What Explains Low Levels of Non-State Violence? 
Illicit Economies and the State in Eurasia 

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Introduction

This paper explores the conditions under which the state, due to its involvement in illicit economies, has shaped organized non-state violence in Central Asia and the Caucasus. Through examples in Central Asia and the Caucasus, this paper examines the conditions under which levels of non-state violence (primarily terrorism) remain low, despite the presence of certain geospatial and socioeconomic factors that would favor it. Although Central Asia’s socioeconomic and geospatial factors tend to promote organized criminal and terrorist activity, the state’s integrative role – specifically its collusion in the drug trade – has significantly dampened the level of terrorist violence. In Russia’s North Caucasus, by contrast, drug trafficking and organized crime are far more fragmented, preventing an integrative role of the state from emerging and thereby removing its dampening effect on the high-levels of terrorism. The paper uses a combination of quantitative methods and country case studies that draw on several dozen expert interviews to collect and analyze data on patterns of trafficking/terrorist interactions in the region.

Contrary to expectations, Central Asia and the South Caucasus regions have experienced low levels of terrorism since the late-1990s (contrary to Russia’s North Caucasus). There are many reasons one would expect violence to occur across these regions. First, many post-Soviet states have weak institutional capacity to exercise a monopoly of violence within their boundaries. Second, both Central Asia and the Caucasus are near or border conflict-ridden “hot spots,” including Iraq and Afghanistan. A third, related, reason is the presence of cross-border criminal networks, transnational terrorist groups, drug trafficking and other illicit economic activities that are believed to operate within weak states and further diminish their infrastructural capacity. Finally, within these regions, many autocratic regimes have deployed state violence – from diffuse, low-intensity forms of monitoring and surveillance (in Azerbaijan, Tajikistan, Turkmenistan and Uzbekistan for instance) to outright repression and crackdowns (such as in Andijan, Uzbekistan in 2005 or Zhanaozen, Kazakhstan in 2016). Yet, terrorist violence has remained much below expectations.

Our argument is that difference in illicit economies fosters different roles of the state in confronting non-state organized violence. We identify three outcomes – an integrative state that absorbs non-state violence into its illicit political economy, a mitigating state that partially confronts and marginalizes non-state violence, and an immersed state that becomes interwoven with and an engine of the very non-state violent actors it is ostensibly mandated to eliminate. To explore the empirical implications of this argument, the paper applies GIS-enabled tools to map trafficking/terrorism connections. The geospatial data extracted using the GIS and the provincial-level data collected from the states’ statistical agencies allow for new ways of estimating the effects of socio-economic, political, and geospatial factors as determinants of levels of terrorist violence in the region. In addition, utilizing a series of in-depth expert interviews conducted in

1 Research for this paper was supported by Minerva Research Initiative grant ONR N00014-15-1-2788 (“Trafficking/Terrorism Nexus in Eurasia”) funded by Office of Naval Research.
Central Asia and the North Caucasus, it specifies the critical role of the state and the causal mechanisms by which state involvement influences the varying levels of terrorist violence. In addition to sub-national (province-level) analyses estimating the effects of geospatial and socioeconomic factors on incidence and intensity of violence across these regions, these in-depth cases of Kyrgyzstan and Tajikistan provide more fine-grained studies of the state and its efforts to address non-state violence. In Kyrgyzstan, ethnic tensions, weak state apparatuses, and the abuses of authority can interact to cause unexpected diffusions of arms, persons, and expertise to non-state actors (through corruption, illicit sales of arms, and defections) and inadvertently lead targeted populations – religious activists and ethnic minorities – to become further marginalized. In Tajikistan, enhanced security has made inroads into addressing the nexus in the short term. However, captured state capacity generates specific risk factors – eroded governance and accountability, arms/weapon diffusion, widespread abuses of authority, and moral hazard problems – pose important long-term vulnerabilities to non-state violence. Through these quantitative and qualitative lenses, this article demonstrates that varied ways in which the involvement of the state in illicit economic activity substantially diminishes the presence and intensity of non-state organized violence.

The remainder of the article consists of five sections. First, it summarizes the existing explanations for low levels of non-state violence, in general, and terrorism, in particular. Second, it presents our argument, laying out how illicit economies shape state involvement in and influence over non-state violence. Third, it estimates the effects of a range of geospatial and socioeconomic factors across Eurasia, identifying which are associated with low levels of non-state violence in the region. Fourth, it utilizes case studies in Kyrgyzstan, Tajikistan, and Russia’s North Caucasus to elucidate the causal pathways that illicit economies – through varying forms of state involvement – shape levels of organized non-state violence. Fifth, the article concludes with a discussion of future avenues of study.

**Existing Explanations of Low Levels of Terrorist Violence**

While a number of studies have explored the varied causes of terrorist attacks, there has been far less work on the factors that constrain or dampen levels of terrorist violence. In some cases, decreases in the frequency or intensity of attacks may be due to the absence of driving causes of violence or various obstacles in the way of carrying out terrorist attacks, but in other cases particular causal factors may be at work. Through a review of the literature on political violence generally, and terrorism in particular, we identify a number of possible restraints or limitations on levels of terrorist violence at the micro (individual), meso (group or organization), and macro (societal or national) levels.2

At the individual level, a number of personality characteristics, psychological factors, and strategic influences may lead a person to restrain themselves from carrying out or participating in terrorist attacks. One micro-level constraint is familiarity with victims, as most perpetrators do not wish to target their own communities. While exceptions exist, extremists in Western Europe have tended to carry out attacks in foreign theaters, not domestically (Hegghammer 2013). Another individual-level constraint is family relationships. Most of ETA’s early recruits into its terrorist organizations in Spain in the 1970s and 1980s, for instance, were young (teenagers), single, and urban (Reinares 2004). Similar patterns have been found among those inspired by ISIS to carry out attacks in Western Europe (Clarke ??). A third limitation might be merely

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2 For a similar approach to restraints on genocidal violence, see Straus (2015).
psychological well-being and health, as most individuals find violence against innocents to be abhorrent. Some have found, for instance, that perpetrators may have a low ego or a dependent personality style, which makes them more amenable to group or leader influence (Zhirkov et al. 2014). Moreover, individuals’ willingness carry out violence may be greater after experiencing horrific consequences of civil conflict, such as local drivers of rivalry, denunciation, and revenge that attend high-conflict contexts (Balcells 2017; Kalyvas 2006). While these factors all point to important fine-grained differences within and across countries in Central Asia and the Caucasus, they do not, on their own, explain the low levels of terrorist violence in some countries and higher levels in others. Terrorist violence in Eurasia has been largely perpetrated by persons targeting their domestic environments, not by those from other parts of the globe. Tajikistan and Georgia, for instance, both experienced civil war in the 1990s, leaving post-conflict legacies of intra-state violence that had as much an influence as in the North Caucasus. Personal values and individual motivations certainly explain differences in why some people resist being drawn into terrorist organizations and refuse to carry out violent attacks, but this level of analysis does not account for the variation observed across these cases.

Defined as any collaborative effort between national and individual actors, groups and organizations at the meso level also generate important sources of restraint on terrorist violence. As in other forms of violence, those groups with greater organization resources are more lethal and effective (Asal and Rethemeyer 2008; Kilberg 2012; Horowitz and Potter 2014) and tend to last longer (Gaibulloev and Sandler 2013; Phillips 2014). Consequently, a source of restraint might be the inverse – a weak organizational base, insufficient funding, and lack of leadership should diminish levels of terrorist violence. As we find below, however, increased levels of terrorist violence in the North Caucasus is accompanied by fragmented societal and organizational networks rather than consolidated hierarchical structures. Another meso level factor involves the institutional supports in society for moderation, compromise and nonviolence, such as religious institutions (mosques, temples, churches), union or workplace structures, and nongovernmental organizations (Varshney 2002; ADD MORE CITES). While civil society has been historically weak in post-Soviet Eurasia (Howard 2003), there is an important role of social organizations, NGOs, and religious institutions in mitigating violence. Many of these groups and organizations, however, are either monitored or controlled by government authorities, raising questions about their degree of autonomy and their ability to reduce levels of terrorist violence.

At the macro level, limitations on violence may be inferred from particular socioeconomic characteristics that are often seen as important drivers of terrorism. One set of explanations focuses on geography as a predictor of terrorism – the size of the territory, the length, remoteness, and topography of its shared borders with other countries, and mountainous topography. The expectation is that physically large, mountainous areas with poor transportation infrastructures experience higher levels of terrorism (Asal et al. 2015). Another expectation is that territories with higher levels of socio-economic disparity, poverty, and illiteracy will experience more terrorist and criminal activity. Socio-economic inequality, injustice, and unmet expectations can push individuals toward taking drastic action (e.g., joining insurgency or committing a crime) to alter the sources of their discontent (Ehrlich 2002; Freytag et al. 2011). Although some studies have shown no direct relationship between poverty, unemployment, and terrorist activity (Krueger 2008; Piazza 2009), the intersection of terrorism and trafficking bring new financial benefits to economically and socially marginalized groups, including unemployed youths who expect social mobility or who face structural impediments to social mobility, such as ethnic discrimination. In our tests of these macro-structural variables, however, we find little or
no correlation between them and levels of terrorist violence (measured as both the frequency and intensity of attacks). While these highlight important background conditions that may contribute to restraining levels of terrorist violence, they do not have a direct effect in our cases in Eurasia.

The Argument: Illicit Economies and the State

This article contends that variation in levels of terrorist violence is consequence of the relationship between illicit markets and the state, which enable political elites and coercive apparatuses to mitigate violence in some cases or promote it in others. We identify four possible roles of state in addressing non-state organized violence generally and threats of terrorism in particular.

An integrative role: When a state’s control over its illicit economy supports and incentivizes the rapid build-up of coercive capabilities and absorbs non-state organized violence, including potential terrorist actors, into its illicit political economic relationships. As we demonstrate below, this outcome is illustrated by the case of Tajikistan, where an illicit economy rooted in drug trafficking has provided the state with a means of integrating non-state actors into its spheres of control, and eliminate threats and uses of terrorist violence by those that do not conform.

A mitigating role: When a state’s limited control over an illicit economy undermines its institutional coherence and coercive capacity, but retains sufficient capabilities to marginalize and mitigate levels of terrorist violence. This outcome is illustrated by the case of Kyrgyzstan, where the state remains infrastructurally weak and confronts a well-developed illicit economy, yet has been able to minimize and diminish levels of terrorist violence.

An immersed role: When a state’s ethnic diversity, diffuse and multifaceted illicit economies, and decentralized and divided political apparatus have immersed the varied factions of the state within its illicit economies and societal divisions, and led its political elites and coercive apparatus to actively facilitate and support non-state (and at times terrorist) violence. This outcome is illustrated by the case of Russia’s North Caucasus, particularly the region of Dagestan, where these conditions have penetrated and enveloped the region’s state apparatus, providing some support for heightened levels of terrorist violence.

We explore the empirical implications of this argument in our cases below.

Factors Driving Levels of Terrorist Violence: Quantitative Evidence

To examine the drivers of terrorist violence in Central Asia, South Caucasus and Russia (North Caucasus), we ran two sets of statistical tests. First, we analyzed spatial (time-invariant) determinants of terrorist violence, and, next, regressed it on a number of socio-economic predictors. All analyses were performed at the provincial level separately on Central Asian republics (Kazakhstan, Kyrgyzstan, and Tajikistan), South Caucasian republics (Armenia,
Azerbaijan, and Georgia), and Russia’s 85 provinces. The time frame for the analysis is 2008-2016.

To measure terrorist violence, we used an index of terrorism that captures its intensity by assigning weights to the counts of domestic terrorist incidents (each is multiplied by 1), the total number of fatalities caused by terrorist incidents (each fatality is multiplied by 3), and the total number of injuries caused by terrorism (each injury is multiplied by 0.5) in a province/year (Terror Index) (Hyslop and Morgan 2014). The data on terrorist events come from the Global Terrorism Database (GTD), maintained by the National Consortium for the Study of Terrorism and Responses to Terrorism at the University of Maryland.

Our list of topographic predictors include urban land coverage, distance to the nearest contiguous country, distance to the capital, mountainous area coverage, and the number of border crossings in a province. Our expectation is that areas that are urban and located in proximity to borders and capitals are more likely to experience terrorism than those that are agricultural and more remote from borders and capital centers. Mountainous areas are difficult to police, and they are also more likely to experience terrorist incidents. Provinces with border crossings will also experience more terrorism. We use the percentage of the province covered by urban area for 2010 (Meiyappan er al. 2012), the spherical distance in kilometers from the province centroid to the border of the nearest land-contiguous neighboring country (Weidmann et al. 2010), the spherical distance in kilometers from the province centroid to the national capital city (Weidmann et al. 2010), and the proportion of mountainous terrain within the province (Blyth et al. 2002). We log distance to border and distance to capital to account for the possible diminishing effect that these geographical features have on the likelihood of terrorist incidents.

We also separately examined socio-economic, demographic, and political variables that were suggested as determinants of terrorist and criminal activity. Consistent with the discussion of socio-economic and demographic properties of space that make certain locations hospitable to terrorism and trafficking intersections, we included measures of economic performance, education, unemployment, poverty, and population. Because of the differences in the data available across the sub-regions used in the study, we relied on different empirical indicators as proxies for some of the conceptual variables. For example, for Central Asia and Caucasus, we used the number of students enrolled in the programs of professional and post-secondary education as a measure of educational opportunity, whereas for Russia - the number of students enrolled in the baccalaureate and masters level programs per 10,000 population as a measure of education (Education/Students). We chose infant deaths per 1000 born alive and unemployment as empirical proxies to measure the underlying levels of socio-economic development. Although, in Central Asia, we relied on the “total employment” figure. In addition, for Russia we used Gross Regional Product (GRP), which is an aggregate measure of the region’s economic activity characterizing manufacturing and services for final consumption (in mln of rubles) as a measure of the region’s economic performance. We used a log-transformation of the GRP variable. For Central Asia and Caucasus, we relied on the total volume of cargo transported by all automobile transport through the province (in million ton) to measure the province’s transportation infrastructure. For all provinces, we calculated the total volume of opioids (opium and heroin) seized in a province-year. We used the UNODC Individual Drug Seizures reports supplemented with the individual drug seizures data accessed through the UNODC’s Drugs Monitoring Platform to identify all known individual drug seizures in Russia’s provinces. Finally, we included the logged Population Density (total population divided by the size of the territory) in all models. Our expectation is that more populous and economically developed territories with
lower mortality and unemployment rate will experience higher rates of terrorism. Territories with educational opportunities will have lesser rate of terrorist incidents.

The states of Central Asia are highly corrupt at all levels of public administration and social service. On the one hand, corruption diminishes institutional capacity. The high levels of corruption in the security and law enforcement structures threaten to diminish their ability to fight crime and terrorism. On the other hand, the extra cash received through bribes can supplement the meager incomes in the public and social sectors and education and, therefore, suppress the discontent and distress associated with poverty. We chose a combined number of all those employed in public administration, education, and health services as a measure of employment opportunities, which offer stable income and possibilities for additional monetary gains. The assumption is that the greater the number of people employed in these sectors of economy, the more people in the province will be de facto above the official levels of poverty. This, in turn, will be associated with the lower levels of terrorism.

The results of a series of negative binomial regressions with errors clustered over the province are reported in Table 1. Models 1, 3 and 5 display coefficients and clustered errors (in parenthesis) for a range of socio-economic and demographic determinants of terrorism in Central Asia, Caucasus, and Russia respectively. Models 2, 4, and 6 contain results from the regressions with topographic variables for the three samples – Central Asia, South Caucasus, and Russia.

Among the socio-economic predictors, not a single variable has shown to have a significant effect and in the same direction across the three regions. In the context of Central Asia, the higher volumes of opioid seizures are associated with higher level of terrorism. In the context of South Caucasus, the trafficking in drugs (as measured by opioid seizures) is negatively associated with terrorist violence. In Russia, the relationship between the drug trade and terrorism is positive but statistically insignificant. Infant mortality, a proxy for poverty, returned statistically significant coefficients for all regions, but it has a negative impact on terrorism in Central Asia and South Caucasus (poorer territories suffer fewer terrorist incidents). In the context of Russia, higher levels of poverty, as measured by infant mortality, is associated with higher levels of terrorism. As expected, the higher levels of employment contribute to lesser terrorist violence: the coefficient on the “employment” variable is negative and statistically significant for Central Asia, but not for other two regions (where the “unemployment” measure is used). The volume of cargo turnover is also negatively associated with terrorism. Although, it is used as a proxy for transportation infrastructure, it also signifies the level of economic development. Interpreted this way, regions with higher levels of economic developing in Central Asia are less likely to experience terrorism, a finding that is consistent with the outcomes on the “poverty” variable. Education seems to play a role of a deterrent for terrorism in the context of Russia, but the larger numbers of students enrolled in post-secondary programs in South Caucasus are associated with greater terrorist activity. Substantively, however, the coefficient is rather small. In Russia, logged GRP, logged Population Density, and Electoral Democracy returned statistically significant coefficients as well. Gross Regional Product is positively associated with terrorism, i.e., regions with higher economic activity are more likely to experience terrorist attacks, holding everything else constant. Densely populated areas are also at higher risk of deadly terrorist violence. Lastly, regions with greater electoral democracy are less likely to experience domestic terrorism, in general, and domestic terrorism with higher volumes of casualties, in particular.

All geographic predictors turned out in the expected direction and significant in most of the models (Models 2, 4, and 6). Urban areas are more likely to experience terrorism. Distance to
border and distance to capital is inversely related to terrorism. To put it differently, territories that are in proximity to the capital and national borders with land-continuous counters are more likely to experience terrorist incidents. Areas with greater mountain coverage are also more likely to experience terrorist incidents.
## Summary Statistics

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<tr>
<th></th>
<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
<th>Tajikistan</th>
<th>Armenia</th>
<th>Azerbaijan</th>
<th>Georgia</th>
<th>Russia / North Caucasus</th>
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<td>max</td>
<td>mean</td>
<td>min</td>
<td>max</td>
<td>mean</td>
<td>min</td>
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<td>1.6</td>
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<td>4</td>
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<tr>
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<td>49.8</td>
<td>15.3</td>
<td>1</td>
<td>6.3</td>
<td>2.7</td>
<td>1.6</td>
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<tr>
<td>Opium Seizures</td>
<td>0.012**</td>
<td>(0.006)</td>
<td>0.0018***</td>
<td>(0.00045)</td>
<td>-0.042***</td>
<td>(0.015)</td>
<td>0.007***</td>
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<td>Infant Mortality</td>
<td>-0.23**</td>
<td>(0.09)</td>
<td>-0.146**</td>
<td>(0.065)</td>
<td>0.685***</td>
<td>(0.204)</td>
<td>0.077</td>
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<td>[Un]employment</td>
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<td>(10.19)</td>
<td>1.22</td>
<td>(0.00001)</td>
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<td>Cargo Turnover by Automobile Transport</td>
<td>-0.002**</td>
<td>(0.001)</td>
<td>-0.0006</td>
<td>(0.065)</td>
<td>0</td>
<td>5</td>
<td>0.83</td>
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<td>Education (Students)</td>
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<td>(0.04)</td>
<td>0.0002***</td>
<td>(0.00000)</td>
<td>-0.002**</td>
<td>(0.001)</td>
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Table 1. Socio-Economic and Topographic Determinants of Terrorism in Eurasia (Preliminary Results)
<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>Wald Chi2</th>
<th>Prob &gt;chi2</th>
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<td>(3.39)</td>
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<td>Sex Ratio</td>
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<tr>
<td>Logged GRP /Industrial Output</td>
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<td>(0.061)</td>
<td>23.06</td>
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<td>Electoral Democracy</td>
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<td>(0.102)</td>
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<td>Crime Rate</td>
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<td>(0.001)</td>
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<td>Urban Coverage</td>
<td>0.21*</td>
<td>(0.282)</td>
<td></td>
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<tr>
<td>Distance to Border</td>
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<td>(0.002)</td>
<td>23.06</td>
<td>0.0033</td>
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<td>Distance to Capital</td>
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<td>(0.003)</td>
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<td>Mountain Coverage</td>
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<td>Constant</td>
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***p<0.01 **p<0.05 *p<0.01
Pathways to Terrorist Violence: Case Study Evidence

**Tajikistan**

Tajikistan, by contrast, exemplifies an integrative role of the state, in which terrorist violence is absorbed into the country’s illicit political economy. As it demonstrates, a state’s control over its illicit economy can support and incentivize the rapid build-up of coercive capabilities and draw in terrorist and other perpetrators of non-state violence. Following its civil war, Tajikistan’s central government struggled to reestablish control over many parts of the country. One regime strategy for stabilizing postwar Tajikistan was to cede control over key institutions (including parts of the security apparatus) to former commanders and prominent politicians and allow them to establish ties to organized criminal groups and the drug trade (Markowitz 2013; Driscoll 2015; Heathershaw 2009). By the late 1990s, a weak central government left Tajikistan with degraded security capacities to address the rise of drug trafficking and organized criminal activity in the country (much of it protected by local elites). For much of the mid-1990s, former commanders-turned-politicians competed for state offices and at times openly revolted against President Emomali Rahmon’s government.

One of the most significant features of Tajikistan’s post-conflict state building has been the regime’s revenue bargain with traffickers that has enabled it to consolidate and exploit its control over the drug trade. As in Kyrgyzstan, the drug trade in Tajikistan in the mid-1990s was somewhat fractured, constituted by several competing medium-sized groups that were residual formations of warlord militias from the civil war period. The heads of drug trafficking operations were also former commanders of militias during the civil war – leaders such as Yaqub Salimov and Mirzo Ziyoev (Paoli et al. 2007). As part of the post-conflict power-sharing and reintegration process, these commanders were appointed to senior positions in government, which enabled them to conduct the drug trade from within state structures. This not only enabled these political elites to use their positions to influence counter-trafficking efforts, eliminate rivals, and centralize the drug trade. It also enabled President Rahmon to concentrate the central leadership’s control over the drug trade by gradually removing (and at times arresting) those senior officials and replacing them with persons beholden to him.3 Drug seizure patterns demonstrate the state’s consolidation of the drug trade. The rise of the seizures in the late 1990s and early 2000s occurred as the regime eliminated small-scale, independent traffickers and establish control over trafficking routes under its own supporters. Once the regime consolidated its control by the mid 2000s, the level of seizures declined precipitously. Indeed, Most observers attribute this decline to the consolidation of drug trafficking by senior Tajikistan government officials vis-à-vis their opponents.4

As a consequence, the drug trade has been effectively centralized under the control of the ruling elite (with ties extending into the presidential administration). By the early 2000s, it was widely believed that drug trafficking is supported and protected by a range of officials, including border officers, customs officials, and those in the DCA and MIA. Advance payments for senior

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4 Interview # 17 with Academic, Dushanbe, December 2016; Interview #20 with senior law enforcement official, Dushanbe, December 2016; Interview #23 with NGO staff, Dushanbe, January 2017. See also Bleuer and Kazemi 2014; Lewis 2010.
government and military (border patrol) positions lead officials to engage in the drug trade to recoup costs. As one NSS official noted, there are many “hidden hands” aiding the drug trade that serve as intermediaries enabling former warlords and others in this illegal activity.\(^5\) It is generally believed that dealers and sellers are protected, and in return smaller dealers and traffickers are turned over to keep up an image of regular seizures and arrests.\(^6\) Thus, larger organized syndicates remained untouched, allowing the central government to continue to benefit from large profits generally.

As a result, two forms of organized non-state violence have emerged in Tajikistan over the past two decades. First, a number of disconnected, small-scale terrorist attacks have occurred. The first terrorist attack recorded by the GTD during the period examined in this study occurred in April 2009 in Isfara, Sughd province. Two unidentified assailants fired upon a police officer, injuring him. In a similar fashion, three police officers were seriously wounded a year earlier in the city. The Tajik authorities impugned the IMU for these attacks and began conducting searches for the IMU members in early 2009.\(^7\) In September 2010, another town in the Sughd province, Khujand, just 60 miles away from Isfara, saw a car packed with explosive driving into the building of the organized crime department of the regional police, killing two officers and two civilians, and wounding 28 people. Although, the authorities blamed the IMU for the attack, the previously unknown group - Jamaat-e Ansurallah - later claimed the responsibility for this incident.\(^8\)

Second, efforts by the Rahmon administration to use combinations of cooptation and coercion against some former opposition politicians and senior officials (nationally and regionally) has generated several prominent episodes of violence. Many of these figures in Rasht Valley and GBAO were believed to be heavily involved in the drug trade (as well as other industries) and as they were dismissed, or as they preemptively broke from the regime, they mobilized networks of supporters (often former militants). In fact, collaborations between drug traffickers, criminal groups and militants that had evolved under the protection and patronage of those figures who were dismissed resorted to violent confrontations with the regime. These conflicts not only predominated in Tajikistan, they also absorbed most of the non-state militant activity, thereby minimizing the frequency and intensity of religiously-inspired terrorist violence.

**Kyrgyzstan**

The case of Kyrgyzstan clearly exemplifies a mitigating role of the state, in which relatively weak government influence over illicit economic activity nonetheless partially reduces and contains threats of terrorist violence. It demonstrates how a state’s limited control over an illicit economy undermines its coercive capacity yet retains enough infrastructural control to marginalize and minimize terrorist violence. Marked by intra-elite divisions, state paralysis, and twice overwhelmed by elite-led protests (2005 and 2010), Kyrgyzstan has emerged as an intersection of organized criminal organizations, drug trafficking, and limited terrorist activity. Having initiated political liberalization in the early 1990s, Kyrgyzstan’s national and regional

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5 Interview #21 with senior law enforcement official, Dushanbe, December 2016.
6 Interview #25 with NGO staff, Dushanbe, January 2017.
elite remained influential actors particularly in parliament where they were in frequent contestation with President Askar Akaev. Moreover, the division and frequent rotation in-and-out of political positions have undermined the state’s coercive capacity during much of the 1990s (McGlinchey 2011).

The trafficking of opium and heroin through southern Kyrgyzstan has been fragmented since the early 1990s, when much of it was divided between Uzbek and Tajik criminal groups. Seeking to implement political and economic reform at the time, Kyrgyzstan’s government struck a bargain over illicit revenues with traffickers that kept the latter excluded from positions within the central government apparatus. Moreover, this patron-client relationship became further attenuated during this period, a number of criminal groups who were initially working under “ruling family representatives” linked to President Askar Akaev became more independent of their patrons – a development that further fragmented control over the drug trade. At best, drug trafficking was only partially consolidated under drug baron Bayaman Erkinbaev from the late 1990s until his assassination in September 2005 (Kupatadze 2012, pp. 142-14). His death, and the aftermath of the Tulip Revolution, though, opened the door to a return of Tajik and Uzbek groups, as well as different state agencies getting involved in the drug trade via multiple points of access (Spector 2008; Marat 2006). Between 2005 and 2010 there were reportedly 31 different criminal groups (relatively small, between 5-15 members) in the country, many of which operating under the patronage and protection of their own regional and local elites. Many of these criminal groups were able to operate without seeking political protection from weakened law enforcement authorities (UNODC 2007). Even though “there was open approval for drug trafficking” at the highest levels of the presidential administration at the time, the state’s revenue bargain with traffickers continued to exclude them from key posts in government.9 Consequently, President Kurmanbek Bakiev’s control over the drug trade in Kyrgyzstan remained fragmented. This trend continued even when interethic violence in 2010 in Osh and Jalalabad Provinces enabled Kyrgyz criminal groups to replace their Uzbek and Tajik counterparts’ in the drug trade.10

In sum, the government of Kyrgyzstan – despite its long history of anti-drug trafficking policing – has been unable to consolidate its control over this booming illicit economy. This is indicated by the consistently low levels of opiate seizures, which have not risen or fallen much over time (Figure 1). As far back as the 1980s, Kyrgyzstan had sought to establish interagency relationships to address the multifaceted nature of trafficking, crime and instability, but these efforts have been plagued by ongoing competition (over credit and rents).11 As one informant noted, there are periods of time when agencies have a standing arrangement on how those payments are distributed. But when there is an external reshuffling of elites (i.e., after 2005 or 2010) or when one agency seeks to gain more of a share of the rents, indications of open competition can be seen in the charges of corruption or misuse of office that are brought by one or two agencies against another.12 While Tajikistan is deemed to be closer to a “narco-state,” in which large portions of the state apparatus are involved in the drug trade, there are only “key

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9 Interview #1 with political analyst and academic, Bishkek, June-July 2016.
10 Ibid; Kupatadze 2012, p. 147.
11 Interview #9 with former senior law enforcement official, Bishkek, June-July 2016.
12 Interview #2 with political analyst and academic, Bishkek, June-July 2016
persons” within Kyrgyzstan’s state – mostly within its law enforcement and security agencies – that provide protection over disparate parts of this economy.\textsuperscript{13}

Moreover, the limited involvement of the state in drug trafficking (and its relatively weak capacities) under the conditions of an operational relationship in Kyrgyzstan has tended to reduce the intensity of violence. This is because criminal groups, existing either independent of or linked to potential extremist actors, have not acquired influence over coercive institutions of state violence. Although some individual political elites and parts of the coercive apparatus are directly involved in Kyrgyzstan’s drug trade, they typically provide patronage and protection for criminal activity in exchange for payments. As a result, criminal organizations – including those with operational linkages to extremists – cannot marshal coercive resources (arms, ammunition, personnel). This has limited non-state violence in the country to a relatively few, small-scale attacks. Despite the many arrests related to terrorism and religious extremism in Kyrgyzstan, especially in the south of the country (Osh, Batken and Jalal-Abad regions), much of the violence has been low-intensity and involving criminal groups (settling scores or competing for resources with their rivals), politicians, or individuals spanning the two spheres.

There have been several small incidents alleged to have been carried out by extremist groups in Kyrgyzstan. As noted in Chapter 2, however, most of these were either perpetrated by groups coming from outside the country, limited to individual attacks (such as political assassinations), or larger attacks inaccurately attributed to extremist groups. In 1999 and 2000 two separate incidents of hostage-takings in rural areas of the country were carried out by IMU incursions from Tajikistan, which the government was poorly equipped to handle. While it has been suspected that IMU militants utilized contacts and routes into Kyrgyzstan previously established through its involvement in drug trafficking, the extent of this intersection remains one of operational exchange.\textsuperscript{14} Approximately 2-3 bombings of police stations and other government buildings were carried out each year over the 2000s, though in most cases these were not claimed by any extremist groups. On November 30, 2010, an explosion took place outside the Bishkek Sports Palace, which was the venue for a trial of those accused of ordering and carrying out violence during the April 2010 anti-Bakiev protests.\textsuperscript{15} The explosion at the Sports Palace injured two police officers and did not cause extensive damage to the building. While the government attributed the Sports Palace attack (and an attack on a police station) to a newly-created group, Jaysh al-Mahdi (Army of the Redeemer), ultimately none of those arrested were convicted.\textsuperscript{16} Human rights groups accused the government in using political instability in the country to exert pressure on the Muslim community of Kyrgyzstan, crackdown on dissent, and marginalize and silence political opposition. The majority of those detained on suspicion of membership in the JM were practicing Muslims and activists, whose defendants reported of

\textsuperscript{13} These include well-known cases, such as MIA Minister Melis Turgenbaev and so-called “gray cardinal” Kurson Asanov. Interview #1 with political analyst, Bishkek, June-July 2016; Interview #9 with former senior law enforcement official, Bishkek, June-July 2016; Interview #5 with political analyst and former government official, Bishkek, June-July 2016. On the involvement of the customs service, see http://www.rferl.org/content/article/1071272.html.


\textsuperscript{15} The clashes of the demonstrators with security forces in April 2010 resulted in over 80 deaths among the protesters.

torture of their clients and extortion of confessions under duress.\textsuperscript{17} In addition, Eastern Turkestan Islamic Movement was believed to have carried out a bombing at the front gate of the Chinese embassy in Bishkek in August 2016, although the group has not claimed responsibility.\textsuperscript{18} In short, there have been only a few, scattered, small-scale terrorist attacks. Instead, the majority of violent incidents in Kyrgyzstan have involved attacks involving organized criminal organizations, politicians (often linked to criminal activities), and law enforcement officials/offices.

**North Caucasus**

The case of the North Caucasus – in particular, the region of Dagestan – illustrates an immersed role of the state, in which multiple illicit economic networks permeate an internally-divided governing apparatus and draw it into complex relationships with non-state organized violent actors. It provides a more fine-grained look into how a highly fragmented political, economic and societal context can produce conditions that undercut opportunities and incentives for a traditional crime-terror nexus to emerge. In Dagestan, especially, the region’s ethnic diversity, diffuse and multifaceted illicit economies, and decentralized and divided political apparatus have immersed the state in networks of organized violence. While this has not, on its own driven higher rates of terrorist violence, it has removed the state as a dampening force – either by integrating, combating, or mitigating non-state violence. Instead, a complex set of crime-state-terror relationships emerge, shaped around a loosely integrated web of violent actors (an “armed underground”), that has arisen in its place.

Dagestan is the largest republic in the North Caucasus in terms of size and population. It became known to the outside world in 1999, when the Chechen separatist leader Shamil Basayev carried out a raid on Dagenstan’s border villages with Chechnya. The attack was allegedly funded by the global jihadi movement (Pokalova 2014). The attackers did not succeed in mobilizing the Dagestanis’ support for the establishment of an independent Islamic state. Although, several Dagestani villages adopted sharia and declared their independence from Russia in 1998, the religious and ethnic-based separatist sentiments remained unpopular among the majority of people there (O’Loughlin, Holland, and Witmer, 2011). While the Kremlin consolidated its formal political authority in Dagestan, the republic saw an uptick in violence in the 2000s.

The reasons for violence are varied, complex, and multifaceted, but all have to do with the competition over formal and informal authority and control over resources in the republic. Dagestan is the most ethnically-diverse republic in the North Caucasus with over three dozen autochthonous national groups and complex kin-based social bases of authority. There are significant religious, cultural, language, and familial differences among these groups that don’t share strong affinity toward each other. With an ethnolinguistic fractionalization measure of


\textsuperscript{18} Similarly, several small-scale incidents in Bishkek had been questionably attributed to Uygur separatists in the early 2000s, but this attribution has been seen as politically motivated. Sean R. Roberts, *Imaginary Terrorism: The Global War on Terror and the Narrative of the Uyghur Terrorist Threat*, PONARS Eurasia Working Paper, March 2012, pp. 20-21.
0.84, Dagestan is a culturally decentralized region in which no single ethnic group constitutes more than 30 percent of the population (Lazarev 2014). The three largest ethnic groups are Avars (approximately 30 percent), Dargins (approximately 16 percent) and Lezgins (about 12 percent). These local centers of authority have always competed with weak formal institutions of governance that have been unable to exercise control over the effective and legitimate use of public resources or curb crime, corruption, and violence. Moreover, individual groups command particular territories (or districts) within Dagestan, enabling them to control particular parts of the drug trade or other illicit economic activity. Partly the product of Soviet nationalities policies that resettled many groups in the republic, and partly due to post-Soviet power-sharing politics that has politicized ethnic identities, there have emerged de facto cultural or national districts within Dagestan that are controlled by one group (i.e., Lezgins or Avars) in which other groups do not operate. There are also several territorial disputes with Dagestan’s neighbors, most notably Chechnya and Azerbaijan, which add to the complex cleavage structure in the republic.

There was also a multiplicity of religious groups, with some that were stringently ideological while others took on religious rhetoric “as a shell” used to cover their deeds. Many in the former category were seeking to secede from Russia and create the Caucasus Emirate or an Islamic state akin to ISIS. Among the latter, a variety of motivations and religious practices were used to justify and legitimate criminal activity (such as extortion, racketeering, and violence), while outwardly maintaining a façade of religious adherence.

Dagestan, along with Ingushetia and the war-struck Chechnya, is among the poorest republics in Russia. The scarcity of resources overlaid with the competing local bases of authority has been feeding corruption and embezzlement of public funds. The Russian government’s effort at economic development of the region, including a significant increase in federal aid, fueled competition for resources. More recently, the Kremlin sought to impose control over the restive North Caucasus by providing lavish financial aid and political backing for handpicked local strongmen capable of maintain authority (often through the use of a ruthless security apparatus) in the republics. This tactic, however, has enabled Kremlin loyalists to build extensive business empires using embezzled federal aid, local budgets, and revenues from a range of criminal activities. As one of the latter, drug trafficking networks, largely from Armenia’s Nagorno-Karabakh region via Caspian Sea shipping lines, incorporates an array of organized criminal actors and political elites. Generating large revenues, drug trafficking provides strong financial resources to political elites (and those in law enforcement agencies), shaped largely around ethnic group lines.

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19 Interview #13, Makhachkala, August 2017.
20 Interview #20, Makhachkala, August 2017.
21 Interview #16, Makhachkala, August 2017.
22 The former mayor of Dagestan’s capital Makhachkala – Said Amirov – is a point in case. Amirov ruled Makhachkala since 1998 and over time established a “state” within a state. He has been implicated in embezzlement of funds (the federal government invested considerable resource to turn Makhachkala into a port and hydrocarbon hub), covering up and participating in illicit businesses, using extortions, and even ties with the militants. He also had many local enemies and was a victim of multiple assassination attempts. He was arrested in 2013 and sentenced to life in 2015 on charges of terrorism, murder, participation in an illegal armed formation and illegal possession of weapons. Many interpreting his sacking and the trial as the Kremlin’s disinclination to tolerate any longer the “privatization of the state.” Interviews #1, #6, #7, Makhachkala, August 2017.
23 Interview #18, Makhachkala, August 2017.
During the 1990s, there was a fragmentation of non-state violence, which was incorporated into a range of disparate activities. As one informant reflected, during this period, “there was an ongoing struggle for power, property, the distribution of property between the same leaders of national movements and between mafia clan structures. And, of course, each of them had their own armed formations. And these armed formations were used by religious groups, and in the 1990s terrorist organizations in Dagestan existed that were basically organized by means of external forces.” The state passed a number of laws in the 1990s seeking to reassert control over these groups, but the laws had taken little effect. It was also a challenge given the dearth of institutional resources historically allocated to the problem of extremism, insurgency and terrorism during the Soviet period. In the 1970s and 1980s, there was only one person assigned to combat these security threats throughout the region.

Despite the presence of some of the conditions favoring the development of organized criminal networks and terrorist activity, a traditional crime-terror nexus has not arisen in Dagestan. Taken together, a host of factors – the diversity of ethnic and sub-ethnic groups, the complex ideological and strategic perspectives characterizing religious actors, the proliferation of violent entrepreneurs, and the infrastructurally weak, decentralized state apparatus in Dagestan – has worked to fragment power across multiple vectors and prevented the emergence of a consolidated crime-terror nexus. In its place, however, a more diffuse, fragmented nexus has emerged, which we label here as a “crime-state-terror” nexus, reflecting the deep interpenetration of these forces with the state. This interpenetration began in the early/mid-2000s as state authorities in Dagestan absorbed spheres of influence previously controlled by organized crime and religious groups. On one hand, political elites, security services and intelligence agencies supplanted organized crime in many areas, engaging in contraband, drug trafficking, racketeering, extortion, and providing physical security for a range of other criminal activities. On the other hand, these economic and political interests permeated these authorities (regional and federal offices in Dagestan). What emerged was what one informant described as an “armed underground” – networks of political leaders, state officials, organized crime actors, permeated by ethnic, religious, and clan ties, that use violence as a resource to support, control and profit from Dagestan’s illicit economy. This composite of intersecting networks is so expansive, decentralized, and diffuse that it is often impossible to determine who is the decision-maker at any given moment.

As prevalent as drug trafficking has been in North Caucasus, it has been highly fragmented and carried out by predominantly small groups (rather than large criminal networks with transnational ties) (Galeotti 2017; Paoli 2001). It has been one of the many other criminal activities in the portfolios of criminal groups engaged in drug trade. The local officials and representatives of the federal governments have plugged into the drug trade, but it has not been the main source of revenue for the local formal and informal elites (including the criminal world). The vast and deep-rooted shadow and criminal economy in the North Caucasus has been rooted in illicit oil production and trade, embezzlement of federal funds, extortion on legal businesses, and smuggling of alcohol and tobacco product in Russia.

As one informant noted, some of the heads of municipalities were financially supported by different kinds of combat groups… support that is used to provide themselves security. Prominent cases include members of the regional legislature who, after fighting in the two wars

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24 Interview #12, Makhachkala, August 2017.
25 Ibid.
26 Interview #17, Moscow, August 2017.
in Chechnya, had been amnestied and entered politics. Such leaders not only intervened to defend militants who were detained by internal security forces in Dagestan, they also used threatened to use them to destabilize the region if the state sought to arrest them. As another informant explained, drug trafficking was often merged with other illegal businesses run by organized crime groups and these activities were well known to be connected with political figures and security structures in the regions.

Conclusion

To be completed

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27 Interview #5, Makhachkala, August 2017.
28 Interview #11, Makhachkala, August 2017
References


James A. Piazza, “Does Poverty Serve as a Root Cause of Terrorism?: No, Poverty is a Weak Causal Link,” in *Debating Terrorism and Counterterrorism: Conflicting Perspectives on Causes,*

