



CHINA 2004

General Information

Population: 1,3 billion  
 UNDP Human development index ranking: 104 (out of 174 states)  
 TI Corruption indicators: 3.4 (0 highly corrupt, and 10 highly clean)

China has experienced significant problems with narcotics since the early 19<sup>th</sup> century. The ruling Qing dynasty was forced to sign trade agreements with the British after losing the Opium War, which legalized the cultivation and import of opium in China. Drug production and importation in China increased in order to compensate for the growing opium habits of its citizens, and the number of addicts was estimated at around 15 million in 1890. Only after the opium suppression movement of 1906-1908 (Ch'ing reforms) did China succeed in curtailing the cultivation and consumption of opium. Nevertheless, during the following decades, opium consumption increased yet again (to approximately 20 million users in the late 1940s). It was not until 1949-1950, when the communists undertook large-scale anti-narcotics campaigns, that opium addiction was completely stamped out.

Smuggling of Drugs

In more recent times, the first drug seizure in China was reported in 1983. However, it was not until the early 1990s that narcotics smuggling into the PRC started to increase dramatically. There are several notable reasons for the proliferation of drug trafficking in China. Firstly, new routes from Afghanistan have emerged to complement the older ones from Burma, due to the Chinese economic and political reforms introduced by Deng Xiaoping in the 1980s. These reforms have among other made it much easier for drug networks to penetrate Chinese borders. Secondly, the success of counter- trafficking efforts in Thailand has encouraged growth in alternate routes through China in order to satisfy growing demand in East Asia as well as North America. Thirdly, poppy cultivation in Afghanistan increased dramatically after the US-led 2001 invasion. The new Afghan government has not been able to curtail large scale opium production. According to a United Nations Educational Scientific and Cultural Organization report, the quantities of heroin smuggled into China from the Golden Triangle and the Golden Crescent were approximately equal in 2002.

Health and Economic Aspects

**Corruption:** It is inherently difficult to determine what effect drug trafficking has on corruption in China due to the fact that the subject is rarely covered by the state-controlled media. Nevertheless, the US DEA argues that corruption is an important factor in narcotics trafficking in China.

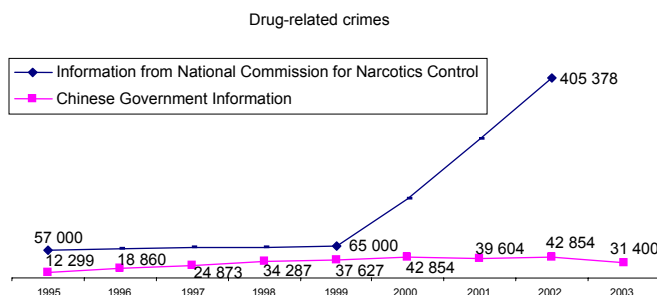
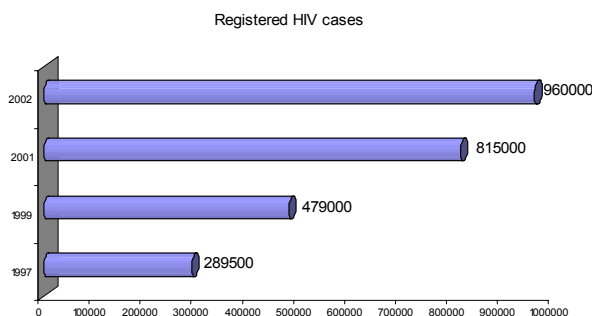
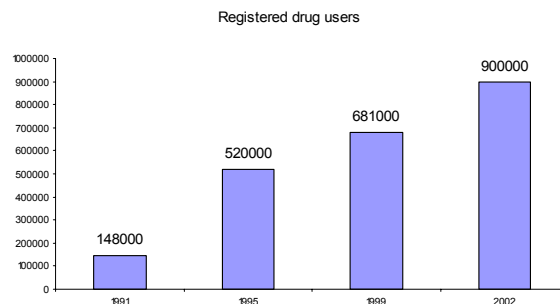
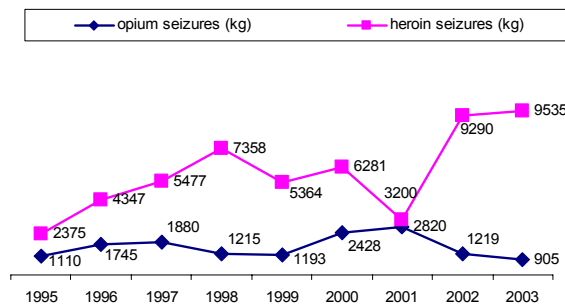
**Money laundering:** Chinese drug networks earn billions from the drug trade. Therefore, Chinese criminal organizations have initiated a range of money-laundering operations. Some sources suggest that banks and companies in Guangzhou launder money for the Triads. Furthermore, these proceeds have been used to invest in major construction projects and joint ventures in Fuzhou City, Shanghai, and Beijing.

**Drug abuse and HIV epidemics:** In 2001, the Chinese government estimated that there were about one million drug addicts, and in 2003 the government's Drug Abuse Surveillance Network found that 96.8% of users detected used heroin. Amphetamine-type stimulants have nevertheless risen in popularity rapidly in the last few years and in 2002 three tons of 'ice' methamphetamine and 3 million ecstasy tablets were seized. Moreover, such statistics probably underestimate the country's actual drug problem. Certain analysts suggest that the real figure could be up to 7 million addicts in China today.

In 2002, Chinese authorities put the figure of registered HIV/AIDS-infected persons at 840,000 but estimated that there was likely more than 1 million cases in the country. Others estimate between 3 and 7 million infections in total. The United Nations Drug Control Program (UNDCP) estimates that 70 percent of all Chinese HIV/AIDS infected cases in 2001 where intravenous drug users.

Political and Societal Aspects

A recent study suggests that there are more than one million people involved in organized crime in China. This figure has been supported by a UNESCO study that focused on the Guangdong province. According to their findings, 60% of those convicted in Guangzhou Courts in 1997 were involved in organized crime. Notable examples of large criminal networks or triads that operate in China include the Sun Yee On, the Wo, 14K and the Dai Huen Jai. However, the statistics available on drug-related crime in China are limited and vary substantially depending on the source. For example, the National Commission for Narcotics Control reported 159,565 drug-related crimes solved in 2000, but indicators provided by the Chinese Government Information for the U.S. State Department's International Narcotics Control Strategy Report show only 39,604 drug cases in 2000.



## Counter-Narcotics Efforts

### State

The Chinese Communist Party (CCP) has taken several measures to counteract drug trafficking in China, including the establishment of the National Narcotics Control Commission (NNCC) in 1990. Today the NNCC is composed of 25 departments, including the General Administration for Customs, the Ministry of Health, and the Ministry of Public Security. The latter is the NNCC's operational agency. In 1998 this operational capacity was strengthened through the establishment of the Drug Control Bureau. In the last decade there has been a proliferation of localized drug control organs, such as special police and drug squads in all of China's provinces. Funds for drug control efforts have been provided by national as well as local government and are expected to increase every year. In 1998 the Chinese Narcotics Control Foundation was established in order to collect additional funds from society to help support counter-narcotics programs.

The CCP has also implemented a series of counter-narcotics campaigns, such as the five-year anti-narcotic working plan, which runs from 2003 to 2008. The campaign has so far focused on drug-infested provinces such as Yunnan, Guangdong, and Fujian. It has also fostered an increase in investigations on drug-related economic crime. The retrieval of illegal property and profit has become standard practice in China. China has enacted a series of legislation, which includes a 15-day detention period for those found using narcotics, as well as compulsory detention of drug addicts to rehabilitation camps. Under Chinese law, anyone caught with over 50g of heroin or 1kg of opium can be administered the death penalty if found guilty in court.

### Civil Society

Most demand reduction efforts are managed by the state. In 1997 the State Educational Commission and the NNCC issued a decree to increase the

importance of drug control education in schools (middle school and up). Schools and universities throughout China actively promote counter-narcotics education by holding seminars, workshops etc. in order to raise youth awareness of drug-related dangers. These programs also include a HIV/AIDS component, mainly to attempt to overcome the strong social stigmatization of HIV/AIDS in China and highlight the relationship between intravenous drug use and HIV/AIDS. It should be noted that the number of NGOs active in counter-narcotics has increased substantially in recent years, although from a base of virtual non-existence.

### International and Regional Cooperation

China is a party of the three principle UN conventions on narcotics: the 1961 UN Single Convention on Narcotics, the 1971 UN Convention on Psychotropic Substances, and the 1989 UN Convention on illicit traffic in Narcotic Drugs and Psychotropic Substances.

China has also shown its willingness to cooperate with international organizations in order to improve drug control. A joint communiqué presented by ASEAN and China on October 13, 2000 announced that China and ASEAN would collaborate on a joint regional goal of achieving a drug-free ASEAN by 2015. Furthermore, in 2002 China signed another joint declaration with ASEAN on cooperation in the field of non-traditional security issues, in which drug control cooperation was emphasized.

China is a member of the Shanghai Cooperation Organization (SCO) with Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, although its counter-narcotics efforts have been limited to date.

## Related publications by the Silk Road Studies Program and the Central Asia-Caucasus Institute

### Database of the Narcotics, Organized Crime, and Security in Eurasia Project:

The current version of the database contains statistics and information on illicit drugs and related issues in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan), the South Caucasus (Armenia, Azerbaijan, Georgia), Russia, the and Golden Crescent (Afghanistan, Iran, Pakistan).  
<http://www.silkroadstudies.org/drugtrade.htm>

**Publications: (View these and more online at <http://www.silkroadstudies.org> and <http://www.cacianalyst.org>.)**

- "Stemming the Afghan Heroin Industry in Central and Southwest Asia", by Svante Cornell, *Georgetown Journal of International Affairs*, vol. 5, no. 2, 2004.  
*Stability and Security in Tajikistan: Drug Trafficking as a Threat to National Security*, Silk Road Paper by Johan Engvall, December 2004.  
*Counter-Narcotics Policies and their Challenges in Central Asia*, Silk Road Paper by Kairat Osmonaliev, November 2004.  
*U.S. Afghanistan Policy: It's Working*, CACI Occasional Paper by S. Frederick Starr, October 2004.  
"Transnational Crime: the Neglected Threat", by Svante Cornell, *Axess*, September 2004.  
Niklas Swanström and Svante Cornell, "Is Afghanistan's Opium Boom Reversible?", *Central Asia - Caucasus Analyst*, 14 July 2004.

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