantee impunity in growing smuggling activities in another product (cocaine, for example), in another country (such as Cyprus or Russia), or on another continent (Latin America, for example).

Some independent traders (often from Mauritius or South Africa, but also from Italy and Russia) are taking advantage of the drop in world raw material prices to propose to certain countries which are denied access to the formal market and are short on cash to sell their stocks for them, paid in cash. This was the case with Sudan's 1997 annual cotton crop. In this way, suspicious capital is laundered into raw materials sold on the formal market at competitive prices, thereby becoming legitimate. This type of transaction, even though cash is used, is more like a barter trade of raw materials for undeclared currency.

It is thus not exaggerated to say that in the Indian Ocean region and in certain African countries "under its influence", the problem is less money laundering than corruption and a lax attitude. But the investments resulting from money laundering nevertheless create areas of impunity which contribute to the development of trafficking. Unfortunately, the people involved in drug trafficking were formerly (and frequently still today) also involved in other smuggling activities inherent with the unstable situation in the region and with the various economic embargoes (Democratic Republic of the Congo, Angola, the Great Lakes region, Sudan, etc.). They consequently enjoy protection from the highest levels. In southern Africa, for example, the forces of history, whether economic, political, or social, have been obliged at one historical moment or another to create secret supply routes, to "break" the embargoes, and to find financing in all types of smuggling activities.

This shifting back and forth between legal and illegal activities, within an environment where political and ethnic segregation is based on the idea of diaspora or survival, has reinforced the mentality which views "others", or the administration, as an obstacle, even an enemy, to their progression. Today, the "embargo busters" and "freedom fighters" who enjoy the social status of benefactors, find themselves in the same situation, bringing new products, with high added value due to their forbidden nature, into the range of historical networks.

The same is true of money launderers. The informal banking system is an active partner in money laundering, which occurs for the most part outside the African continent, between the islands of the Indian Ocean and Asian countries. If the procedures for tenders and licenses were not shrouded in so much secrecy in Africa itself, and if the African countries were not in such dire need of "foreign" investment, this system would not be so efficient. But its consequences in the medium term are potentially very destabilizing because it needs disorder and widespread corruption to flourish.

### ***The Case of Mauritius***

The presence on Mauritian soil of subsidiaries of financial institutions operating on several continents, and the rules governing their operations could suggest that the bulk of money laundering on Mauritius is done within offshore circuits. But this is not the case. All the less so in that Mauritius's capital, Port Louis, boasts the most restrictive legislation and draconian controls when compared to other offshore centers. Offshore activities, in the banking and finance sectors as well as in the duty-free zone and the

textile industry, do exist. But contrary to some other countries considered to be offshore tax havens, Mauritius's commercial, industrial, real estate, and gambling activities all form an important appeal for drug money. The overlapping of highly efficient economic activities with an overburdened administration creates the conditions and informal structures necessary for an "inshore" laundering system to function. This begins with the financing of political parties. Political "coverage" has resulted, for example, in the construction of large buildings and certain residential cities for workers. The advantages are numerous: drug money, in particular from heroin, but also from other smuggling activities, counterfeiting, and the sale of brand name merchandise on unofficial markets. Mauritius appears on Customs statistics as one of the principal suppliers of counterfeit products to France, on the same level as Thailand or China. The island also contributes to the establishment of significant infrastructure in the form of private investment which allows the state to withdraw from the economy, while at the same time increasing the capacity of the tourism industry (condos, shopping centers, luxury hotels, etc.). In this manner they benefit from significant tax breaks.

The laundering of heroin money has also created the conditions for a boom in heroin consumption on the island. Though the population only amounts to 1.2 million people, nearly 10,000 heroin addicts have been counted. Of these, 4,000 inject the drug at least three times a day. According to the former Minister of Human Relations, Sam Lauthan, approximately 25,000 Mauritians have allegedly used heroin at least once in their life. The scale of these data changed the narcotics problem into a political one. The government, political parties, and the civilian sector must confront and dissect the mechanisms which over the past three decades have transformed the traditional consumption of cannabis and opium (the latter confined mainly to the local Chinese community) into a broader social trend.

Historically, heroin consumption affected above all the upper classes in the late 1970s. Users smoked the drug, which was in a purer form than today. Beginning in the early 1980s, the increase in its use has kept pace with the real estate boom in the "workers' cities" due to industrialization and the rural migrations which greatly smoothed out the differences between urban and rural areas. As a result, heroin use is "democratizing", prices are falling, and a very poor quality brown sugar is bringing about a general trend of injecting the drug. Nowadays, heroin is adulterated with benzodiazepines, other anti-depressants or amphetamine to increase the effect. A single dose costs on average 200 rupees (about US \$13). There are a minimum of 22,000 doses per kilogram.

As in Pakistan, the existence of a population "hooked" on heroin generates significant profits, despite the relatively low retail price per dose. According to officials at the Centre d'accueil de la Terre Rouge (CATR, Red Earth Welcome Center), specialized in drug prevention activities, sales for brown sugar heroin come to around 3 million rupees per day. That means some one billion rupees (approximately \$67 million), or the entire budget of the Mauritian health ministry. This Mauritian model is also now found in other countries of the African coast, in particular Mozambique, Kenya, and especially Tanzania<sup>46</sup>. However the links between money laundering, the development of a domestic drug market, and the organization of transnational, even transcontinental, networks are no longer solely reserved for regional criminal organizations. European criminal groups are also becoming involved.

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46 See the chapters on "Kenya" and "Tanzania".



### *Italian Connections*

Since the mid-1990s a boom in the amount of foreign investment in tourism has occurred on the Kenyan coast and Zanzibar archipelago. This has been within the context of an economy experiencing difficulties with liberalization measures due to burdensome government administration and resistance from the mainly Muslim population. Luxury hotels (such as in Malindi, Kenya), lodge-villages (on Pemba and Zanzibar islands), and isolated and luxurious bungalows (Mafia) are multiplying. The investors include Italians who, according to local OGD sources, belong to the Milanese branch of the *maffia* and use their tourist facilities to launder *maffia* money. Italians from South Africa are also active.

In 1992 they began buying up plots of land on the Indian Ocean coast (Malindi and Mafia) or leasing land (Pemba and Zanzibar). The same sources said the Italian managers of tourist villages claimed to be handling a certain number of vacationers (300 in 1994, for instance) whereas the actual number was not more than 100. The other 200 were what might be termed “virtual”. Moreover, an OGD special envoy who stayed in several of these hotels in Kenya and Zanzibar noted a sharp contrast between the luxurious nature of these hotels compared to the very low price charged for rooms and services (\$17 per day). That certain of these hotels belong to the *maffia* is an open secret, to such an extent that some guide books, such as the Kenya guide published by French publisher *Hachette*, present it as a sort of advertisement for the hotels.

The tourism industry is backed by the local authorities, who see it as a significant source of foreign currency especially as they are also generously paid by the *maffia* men. In addition, members of Zanzibar’s Muslim political opposition, who claim to be under-represented in the national government and even on the island, where Moslems make up 99% of the population, allege that the Zanzibar authorities were bribed to give the Italians a concession on a small island near Mafia, where illegal activities were taking place. Fishermen confirmed these suspicions, relating that anyone who tried to land there was immediately turned away by armed men. According to information collected by a French VIP who often goes to Zanzibar, the Italians are using the island to store heroin. The drug allegedly comes from Dubai (United Arab Emirates) and/or Muscat (Oman), cities which have near-daily direct flights to Zanzibar. According to another hypothesis, which is not mutually exclusive with the first, the opium allegedly comes from Kenya, where it is grown for the most part at the foot of Mount Kenya, and is allegedly used to supply heroin-producing laboratories. The heroin would then be sent to the Kenyan coast in boats shuttling between Zanzibar, Pemba, and Mombassa. The OGD special envoy noted the complete absence of customs surveillance on this sea route. Captains of small boats plying the sea between the islands also told the OGD envoy that there are practically no checks on the sea traffic linking the Zanzibar archipelago and the Kenyan and Tanzanian coasts.

Several scandals have already revealed the route taken by heroin traffickers: small boats wait in Pemba for a favorable wind and, when the time is right, set sail for the Kenyan coast. Their cargoes, in which the drug is hidden, are usually made up of timber or manufactured goods. The drug is destined both to consumers in the above-mentioned tourist villages, and to markets in the two largest cities in the region, Dar es-Salaam and Nairobi. A third route first reaches Mombassa by road, then leaves by plane for the European markets, especially Amsterdam. Until recently, the trafficking was mainly in the hands of Indo-Pakistani traders operating in Zanzibar and Kenya who were not subject to any checks. But, according to OGD sources, Italians who allegedly began by laundering their money without entering into competition with smugglers are believed to have finally become involved in heroin trafficking.

## GULF OF GUINEA: TOWARD A COMMON DRUG MARKET?

After they broke into the West African drug scene in the early 1980s, “brown sugar” heroin and cocaine (mostly in the form of crack) have given rise to widespread abuse in the sub-region’s cities, especially those on the Gulf of Guinea (Liberia, Côte d’Ivoire, Ghana, Togo<sup>47</sup>, Benin and Nigeria). While initially it was possible to explain the presence of hard drugs as “spill over” from international transit-trafficking activities, today this explanation is outdated. It seems that African drug bosses now view Gulf of Guinea countries as a single, and lucrative, consumer market. Some drugs even transit through Europe before they are sold to users in the sub-region.

In the absence of national or regional prevalence studies, it is difficult to estimate the size of this market. Given that hard drugs are expensive by local standards of living, it can be supposed that the market is proportionally smaller than those in Europe and North America. But it is expanding, according to all the specialists interviewed by the OGD in the field. And like those of Europe, this West African market seems to be increasingly characterized by polydrug use and polydrug trafficking<sup>48</sup>. Another similarity is the presence of a type of “narco-tourism” as a means to supply urban drug users.

However, the main vector of the spread of hard-drug use in the Gulf of Guinea is the boom of informal trade within the region.

### *The Informal Path*

The informal sector’s success is based on its flexibility and ability to adapt rapidly to changing circumstances. Its ability to supply goods and services cheaper and more efficiently than the formal sector has made it a central element in the structural adjustment programs implemented in Africa under the aegis of international financial institutions such as the IMF and the World Bank, especially as a means to absorb the huge numbers of “deflated” (fired) government workers. Moreover, because it has become harder to access European markets due to the imposition of stricter visa requirements in the early 1990s and because the price of western goods has increased with the devaluation of local currencies, including the CFA franc in 1994, many African international trading networks have been forced to strengthen their links with drug source or transit countries such as Brazil, Colombia, Thailand, Morocco and Lebanon, where cheaper licit goods can be bought. This has led to a mushrooming of opportunities to supply the Gulf of Guinea with narcotics. And if commercial exchanges between the sub-region and these countries only make up a small proportion of the overall trade recorded in West African official statistics, it is mostly because they take the form of smuggling.

Many informal trading networks are in fact smuggling organizations that have developed the know-how and infrastructure to import a wide range of goods without any form of control. Research has shown that one of the main factors contributing to the success of these networks is their “relational capital”, their “contacts” in the government and the upper echelons of the civil service, and even among religious authorities<sup>49</sup>. Some of these networks, especially the more lucrative ones controlling fraudulent rice imports, medicines or illicit drugs, for instance, are in the hands of government officials. The most profitable informal networks also have a foothold in the formal sector, running legitimate import/export firms, shops, wholesale businesses, car dealerships, road-transport companies, etc. The mixing of formal

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<sup>47</sup> See the chapters on “Togo” and “Gulf of Guinea: Toward a Common Drug Market?”.

<sup>48</sup> See the chapter on “PolydrugTrafficking and PolydrugUse in the United Kingdom: A Model for Europe?”.

<sup>49</sup> See the chapter on “Senegal”.

and informal activities, and the fact that both are often in the hands of the same people, explains many of the fortunes made in West Africa, and to a large extent the ease with which consumer markets for banned substances can be supplied. To take one example, some Dyula traders – whose ancestors used to run the kola trade between the rainforest and what today is Burkina Faso and Mali – have invested the profits they made from informal trading of legal goods and amphetamine between Liberia, Côte d’Ivoire, Guinea and Mali in the 1970s and 1980s into legitimate cocoa transport companies operating in southwestern Côte d’Ivoire. Some of these firms started smuggling cannabis, hard drugs, diamonds, arms, latex, timber, etc., to and from Liberia during the war, and continue to do so today.

### ***“Ghettos” of a Single-Market***

The development of a specific form of slang to speak about the drug “bizness” and the sub-regional “standardization” of the names of drugs and doses at which they are sold are indications that a single drug consumer market is being structured. For instance, whether they live in Abidjan, Accra, Lomé or Lagos, all “consumers” call No.4 heroin “Thailand White”; they also call the standard dose of heroin a “quarter”, and crack “coke” or “rock”. In Côte d’Ivoire, Ghana, Togo and Nigeria, heroin and cocaine are known as “the twins” to English-speaking “addicts” and “les jumeaux” to French-speaking “drogués”, meaning exactly the same thing. Both substances are associated in the minds of West African drug users because their effects are thought to be complementary and because, most of the time, they are bought and used in a single place. In Côte d’Ivoire and Togo, the places where the “twins” are available to buy and use are called “ghettos”. In addition to hard drugs, the ghettos always sell marijuana; sometimes diverted medicines such as benzodiazepines (*Valium*<sup>®</sup> and *Rohypnol*<sup>®</sup>) and barbiturates; sometimes amphetamine (in tablets called “*Sékou Touré*” in French-speaking countries); and less frequently No.4 heroin (“Thailand White”).

When the ghettos also operate as public bars, as is very often the case in Abidjan’s working-class areas, polydrug use can also involve the drinking of alcohol. Moreover, some bars that do not sell illicit drugs nevertheless allow their customers to use them on the premises, often without much discretion. If ghettos are so successful it is because they systematically “shift off” the authorities (“*décaler*”, i.e. “bribe the police” in Ivorian slang). From Abidjan to Lagos through Accra and Lomé, numerous police, customs and military personnel are ghetto customers, sometimes with their uniforms on. But they can also be suppliers. Part of the hard drugs seized by authorities in West Africa, notably in airports, never shows up in official statistics.

Most ghettos are located in working-class areas – for instance Treichville and Adjamé in Abidjan; Bè in Lomé; Tudu and Nima in Accra. But they can also be found in better-off neighborhoods. In Cocody, an exclusive district where many Abidjan VIPs live, there is at least one ghetto called “le Trou” (“the Hole”, because “you can only come out of it ‘dead’”, i.e. “stoned”) by the poor working in the neighborhood. In Abidjan, ghettos are often “maquis” (bars and restaurants thus called because they were supposed to be underground during the colonial era, when they first appeared) run by women, mostly Ghanaians and Nigerians. “Too powerful”, according to an Abidjan small-time drug dealer, these women have been around for a long time and they have a firm grip on distribution to the grass-roots drug consumers. So far, they have resisted the competition from some Ivorian women, mostly the wives of civil servants, but the latter seem to be targeting better-off consumers.

Whatever the case, drug outlets are mushrooming, according to several Abidjan and Lomé drug users, although prices have remained stable so far. Abidjan’s maquis-ghettos usually have a room – which is off-limits to those buying food and drinks only – where, after they have purchased drugs from the bar at

the same time as a drink, “drogués” can go and “se taper” (literally “knock themselves”, i.e. use drugs). Ghettos can also be private houses, often recognizable from their “débrillé” (untidy) aspect. This is often the case in Lagos and Lomé for instance. Drugs may also be sold and used in unfinished buildings or empty lots (as in Accra); or merely at small-street corners away from larger urban roads. Many ghettos are located close to taxi and bus terminals for three basic commercial reasons. Firstly, the drivers of collective taxis, buses and “tro-tros”, and above all their assistants (called “convoyeurs” in French-speaking countries and “mates” in English-speaking ones), are often drug users. Secondly, the prostitutes who “serve” this clientele also use drugs. Finally, road transport companies are one of the preferred investments of Africa’s small- and big-time drug traffickers and they are also one of the main means by which local consumer markets for drugs are supplied.

### *Coasting as a Narco-Tourist*

The huge number and variety of vehicles plying international routes in West Africa results in a mushrooming of sources of drug supply. Indeed, some drivers and “mates” (as well as their passengers) – whose vehicles can also serve to transport the “merchandise” of organized networks – engage in small-scale drug-trafficking for their own private benefit.

A former Abidjan “convoyeur”, now unemployed after a stint in jail, told the OGD correspondent that from 1990 to 1995 (when he went to jail) he used to be a “narco-tourist for profit” arbitraging on the difference in the price of cocaine between Lagos and Abidjan. Working for a bus company linking Abidjan to Lagos once a week, the “convoyeur” was using contacts in Nigeria’s economic capital to buy five grams of “coke” at CFA10,000 a gram (US \$16.5). (His first purchase was financed by a loan from a family member). He then hid the cocaine inside one of his pockets and brought it back to Abidjan. Then he “cut the coke” and “cooked” 40 “cailloux” (“stones”) of “rock” which he sold at CFA5000 apiece. His job on the bus greatly facilitated his “bizness” since the main task of “mates” is to tackle the official “tracasseries” (“petty annoyances”, as administrative procedures are known) at the borders and “check-points” set up by the police, customs, military and sometimes even park rangers inside the various countries. On the whole, this means paying money to the officials manning the check-points (at least CFA30,000 per check-point for a bus of 40 people inside Côte d’Ivoire in early 1998; and double that amount at borders). In return, the formalities are dealt with quickly and the vehicle is not searched — or if it is, the “search” consists of a quick look into the passengers’ baggage but mostly in the hope of uncovering a batch of “undeclared” goods (for example large quantities of soap, clothes or cassettes) and therefore an excuse to extort money from the offending passenger before letting him/her go.

Like in the Middle-East, the bribe money paid by the “mate” along the way is not collected among the passengers at each checkpoint, but included in the ticket price charged by the bus company. Therefore, the latter systematically buys the route in all the countries crossed by its buses. Because the objective of the authorities’ checkpoints is less to ensure that roads are safe than to supplement the incomes of underpaid soldiers and police officers, the vehicles can drive up and down the sub-region in complete tranquillity as long as they pay the informal taxes.

Cellular phones, especially in Abidjan, Accra and the large cities of Nigeria, have been a widely-used means of supplying the luxury end of the drug market for some years. A Senegalese cocaine dealer operating in Abidjan, ostensibly trading in art works, hands out his complimentary card with the number of his cell phone to potential customers and delivers drugs at home. Another, an Ivorian, can be reached on his portable phone from 11 pm to 3 am Thursdays to Sundays, but home deliveries are restricted to a few rich clients. Most of the time he prefers to set “appointments” somewhere in Abidjan, but will not

move for less than a gram of “coke” or “héro”. Jailed several times but never discouraged, the man eventually gained a place in the sun. Nowadays, he is only “bothered” by the police every other week — when officers come to receive the price of their “off-shifting”.

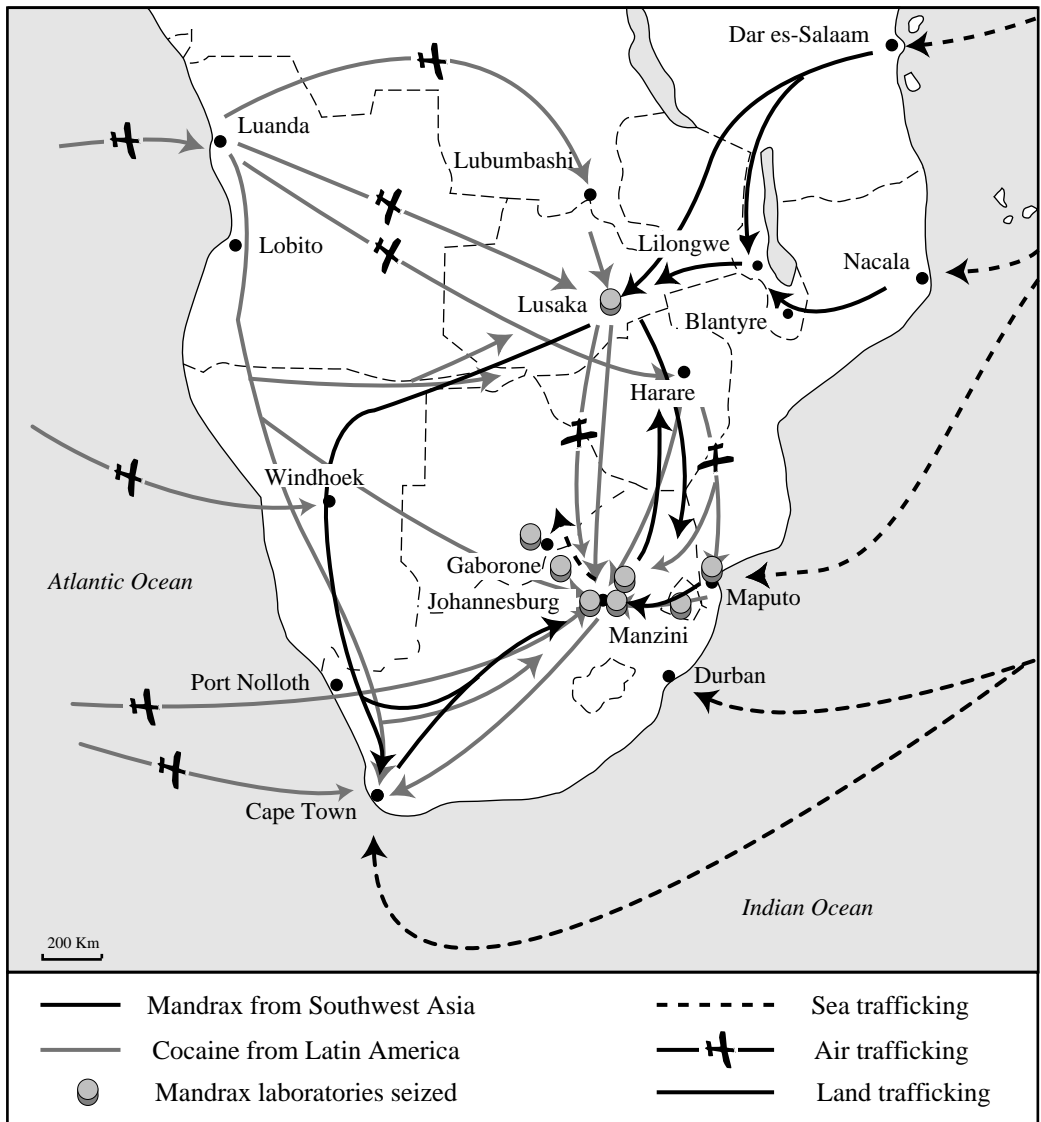
## SOUTH AFRICA AND ITS ENVIRONMENT

In less than a decade, South Africa has opened up to the world to become at once an important player in the international trafficking of cocaine and cannabis derivatives; a producer of synthetic narcotics; a significant consumer market for all types of drugs; and a favored destination for criminal organizations from all over the world (Nigerian, Italian, Russian, and Chinese) which find in South Africa both an operational base and a safe haven for their members and their capital, whether for laundering or for investing. The situation is unlikely to improve in the short-term for several reasons. First of all, the government has other economic and social priorities, such as housing, education, etc. Then there is corruption (nearly one police officer in ten was implicated in corrupt practices in 1997) and the lack of resources and training which paralyzes law enforcement efforts. Finally, the numerous economic and political stakes involved, in particular concerning cannabis crops and drug trafficking, prevent tackling the problem head on.

### *Cannabis Crops: A Delicate Topic*

The World Customs Organization counted 54.3 metric tons of cannabis grass seized in Africa in 1997, of which over 47 tons were confiscated in the Republic of South Africa alone. Official estimates of the surface area planted in cannabis in South Africa totalled 80,000 hectares in August 1996, for a theoretical production of 52,500 tons of the drug (called *dagga*). These figures were put out by Interpol on the basis of a South African police report. The head of the South African Narcotics Bureau (SANAB) told the OGD in June 1997 that the total surface area had dropped to 2000 ha. He explained the extreme difference in the two numbers as an error in transcribing the first estimate, as well as the whims of the climate which greatly affect growing conditions from one year to the next. Such a drastic drop is, to say the least, a near-miracle, all the more so given that the ritual herbicide spraying campaign on illegal crops was halted from 1995 to 1997, officially due to technical problems with the two helicopters responsible for carrying it out. Highly-competent observers, however, say cannabis crops in reality occupy around 35,000 hectares of land, or a production potential of 22,140 tons of *dagga*. This represents a street value of some US \$3.83 billion.

*Dagga* production sustains the majority of rural families in KwaZulu-Natal and, most likely, in the Eastern Cape (the former independent republic of Transkei), South Africa's largest growing areas. This is probably what incited the authorities to so radically lower their cannabis-growing estimates. At the same time, voices were raised within the government advocating the legalization of using and possessing cannabis derivatives, as well as undertaking studies on the development of industrial production of hemp fibers. This is obviously an effort to appease rural populations, on whose support the ruling African National Congress (ANC) party depends more than ever with preparations underway for the upcoming 1999 general elections and the succession of President Nelson Mandela. The former bantustans of Transkei (pro-ANC) and of KwaZulu (for the most part opposed to the ANC) comprise approximately 25% of the nation's electorate.



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**Map 4: Flows of cocaine and Mandrax into Southern Africa**

### ***Dagga Networks Go International***

Traditionally the majority of cannabis production in South Africa is destined for local consumption, notably in large urban centers, where the large black townships serve as storage and redistribution centers (such as Soweto and Alexandra in Johannesburg; Inanda and KwaMashu in Durban, and Gugulethu in Cape Town). What is new is the emergence of South Africa as a supplier of the European market, Britain and the Netherlands for the most part. Large quantities of the drug are sent by sea freight, even though the principal seizures made in South Africa's scantily-controlled ports involved foreign merchandise in transit. The December 1996 seizure in Durban port of 18 tons of Colombian cannabis hidden in two containers headed for Eastern Europe was followed by two new seizures of Colombian marijuana, 18.5 tons in April 1997 and 21.5 tons in September 1997, also hidden in containers, this time in Johannesburg. During the same period, 1.6 tons of Pakistani hashish were intercepted in four separate cases.

On a regional scale, cannabis production is taking on the form of a truly industrial enterprise of which South Africa acts as the hub. Lesotho (a land-locked country where crops allegedly grow on 2000 hectares and whose production for the most part supplies the South African market), Swaziland, and Malawi are specialized in the production of cannabis varieties with a high THC content (known as Durban Poison, Swazi Gold, and Malawi Gold), all destined for export. The June 1997 confiscation in Swaziland of 2.2 tons of marijuana headed for Germany via South Africa confirms this scenario. The principal operators of these networks are white South Africans, British, and Dutch. With increasing frequency, marijuana is bartered in Europe for synthetic narcotics such as ecstasy and LSD, which are then sent back for sale on South Africa's emerging market in these substances.

*Dagga* is also transported by air. Intense trafficking with small quantities of the drug exists. In 1997, on five occasions British Customs intercepted couriers arriving from Johannesburg. These young women aged in their 20s on each occasion carried 20 kilograms of *dagga* within false-bottomed suitcases. According to South African police, 10% of South African tourists traveling to London carry a small amount (hardly more than one kilogram) of marijuana with them to serve as a source of pocket money. The drug is easily sold to South African expatriates living in the Earl's Court neighborhood, where they run bars, restaurants, and hotels.

### ***A Market for All Drugs***

The opening up of South Africa to the modern world has multiplied the supply of drugs. And the craze in the New South Africa for foreign goods is probably partly a reaction to the decades of Boer puritanism and international embargo. Up to the present, the range of the most-used drugs reflected South Africa's unique situation, with the exception of *dagga*, whose traditional consumption goes back to at least the 15th century among certain indigenous groups. Among the white population, for lack of heroin, the hard drug behind the vast majority of overdose deaths was *Wellcona*<sup>®</sup>, a synthetic opiate (dipipanone hydrochloride) obtained with a prescription from "understanding" pharmacists. Even more widespread was Mandrax (methaqualone) abuse, smoked with *dagga* (white pipe). It remained up to the mid-1980s the preferred drug of Cape Town's coloured population (from all classes), while whites used



the drug in combination with alcohol to accentuate the effects<sup>50</sup>. In the early 1990s the drug came to the black townships and South Africa became the world's largest market.

Following a peak in 1993, statistics for seizures seem to indicate a relative decline in the consumption of Mandrax. This date also coincides with the appearance of crack, whose availability has grown consistently ever since: first in Johannesburg, then in Cape Town, and now in Durban. At first reserved for the mainly white elite, crack is today found in all communities and social groups. In the spring of 1997, Dr. Sylvain De Miranda<sup>51</sup> estimated the number of crack users in Gauteng Province (Johannesburg) at 150,000. He predicts that the number will reach 500,000 by the end of the century.

The rise of crack risks, in the long term, attracting the complimentary development of demand for smokable heroin. Prostitutes in Cape Town, for example, have resorted up to now to methaqualone in order to compensate the effects of crack<sup>52</sup>. The retreat of Mandrax could lead to a search for a new downer drug. Already, in Johannesburg, crack dealers offer their clients good-quality Pakistani brown sugar (No.3 heroin) at a relatively inexpensive price (about \$43 per gram, or \$11 per dose) or sometimes even free of charge. Another indication is the fact that heroin consumption is on the rise in Swaziland, a transit country on the route originating in Maputo, Mozambique, where many Johannesburg dealers obtain their supplies. Whereas in 1996 South African police seized only 0.811 kg of heroin, in July 1997 Customs officials in Beitbridge, the main South African checkpoint on the Zimbabwe border, discovered 2.075 kg of the drug on a traveler coming from Bombay, India.

### ***Cocaine: The Nigerian Bogey***

The rise in cocaine seizures by South African police is dramatic: less than 70 kg in 1994, then 187.615 kg in 1995; 106.629 kg in 1996; and 210.605 kg in 1997. And these statistics cover only Cape Town and Gauteng Provinces, where South Africa's two principal international airports are located<sup>53</sup>. South Africa was also the destination of narcotics seized in other countries. For example, 10.4 kg of cocaine were confiscated in November 1997 in Chennai, India. The drugs were packaged and marked as leather goods destined for Johannesburg. The vast majority of cocaine seizures in South Africa occur at international airports and involve passengers arriving from South America. It is difficult under these circumstances to determine what portion of the narcotics is for import into South Africa, and what portion is for forwarding on to Western countries. No statistics are available concerning South Africa's sea ports, through which large quantities of cocaine could transit in the same way that cannabis derivatives do.

Traffickers from Nigeria and Ghana have dominated Johannesburg's cocaine market since 1993. A reported 50,000 illegal immigrants for Ghana and Nigeria live in that city. The traffickers among them have focused their attention on hotels in the former dormitory neighborhoods on the outskirts of the downtown area. These serve as distribution centers where hydrochloride is also transformed into crack. Certain gangs from the townships of Johannesburg, Durban, and Cape Town also come here to purchase supplies. Initially, the majority of the drugs brought into South Africa by the Nigerians came from Brazil by direct air connection to Johannesburg. The success of airport police in detecting this smuggling route pushed traffickers to modify both their routes and their methods. Since then, drugs come most often on

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<sup>50</sup> This consumption method is similar to the recreational use of *Rohypnol* in the United States, described in the chapter on "The World of Synthetic Drugs".

<sup>51</sup> Director of the South African National Council on Alcoholism and Drug Dependence (SANCA).

<sup>52</sup> Source: South African Community Epidemiology Network on Drug Use (SACENDU), March 1998.

<sup>53</sup> Source: South African Police Service.

flights to Cape Town<sup>54</sup>, or by land from the neighboring countries of Mozambique, Zambia, Zimbabwe, and Namibia. The couriers recruited are from less “suspicious” nationalities, such as white South African females, European nationals, etc., or otherwise swallow the narcotics wrapped in condoms rather than hiding them in their suitcases. The use of express delivery companies is also common. In 1997 US, English, and German Customs seized approximately 80 kg of cocaine in express mail packages in transit from Brazil or Peru and headed mainly for South Africa, and to a lesser extent to Angola, Botswana, Swaziland, Lesotho, Zimbabwe, and Mozambique.

Though by a long shot the favorite target of South African police, Nigerian traffickers are not the only large importers of cocaine into South Africa. White South African networks supply in particular the Johannesburg and Pretoria night club circuit. According to a member of this network interviewed by the OGD correspondent, a single night club situated in a northern Johannesburg suburb distributes 300 kg to 400 kg of drugs each year. In Cape Town, night clubs are supplied by networks controlled by the Italian mafia but the coloured gangs which dominate the crack market are attempting to create their own connections.

### ***A Capo in Cape Town***

Nigerian criminal organizations are not the only ones to set up operations in South Africa. In October 1997, the Johannesburg daily, *The Mail and Guardian* has revealed that a Cape Town police officer, André Lincoln, was under investigation on corruption charges after he traveled to Angola in May 1997 in order to negotiate on behalf of a South African billionaire of Italian origin, Vito Palazzolo, the purchase of Angola’s second-largest diamond concession in an area under military control of the National Union for the Total Independence of Angola (Unita). A former member of the ANC’s intelligence and security branch, Lincoln was heading the South African Special Presidential Investigations Task Unit. In January 1997, the unit had not acted upon a request for assistance from the Italian police. Indeed, the Italian anti-mafia department is convinced that Cosa Nostra has been solidly established in South Africa, mainly in Johannesburg and Cape Town, since 1995. The mafia’s activities there allegedly range from money laundering through front companies, like *Cape International Holdings* – based in a Cape Town suburb and registered in the British Virgin Islands, on behalf of which Lincoln travelled to Angola – and real estate, to cocaine running in partnership with Colombian gangs through hiding fugitives.

Several godfathers have emerged. In the Cape Town area, the “main man” seems to be Vito Palazzolo, the former banker of the “Pizza Connection” who fled from Switzerland and took refuge in South Africa, where he used his know-how for the benefit of the former apartheid regime. From his exclusive ranch in Franschoek, Palazzolo, now a South African citizen, is supervising activities as varied as ostrich farming, mineral water bottling, arms sales and transportation and destruction of toxic waste. He never forgets to send donations to the ANC or to the police charity organization. Palazzolo is listed under the heading *mafia* on the “100 most wanted” list of the Italian ministry of justice, which suspects that he is hiding two other mafiosi on the run: Giovanni Bonomo and Giuseppe Gelardi. In Johannesburg, the Italian authorities are monitoring the Morettino brothers. One of the brothers, Salvatore, who has become a South African citizen, is allegedly specializing in money laundering and allegedly hiding the presumed murderer of former member of the European parliament Salvo Lima in Palermo in 1992. Hiding behind a lack of evidence (or the means to establish it), the South African police consistently has

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<sup>54</sup> In 1997 police confiscated three times more cocaine in Cape Town than in Johannesburg.

turned a deaf ear to official Italian requests since 1995. Demonstrating the old principle of state continuity the new government seems to have chosen to take under its wing men who, under apartheid, used their knowledge and savvy for the profit of a South Africa anxious to overcome the economic embargo in order to obtain hard currency, arms, and raw materials.

The presence of these foreign organizations must not detract from the potential of local gangs, in particular those of Cape Town's coloured townships, which comprise some 400 gangs made up of 80,000 members. They are dominated by the personality of the Staggie brothers, heads of the Hard Livings gang and absolute masters of Manenberg, a township with 50,000 to 80,000 inhabitants. Appearing on the scene in 1987, this family of small-time Mandrax smugglers today controls the crack market in Cape Town, and lies at the origins of a veritable local crime syndicate (initially called The Firm, then CORE). The Staggie's have been trying since 1997 to unite Johannesburg's coloured gangs, and regularly compete with men of the likes of Vito Palazzolo for the purchase of the most desirable diamonds on the market.

### ***From Mandrax Laboratories to Apartheid Laboratories***

Synthetic drug consumption linked to the rave party fad has been on the rise since 1994 among South Africa's young, white, urban population. In 1997, while police were seizing some 110,000 ecstasy pills, the authorities estimated that 70% of youths attending these parties used synthetic drugs. The rave parties bring together on average nearly 10,000 people at least twice a month in large cities like Johannesburg, Cape Town, and Durban. A craze for Western "new drugs" like crack, cocaine, LSD 25, ecstasy and related substances has since 1996 hit high school students who up to then tended to stick with *dagga*. The students become consumer-dealers. According to police, not a single high school is spared the phenomenon. In Cape Town, however, universities appear to be the most affected.

Certain indications show that, among suppliers of the synthetic "club drugs" market, dominated by Dutch nationals and British expatriates (one million British passport holders live in South Africa), there are also drug designers who exploit the capabilities of the chemical industry as well as loopholes in legislation. In 1997 police on several occasions seized GHB<sup>55</sup> (a substance erroneously referred to by the press as liquid ecstasy), manufactured in South Africa and destined for export to the United States in the form of medication (after being mixed with vitamins). The substance is not recognized by South African legislation. It is noteworthy that the first seizure of 2-CB (or Nexus, related to ecstasy) in the United States involved 2-CB coming from Cape Town where, according to US police, it had been manufactured. The seizure took place in Miami in 1993.

Secret laboratories are not new in South Africa. In response to stepped-up law enforcement efforts in India, the origin of nearly all Mandrax, underground laboratories multiplied in the early 1990s in the vicinity of consumer markets in Zambia, Swaziland, Mozambique, and South Africa. South African interests were also implicated in two methaqualone laboratories set up in Dubai, and destroyed in July 1997. Five tons of the drug and 950 kg of pills were seized on the occasion, which coincided with the arrest of Veejay Goswami, the Indian smuggling kingpin who had previously operated from Zambia, then South Africa, enjoying high-level protection in both countries. The methaqualone produced in southern Africa seems to dominate the South African market today.

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<sup>55</sup> See the chapter on "The World of Synthetic Drugs".

Moreover, three laboratories manufacturing ecstasy and related substances were in the Johannesburg area between late 1996 and January 1997. The third laboratory made headlines. It was discovered following the arrest of Wouter Basson, a scientist in charge of the military's chemical and bacteriological warfare program under the old regime. In the 1980s the army equipped a factory responsible for producing large amounts of Mandrax and ecstasy. The *Delta-G* company, based in Midrand (Johannesburg area), allegedly delivered one ton of pure ecstasy to Wouter Basson's 7th Medical Battalion in 1992, the year *Delta-G* was privatized. The 7th Medical Battalion was responsible in particular for studying the use of narcotics as an arm for neutralizing opponents. According to a source close to the investigation and questioned by the OGD, large quantities of these drugs were allegedly distributed on international markets.

### ***The Political Stakes of Trafficking***

In relation to drug trafficking, South Africa and its neighbors have not finished paying the price of past decisions. Thirty years of war have institutionalized criminal practices, conceived by the apartheid regime and its adversaries to insure their respective survival. To the example of Dr. Basson's laboratories may be added the networks of the African National Congress (ANC) and those of its rival, the Pan African Congress (PAC). These two organizations, under the pretext of financing their struggle, carry a heavy responsibility for the rise of Mandrax use in the black townships. The ANC's coming to power in 1994 did not significantly alter its behavior. South Africa must reinforce its role as a regional power, confirmed by world powers (the US and French presidents both made official visits to South Africa in spring 1998). This explains the temptation to continue depending on the old smuggling networks (of arms, diamonds, drugs, and stolen vehicles) put in place during the years of struggle. Their economic and political weight continues to be a determining factor in the region. This also explains to a large extent why the activities of trafficking states such as Zambia and Swaziland have been reinforced; or why Jonas Savimbi and his Unita organization, formerly allied with the Afrikaner generals in their anti-communist crusade, are today viewed favorably by the New South Africa, which sees Unita as an effective counterweight to a potentially powerful Angola next door.

In domestic politics too, smuggling – and its denunciation – is a powerful tool. Vice President Thabo Mbeki, the designated successor to Nelson Mandela, put an end to the political career of one of his main rivals, Tokyo Sexwale, by making reference to a parliamentary investigation into Sexwale's bank account as a result of accusations of his involvement in Mandrax trafficking. Another example is the bloody terrorist campaign targeting traffickers and led by the Muslim militia group People Against Gangsterism and Drugs (PAGAD). Hunting down dealers, which began in the summer of 1996 in Cape Town, a region with a large coloured population, is spreading throughout the country hand-in-hand with the expansion of this obscure militia organization. It appears that PAGAD is used by former Muslim leaders within the PAC as an "extra-parliamentary control force" against the ANC government, with which it has a love-hate relationship.

## NAFTA AND MEXICO - US RELATIONS

The common market established between Canada, Mexico and the United States by the North American Free Trade Agreement (NAFTA) is, alongside the European Union and its suppliers in Morocco and Turkey, the world's largest unified area for drug trafficking and consumption. North America as a whole ranks among the most significant centers of cannabis production on the planet, especially hydroponics varieties which are grown in all three countries. Furthermore, the continent is a middle-ranking producer/refiner of heroin, cocaine and methamphetamine. Like the economies of the three members-states, the "money-laundering market" is increasingly unified and reaches far beyond North America, notably due to the restructuring of the American banking system and the "narcotization" of the Mexican economy. By contrast, the "classic" separation between drug producing (Mexico) and consumer countries (Canada and above all the United States) still holds but is increasingly blurred because of rising drug use in Mexico (especially of methamphetamine). Drug revenue is still very much a pillar of the Mexican economy. Cannabis and poppy crops help rural dwellers survive, while traffickers and money-launderers continue to bankroll electoral campaigns and the building of infrastructure. Several cases have shown that these phenomena are "relocating" elsewhere in the Western Hemisphere, in the United States and Canada of course, but also to Central America and the Southern Cone.

### *Drugs and Survival in Rural Mexico*

In order to conform to the requirements of NAFTA, Mexico has given up the principle of "food sovereignty", on which its agricultural policy had relied since the Revolution, and has adopted market "regulation" instead. In practice, this transition means that there is no longer a planned agricultural policy in Mexico and that farmers have to wrestle with market forces, very often at the cost of a significant loss of revenue. In order to survive, a growing number of farmers have resorted to growing illicit crops and become exposed to often brutal law enforcement. The money generated by cannabis and poppies makes up a growing share of the rural economy of NAFTA's Mexico. This is for instance the case in the areas of recent farming and ranching colonization in southeastern Mexico (the Gulf of Mexico, the Isthmus region and the Cañadas region in Chiapas). Since the 1940s these areas have been an outlet for the pressure created by population growth in other regions where little land is available – a problem made more acute by the presence of mixed-blood cattle ranchers – and where the Indian inhabitants are among the country's poorest. Law enforcement is hampered by difficult access to growing areas, and in the 1970s cannabis crops were widespread on the small farms. Numerous ranchos in the southeast still harbor landing strips used as refueling stops by air drug traffickers.

To meet the terms of NAFTA, the Mexican government has withdrawn from crop production and marketing activities since 1994. These had been managed by institutions like CONASUPO, an official body buying and selling basic foodstuffs. Until 1994 CONASUPO was headed by Raúl Salinas de Gortari, and an audit recently revealed that the institution had been used to cover money laundering and perhaps trafficking. Furthermore, the progressive pegging of agricultural prices – which used to be guaranteed by the state – of foodstuffs like rice and corn, the basis of the rural economy, to those prevailing on international markets caused a significant drop in farmers' revenues in 1996. The isolation and lack of infrastructure affecting these areas leave few alternatives to farmers but to become integrated into the North American market through drug production.

However, the growing sophistication of police detection and illicit crop eradication methods over the last ten years has essentially been used against small farmers, making it harder for them to grow drug crops. Nowadays, illegal crops grow on very small plots scattered among wooded areas that have been preserved either because the authorities have so decided or because the soil and the terrain make them unsuitable for agriculture. Cannabis is sown in clearings caused by windfallen wood which allows adequate sun exposure. The remaining forest cover makes traditional detection from the air very difficult. By harvesting a dozen cannabis plants the farmers manage to earn a revenue that they can no longer obtain by growing beans or hiring themselves out on the local labor market. But, it must be stressed that in current conditions marijuana production is far from setting off accumulation processes like those observed in other parts of Mexico. In most cases, it generates relatively little revenue. Although it is necessary for the survival of local households, this revenue also confirms the farmers' subordination to the traditional trading monopolies.

The contrast could hardly be clearer with the "traditional" illicit crop areas of states such as Guerrero, Michoacán and Jalisco. There, the spread of drug production and the growing impact of law enforcement have also pushed cannabis crops into forest clearings, but the plantations are much larger. Plots making up a total of 500 hectares of land rented out to farmers by the traffickers were detected in late August 1997 around Uruapán, in Michoacán state. Lastly, in these traditional drug-producing regions, the replacement of cannabis by poppies has been noted. Opium production allows the farmers to use less land, making detection harder, while maintaining the level of their illegal income.

### ***Relocating Money Laundering***

A report published in 1997 by experts of the High Level Contact Group set up by Presidents Bill Clinton and Ernesto Zedillo has very seriously stated that "Mexican drug traffickers lack the infrastructure and organization to carry out operations on an international scale on their own". But independent observers have noted that Mexican traffickers have installed highly sophisticated money-laundering networks in many Latin American countries. The trend accelerated as of 1996, when a law making it more difficult to launder drug money in Mexico entered into force.

Thanks to their contacts at the highest level of the political and business communities, Mexican narcos are weaving their web, especially in the Americas, where the conversion to market economics has greatly facilitated their job. Chile plays an important role in the Mexican cartels' designs, particularly because laws against drug trafficking and money laundering are relatively lax, and because of its excellent relations with the United States (which is even thinking of allowing Chile to join NAFTA in 2002). The Juárez cartel leader, Amado Carrillo Fuentes, today officially deceased, was even planning to move to Chile. The first scandal connected with Mexican dirty money broke in Santiago in July 1997. Brothers Jaime and Alexandro Ventura Cohen, Chilean company bosses and owners of a currency exchange firm, were arrested for changing \$400,000 for a Mexican businessman, Juan Antonio Arriagada. The brothers said he had been introduced to them as a "prominent stockbreeder and cotton producer" by an official of *Citibank* in Santiago (see below). The sum changed on that occasion is thought to be only the tip of an iceberg of millions of dollars which the Ventura Cohen brothers have laundered on behalf of the Juárez cartel. The \$26 million they have in a New York bank account has been frozen by the US legal authorities. According to some OGD sources, Manuel de Jesús Bitar Tafich, an important figure in north Mexican financial circles who has made major investments in the hotel business and other economic sectors in Latin America, came to Chile at the end of 1996 with the aim of helping Carrillo Fuentes set up a new operating base outside Mexico. In fact, he was number three in the

Juárez cartel and is believed to have had a *Citibank* account in Santiago. Bitar is currently under the protection of Mexican authorities.

Another strategic country for the Mexican narcos is Costa Rica, a bastion of *laissez-faire* economics which has been linked to Mexico by a free trade agreement since 1995 and before that as a relay in the cocaine networks of the Nicaraguan Contra movement. In May 1997, a press scandal revealed the relationship of one of Mexico's most powerful narco-politicians, Carlos Hank González, alias "*El Profesor*", with an important sector of the Costa Rican political and business elite. With a view to conducting a "weekend of study" in his palace of Mexico State (close to Mexico City) with a dozen large Mexican investors, Hank bankrolled the transportation and stay of top members of the Christian Democratic PUSC party, including the current president of Costa Rica, Miguel Rodríguez, then the main opposition candidate to the February 1998 presidential election. At the time of the PUSC trip to Mexico, there was little doubt that Rodríguez would win the election. Following the outcry this news caused in Costa Rica, it was learned that former Costa Rican Presidents José María Figueres and Rafael Calderón, as well as several members of parliament, are business partners of the "Hank Group" in Costa Rica, notably in the plantation and road building (highways) sectors, through offshore companies.

### ***A Narco in Favor in Mexico City and Washington***

Both in person, through his sons, and through "dummies", Carlos Hank González, the leader of a powerful faction of the PRI, currently heads a large number of companies (finance, transport, public works, real estate, gambling and tourism) which he put together during his long political career. The preferred areas of activity of the "Hank Group" are in the southeast, especially the Yucatán Peninsula (the states of Yucatán and Quintana Roo), and the border area in the north, notably Tijuana, where the Professor's youngest son, Jorge Hank Rhon, jointly owns a horse-racing track suspected of laundering drug money. The oldest son, financier Carlos Hank Rhon, owns a large bank in Texas, *Laredo National Bank*, and wanted to acquire another, *Mercantile Bank*, for an estimated US \$2.4 billion in order to become the largest banking group in Texas. However after waiting in vain for nearly two years for the go-ahead from US authorities, Hank Rhon withdrew his offer on *Mercantile* in January 1998. The investigation into possible drug trafficking and money laundering he and his father are discreetly subjected to in the United States is perhaps not unrelated to the withdrawal.

The Hank clan's "former" links with Raúl Salinas, who is still in jail in Mexico, with banker (money launderer and drug trafficker) Carlos Cabal Peniche, wanted by Mexican authorities which to say the least have not made much efforts to find him, and more generally with the Gulf and Tijuana cartels do not seem to have hurt it. On the contrary, Hank and his allies in the business and political community, including the former interior minister and second most-powerful politician in the country Emilio Chuayffet, together with the military, are the pillars of the current regime. The Professor was one of the main promoters of Zedillo's candidacy for the 1994 presidential election, notably by diverting public funds for the campaign of the current president. One of Mexico's most powerful and richest politicians, Carlos Hank González, is untouchable and will probably continue to be, on both sides of the border, at least until the year 2000 presidential election. This is especially so since his group is a shareholder of a company employing the former American ambassador to Mexico, James Jones. According to former Costa Rican President Rafael Calderón, the new American ambassador, Jeffrey Davidow, has also spent some time in the Professor's Estado de México palace.

### ***Washington's Guaranty and its Consequences***

The path of “narco-development” chosen by Mexico thanks to the alliances sealed between government officials, bankers, industrialists and drug traffickers has been guaranteed by Washington for 15 years in order to allow the signing of NAFTA. Quick to denounce corruption and human rights abuses when it serves its purpose in other parts of the world, the US government prefers to downplay, and therefore encourage, them when it comes to Mexico. Against the guarantee of a “communist-free” Mexico, in the past Washington could serenely feign to “rediscover” the corruption of a former Mexican government after the election of its successor. It did not matter much because the links, especially economic links, between both countries were very slack. Today it is in the name of NAFTA and, in time, the control over juicy oil reserves that American financial and military assistance supports the corruption and violence set off by the agreement in Mexico.

But now the price to pay by the US government, and society could be much higher than in the past. First, in terms of the legitimacy of the neoliberal model that Washington wants to impose on the world but which causes serious crime and violence in its own “backyard”. Secondly, the growing integration of both economies contributes to legitimize, and therefore strengthen, drug-related interests within the United States itself. A large number of Mexican holdings which today are the partners of American firms, for instance in the telecommunications, media and transport sectors, have often been privatized through the diversion of public money, influence peddling and drug money laundering during the 1980s and 1990s.

The millions of Americans who spend their holidays in Mexico's tourist resorts every year involuntarily contribute to the profitability of the billions of dollars that the Mexican narcos have invested there for the last 15-odd years. The large-scale tourist development projects that the Mexican government is preparing to implement, notably in the southeast, could also allow the recycling of millions of narco-dollars.

Finally, the American banking sector seems to be especially prone to the penetration of drug money, all the more as it is currently being restructured. Thus, through mergers and acquisitions *Citicorp* is about to become the first banking group in the United States and one of the world's largest, even though its main subsidiary, *Citibank*, has played a part in various money laundering schemes (see above), including that implicating Raúl Salinas. Moreover, *Citibank* has announced its intention to purchase *Confía*, a Mexican bank some of whose executives are in jail on money-laundering charges in the United States following “Operation Casablanca” in June 1998. This operation has struck a severe blow to the Mexican banking sector, but the toughness of the US justice system on foreign banks stands in sharp contrast to its current silence on possible judicial action against *Citibank*, even though some sectors of the US Congress have demanded it.

### ***Colombianization Mexican-style***

Despite some spectacular seizures and arrests, the bilateral antidrug apparatus set up with great media publicity by the US and Mexican governments has proven unable to reduce the intensity of drug flows between the two countries. There are three main reasons for this failure. Firstly, because as far as both Mexico City and Washington are concerned – but not necessarily for the same reasons – enlarging the scope of NAFTA and fighting the guerrillas questioning it are much higher priorities than the war on drugs.



Secondly, because narco-related interests have become a crucial resource for the fractured Mexican economic and political system since the early 1980s. The narcos' influence on the current government and, among others, the ruling PRI, is considerable. Therefore it seems that after facilitating Mexico's entry into NAFTA<sup>56</sup>, the drug trade is actively participating in the enlargement of its scope. It must be recalled that Mexico is the pivot of Washington's project in the Americas for the 21st century: the creation of a continental free-trade zone modeled on NAFTA. The last Summit of the Americas which took place in Santiago, Chile in April 1998 has confirmed the key role of NAFTA within Washington's grand strategy for the Western Hemisphere.

Finally, the antidrug fight is failing mostly because of its essentially repressive and therefore reactive nature. Bureaucratic and military institutions are requested to square the circle. Indeed, they are ordered to remedy on their own the myriad adverse effects (political and financial chaos, and corruption, drug trafficking, illegal immigration and guerrilla movements) arising out of a free trade agreement such as NAFTA between two very dissimilar countries in terms of economic development and political and legal traditions. Aggravating factors include the large-scale corruption of the Mexican security institutions and the fact that as far as the United States is concerned bilateral cooperation is above all a tool to promote another of Washington's strategic aims in the Americas of the 21st century: the integration of the Mexican military within a pan-American antidrug "multilateral force" under American command.

The Clinton and Zedillo governments are still convinced that the solution to the Mexican chaos is to increase the numbers and resources of security forces. The United States delivers military hardware to its southern neighbor and trains a growing number of its troops. Although officially they are meant to be used against drugs, these arms are often used in the fight against the guerrillas in southern Mexico. Moreover, some US-trained "elite" Mexican troops have been arrested on cocaine trafficking charges and suspected of serious human rights violations. The most serious consequence of Mexico's increasing militarization is the worsening of an already dismal human-rights record. Furthermore, it is feared that some of the local caciques who head the paramilitary groups which – as part of a government strategy and with military help – fight the rebel movements in the south, have drug connections. According to the influential magazine *Proceso*, it is the case with the Orantes clan that organized the massacre of several dozen people (including women and children) accused of being linked to the Zapatistas in Acteal, Chiapas, in May 1998. This Mexican-style "colombianization" is another adverse effect of NAFTA. It postpones the democratization of a system once called "the perfect dictatorship" but which today is characterized by chaos and violence.

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<sup>56</sup> See WGD (1995-1996).