

The Drug Trade in Contemporary Russia

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Russia has had one of the fastest growing drug problems in the world in the past five years. With its limited border controls and large illicit migration, it is now integrated into the global drug market with links to the synthetic drug markets of Western Europe and the Far East, as well as the booming heroin trade from Central Asia. Drugs are now trafficked in all regions of Russia and their use is affecting the youthful population. Russia is primarily a transit country but many of the drugs entering the country are now consumed domestically as well. The country once consumed drugs of local production but it is now tapping into imports. Russian prevention programs are almost non-existent and law enforcement has proved ineffective in dealing with the phenomenon despite the development of specialized law enforcement units.

In the initial years of the post-Soviet Russian state, organized crime was mainly focused on extracting profits from the licit economy. In recent years however, organized crime activities have begun to resemble those in other regions of the world, with the drug trade being a primary source of profits.

Russia's Growing Drug Problem

The rise of the drug trade as a proportion of Russia's overall organized crime problem is a consequence of the same forces observed elsewhere in the world. Due to weak state institutions, ineffective law enforcement and border controls, high levels of corruption, and not least geographical location, the states of the former Soviet Union have been disproportionately affected by the globally increasing problem of drug trafficking and consumption.

Russia has truly entered the international drug trade. In the early 1990s, 30 percent of the drugs in Russia came from abroad, this figure has doubled since the beginning of the 21st century. In several regions of

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Russia, including Moscow, St. Petersburg and Khabarovsk, 80 percent of the confiscated drugs were produced abroad. While poppy-based drugs from Central Asia and the Caucasus are the most pervasive in Russia and much of the drug trade lie in the hands of ethnic groups from Central Asia and the Caucasus, Russians are increasingly integrated into the global drug market through networks with other international organized crime groups. As a result, different forms of drugs have also entered the Russian markets. Drugs flow into Russia from Asia, Latin America and Eastern Europe. Synthetic drugs enter Russia from the east and west alike, be it ephedrine from China or ready-made synthetic drugs from Poland or the Netherlands.¹ Small quantities of ephedrine also enter the Russian Far East from North Korea.² Cocaine smuggled from Latin America primarily via Spain and the Baltic countries into Russia has also become a problem of late.³

Russia's vulnerability to the drug trade increased with the opening of its borders, the collapse of economies in neighboring countries and the rise of regional conflicts throughout the 1990s. During this period, the so-called 'Northern' route of heroin smuggling linked Afghanistan via Central Asia to Russia and Europe. In addition, criminal groups from other countries became active in Russia. It was around the same time when millions of illegal immigrants poured into Russia. Some turned to the drug trade as a means of survival since they were unable to support themselves via the licit economy.

Perhaps initially intended as a trans-shipment country, Russia has since developed into a major drug consumer itself with several million heroin users. Many of these consumers are youth and also military personnel formerly deployed on the borders in Central Asia and in the Chechen conflict.

Russian President Vladimir Putin has come to acknowledge that the drug trade and widespread abuse in Russia poses a threat to national security. However, although the Russian situation resembles the Colombian situation as drug trafficking is often used to finance violent non-state actors, including separatist and terrorist movements, the drug problem has not been integrated into the national security debate as has occurred in the United States and to a lesser extent in Europe.

¹ Federal Narcotics Control Service, Press Release, *Masshtaby ugrozy* [Scopes of a Challenge], January 19 2004; Andrei V. Fedorov, "Narkomania v Rossii: ugroza natsii" [Drug Addiction in Russia: A Threat to the Nation], Analytic Report, Working Group in the Council of Foreign and Defense Policy (2000), 6.

² Letizia Paoli, "The Development of an Illegal Market: Drug Consumption and Trade in Post-Soviet Russia," *British Journal of Criminology* 42 (2002): 23.

³ U.S. State Department, *International Narcotics Control Strategy Report 2005*.

The Drug Trade and Organized Crime

The actors in this illicit economy range from Russian military personnel, to law enforcement officers, Soviet ethnic-based crime groups, ordinary criminals and illegal immigrants from Asian countries. The corrupt relationships which exist between the drug traffickers and local and regional officials allow these crime groups to operate throughout Russia, including its capital, Moscow.⁴

Russian law enforcement sources point to the enormous and rapid rise of the drug trade within Russia as reflected in the number of users, the geographical spread of the problem and the variety of drugs used. As the market grows, there appears to be increased involvement of large and more powerful organized crime groups, although no monopolization of markets has yet emerged.

According to the head of the Russian Federal Service for the Control of Narcotics, there has been a fifteen-fold rise in the number of drug related crimes and a ten-fold increase in the number of drug users in the last decade.⁵ These statistics reveal an alarming trend in the quantity and the distribution of the drug trade. For example, in 1985, the Ministry of Internal Affairs identified only four regions in Russia with over 10,000 serious abusers of drugs. By the beginning of the 21st century, this figure had climbed to over thirty regions.

At the present time, there is hardly a city in Russia without a drug addiction problem.⁶ The problem is particularly acute in the Russian Far East where there are 542 addicts per 100,000 people compared to the Russian national average of 310 per 100,000 according to January 2004 figures.⁷ The high rate of drug addiction in the east has been attributed to the east's proximity to Asian organized crime through ports, the highly

⁴ Many foreign groups operate in Russia. There are those from the neighboring states of the former USSR, Eastern Europe, Japan, China, Korea, Vietnam and Latin America. Russian women are also recruited by Nigerian organized crime groups to act as couriers.

⁵ Viktor Cherkesov, "Otvechaet na voprosi glavnoho redaktora almanakha 'organizovannaya prestupnost, terrorism, i korruptsiya', Professor V.V. Luneev," [Professor V.V. Luneev Answers to Editor in Chief's Almanac 'Organized Crime, Terrorism, and Corruption'], *Organizovannaya Prestupnost, Terrorism, i Korruptsiya* [Organized Crime, Terrorism, and Corruption] 4 (2003): 8.

⁶ Boris Tselinsky, "Sovremennaya Narkosituatsiya v Rossii: Tendentsii i Perspektivii," [Today's Drugs Situation in Russia: Tendecies and Prospects] *Organizovannaya Prestupnost, Terrorism, i Korruptsiya* [Organized Crime, Terrorism, and Corruption] 4 (2003): 21.

⁷ Based on the analysis of Vladivostok branch of the Transnational Crime and Corruption Center, <www.crime.vl.ru/docs/obzor/1104.htm> (February 20 2005).

criminogenic situation in the region and the criminalization of the local and regional government.⁸

The complicity of security personnel in the trade is especially problematic. Besides military personnel, the police, border guards and the customs service — possibly the most corrupted part of Russian law enforcement — are all deeply involved in the burgeoning drug trade. Although arrests have been made, these are almost always limited to the lowest links of the drug chain and not enough effort has been made to target those involved in higher level operations.

The drug business appears to be employing an ever larger number of Russian citizens to serve as drug couriers. In 2003, Russian governmental sources estimate that the number of organized criminal groups involved in the drug trade increased by 85 percent when compared to 1993 figures.⁹ There are said to be an estimated 950 criminal groups involved in the drug trade as of 2004.¹⁰ With approximately 450,000 registered drug users in Russia and approximately 4 to 5 million users in total, according to the latest Russian figures (2 to 4 percent of the Russian population), narcotics now assume a notable share of the estimated \$9 to \$10 billion Russian shadow economy.¹¹

The profits of the Russian drug trade are disposed-of in different ways. They are laundered through legitimate businesses in Russia such as restaurants, bars, and casinos—sectors controlled by organized crime. They are also sent abroad through complex money laundering operations, mainly to Western European countries. Profits are also used to support the illegal immigrant communities within Russia from Central Asia and the Caucasus as well as those from Afghanistan and Pakistan. They are also used to fund the conflict in Chechnya, insurgencies in adjoining regions, and possibly terrorist activities supported by remnants of the Taliban.

Based on the above information, it would appear that not only has Russia developed one of the world's most serious drug abuse problem in a

⁸ M.Iu Semeniuk, "Problemy protivodeistviia nezakonnomu oborotu narkotikov v Primorskom krae," [Problems and Countermeasures to Illegal Drugs Turnover in Primorskii Region] <www.crime.vl.ru/docs> (March 1 2005).

⁹ Federal Narcotics Control Service, Press Release *Narkobiznes – ugroza natsional'noi bezopasnosti* [Narcotics Business – A Challenge to the National Security], July 15 2003.

¹⁰ Vladimir Vorsobin, "Putin prizval bortsov s narkotikami rabotat' 'na polnuyu katushku,'" [Putin Called for Maximum Effort to Fight Narcotics] *Komsomol'skaya Pravda*, March 31 2004.

¹¹ Viktor Cherkosov, "The Economic Consequences of HIV in Russia," Report for the World Bank Group, May 15 2002, 8-9, <www.state.gov/g/inl/rls/nrcrpt/2005/voll/html/42368.htm> (March 16 2005).

very short period of time, the drug problem has come to be a threat to Russia's national security.¹²

Drug Abuse and the Impact on Russia's Population

The highest concentrations of drug abuse, measured in part by rates of HIV infection, are in the major cities along the Transiberian railroad—Vladivostok, Irkutsk, Ekaterinburg and Moscow. St. Petersburg, a major city and transportation hub, is also a center of drug abuse. Irkutsk, the Siberian city, has a particularly acute drug problem according to the analyses of the Transnational Crime and Corruption Center (TraCCC) in Irkutsk. This reflects the fact that the internal trade within Russia relies heavily on travel by rail.

Drug abuse trends in Russia have changed over the past decade, in the direction of increasing intravenous use and drug abuse at increasingly low ages.¹³ Six percent of 15 and 16 year olds in Moscow are reported to have used heroin at least once — nowhere in Western Europe was the figure over 2 percent.¹⁴ The total number of opiate addicts in Russia is unknown. Forcible incarceration, fear of imprisonment and blackmail, as well as the limited availability of health care, are the main reasons why few addicts register with the authorities.

Seventy thousand people in Russia were reported to have died as a result of drug use in 2003 alone.¹⁵ The problem is exacerbating as the number of people infected with HIV increases, 80 percent of whom are intravenous drug users. A quarter million of HIV cases have been registered, but the real number is much higher. UNAIDS estimated the number of cases at one million in December 2003.¹⁶ In 2002, the U.S. National Intelligence Council estimated the figure to be between one to two million.¹⁷ The epidemic has not culminated yet, and depending on its

¹² Writing in the *Jane's Intelligence Review* in late 2003, Mark Galeotti suggests the problem to be even more severe, estimating there to be over 6 million drug users, of which 2 million are addicts. Mark Galeotti, "Russia's Drug Crisis," *Jane's Intelligence Review* (October 2003).

¹³ John Kramer, "Drug Abuse in Russia: Emerging Pandemic or Overhyped Diversion?" *Problems of Post-Communism*, (November/December 2003): 12-27; Fedorov, "Narkomania v Rossii: ugroza natsii" [Drug Addiction in Russia: A Threat to the Nation], 1.

¹⁴ Paoli, "The Development of an Illegal Market: Drug Consumption and Trade in Post-Soviet Russia", 23.

¹⁵ "FSN: v Rossii ot upotrebleniya narkotikov v minuvshem godu pogibli okolo 70 tisyach chelovek," [FSN: About 70,000 Died from Narcotics in Russia Last Year] *ItarTass*, June 3 2004.

¹⁶ UNAIDS, "AIDS Epidemic Update 2003," December 2003, <www.unaids.org/wad/2003/Epiupdate2003_en/Epi03_05_en.htm#P118_26729> (July 2004).

¹⁷ U.S. National Intelligence Council, "The Next Wave of HIV/AIDS: Nigeria, Ethiopia, Russia, India, and China," September 2002, <www.odci.gov/nic/other_nextwaveHIV.html> (July 1 2004).

development, demographers predict that between 5 and 9 million people will contract HIV in Russia by 2010. Nick Eberstadt writing in *Foreign Affairs* estimates that if only 2 million people were affected, any expected improvement in life expectancy between 2000 and 2025 would be eradicated. Even in the case of a mild epidemic, the working age population would be reduced by 15 percent, since the disease primarily affects young people.¹⁸ Forty percent of recruits to military service, of whom 20 percent are found to be drug users, have been sent home due to poor health conditions.¹⁹

Conclusions

The rise of the Russian drug trade has an enormous negative impact on Russia's demographics and the future of its economy. The drug trade threatens the labor force because it disproportionately affects the young and the working-age population. The rise of HIV/AIDS, tuberculosis and other diseases associated with the spread of drug use is having a significant demographic impact on a Russian population that is already below replacement level. The health costs to businesses and the loss of labor force capacity is an enormous drain on Russian competitiveness not sufficiently recognized by the Russian state. The vulnerability of Russia's youthful population to drug abuse raises severe problems for the country's future development.

¹⁸ Nicholas Eberstadt, "The Future of AIDS," *Foreign Affairs* 81, 6 (2002): 22-45; U.S.-Russia Working Group Against HIV/AIDS, *On the Frontline of an Epidemic: The Need for Urgency in Russia's Fight Against Aids* (New York: Transatlantic Partners Against Aids, 2003), 6.

¹⁹ Murray Feshbach, *Russia's Health and Demographic Crisis: Policy Implications and Consequences* (Washington: Chemical and Biological Arms Control Institute, 2003).