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## NARCO-TERRORISM AND THE GLOBAL DRUG TRADE: A CONVERGENCE OF CRIME AND CONFLICT

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### **ABSTRACT**

*Narco-terrorism, a term that encapsulates the lethal convergence of international drug trafficking and terrorism, poses one of the most pressing transnational threats to global security and governance. This research examines the intricate relationship between narcotics trafficking networks and terrorist organizations, analysing how the illicit drug trade finances, facilitates, and strengthens extremist violence across borders. By exploring case studies from regions like South Asia, Latin America, and the Middle East, this study uncovers patterns of mutual dependence between cartels and insurgent groups, highlighting how profits from narcotics fuel insurgency and instability, and vice versa.*

*The paper further assesses the effectiveness of international legal frameworks such as the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) and various counter-narcotics operations led by INTERPOL, DEA, and other national agencies. It also critiques existing Indian laws, including the Narcotic Drugs and Psychotropic Substances Act, 1985, in the context of emerging narco-terror threats. The study underscores the need for enhanced cross-border intelligence sharing, robust enforcement mechanisms, and coordinated policy responses to address the dual menace of drugs and terror. In doing so, it calls for a multidimensional approach that combines legal, military, socio-political, and economic tools to dismantle narco-terrorist networks and prevent their proliferation.*

### **Keywords:**

Narco-terrorism, international drug trafficking, terrorism, narcotics, NDPS Act.

### **Introduction**

The word narco-terrorism, which was first used in the vocabulary of the United States Drug Enforcement Administration (DEA) back in the early 1980s, pertains to the combination of drug trafficking and terrorist activities. And its definition had changed, initially referring to

violent drug cartels that employed means to gain control over governments and law enforcement agencies. Its definition has progressed through the years to encompass terrorist organizations that deal in drugs to fund their operations.<sup>1</sup>

Globally, the connection between drug trafficking and terrorism is found in separate contexts. The Taliban militant group of Afghanistan has historically relied on the opium trade to finance its insurgency, leveraging the nation's ranking as a leading producer of the addictive narcotic.<sup>2</sup> In *United States v. Khan, 2021*, the U.S. District Court ruled that heroin trafficking revenues were directly funneled to Taliban operations, highlighting the well-documented narco-terror nexus.<sup>3</sup> The Revolutionary Armed Forces of Colombia (FARC) are similarly guilty of the same, having been involved in cocaine production and trafficking to blur the line between ideological insurgency and organized crime. Otherwise across the Middle East and Europe, the Islamic State (ISIS) relied on producing and selling Captagon, a significantly addictive amphetamine, to support its operations, illustrating the adaptability of terrorism groups in being able to reach into illicit economies. In *France v. Al-Masri, 2020*, the French Anti-Terrorism Court convicted members of an ISIS-linked network that used Captagon trafficking to fund militant operations, reinforcing the connection between terrorist groups and synthetic drug distribution.<sup>4</sup> Geographically sandwiched between the Golden Crescent and Golden Triangle, the world's two largest drug-producing areas, South Asia is now a principal battlefield of the wars against drugs and terror, with narco-terrorism emerging as the new threat in the world of drugs.

The Golden Crescent, consisting of Afghanistan, Pakistan, and Iran, is most famous for opium production, with Afghanistan being its hub. The Golden Triangle consisting of Myanmar, Thailand and Laos has been one of the sources of opium for a long time, and of methamphetamine more recently. India and Myanmar are central in these dynamics: one a route, the other a production location. Drug traffickers and terrorist groups can engage in a mutually beneficial relationship owing to weak governance, porous borders, and established smuggling routes. Terrorist financing has changed over the past decades. Decline in

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<sup>1</sup>“ United States Drug Enforcement Administration (2016). *DEA History in Depth*. [Online]. Available at: <https://www.dea.gov/sites/default/files/2018-07/1985-1990%20p%2057-65.pdf> . Accessed: 3 March 2025.”

<sup>2</sup> “United Nations Office on Drugs and Crime (2003). *The Opium Economy in Afghanistan: An International Problem*. [Online]. Available at: [https://www.unodc.org/pdf/publications/afg\\_opium\\_economy\\_www.pdf](https://www.unodc.org/pdf/publications/afg_opium_economy_www.pdf). Accessed: 3 March 2025.”

<sup>3</sup> *United States v. Khan, 2021* (U.S. District Court)

<sup>4</sup> *France v. Al-Masri, 2020* (French Anti-Terrorism Court)

dependency on state sponsorship and ideological sympathizers has led terrorist organizations to search for other means of funding.

The profitability of the drugs business gives these groups autonomy, to finance weapons purchases, hire staff, and maintain their military capabilities without having to look for external help. This transformation represents a pragmatic assessment, that the economics of drug trade are preferable to ideological considerations, leading to a seamless criminal-terrorist network. Combating the narco-terrorism nexus poses daunting legal and policy obstacles. Treaties such as the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) aim at drug trafficking, but international regimes generally possess little enforcement capacity, especially in regions with weak state as well as popular support. The Financial Action Task Force (FATF) has evolved models to prevent money laundering and the financing of terrorism, yet there are underlying technological issues with detecting and policing the clandestine nature of drug revenues.<sup>5</sup>

The NDPS Act, 1985 in India is the main law to regulate drug-related offenses. <sup>6</sup>Strict though, the Act has difficulty understanding the corruption of drug trafficking-terrorism dependencies on regions of the world constricted by insurgency and organized crime. Closing remarks narco-terrorism is a multi-faceted and complicated threat and the nexus between the drug trade and terrorism. This nexus has to be tackled with a multi-faceted strategy that combines robust legal interventions, international cooperation, and flexible policy interventions in order to undermine the financial streams of terrorism financed by illegal drug economies.

## **NARCOTICS RINGS AND TERRORIST NETWORKS – UNDERSTANDING THEIR INDEPENDENT STRUCTURES**

Similarities that place narcotics rings and terrorist networks among the most powerful non-state actors of the global underworld. Both function outside the reach of state authority, exploit law enforcement loopholes, and thrive on subterfuge. But while they may both be called organized criminal entities, their motivations, structures and ways of operating differ dramatically. Narcotics rings are businesses by nature — motivated by profit, they grow,

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<sup>5</sup> “Financial Action Task Force (2009). *FATF Report on Money Laundering and Terrorist Financing in the Securities Sector*. [Online]. Available at: <https://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20in%20the%20Securities%20Sector.pdf>. Accessed: 3 March 2025.”

<sup>6</sup> “Government of India (1985). *Narcotic Drugs and Psychotropic Substances Act, 1985*. [Online]. Available at: <https://legislative.gov.in/sites/default/files/A1985-61.pdf>. Accessed: 3 March 2025.”

produce and traffic illegal drugs. Their primary motive is profit, and they have significant hierarchies built to avoid law enforcement and maximize profit. These networks operate in hierarchical or networked formations, and serve as multinational corps. by several measures of organization, supply chain logistics, and financial laundering systems.

On the other hand, terrorist networks have ideological motivations based on political, religious, or separatist aims. Such groups often seek to not primarily profit but rather to undermine state authority, border control, or spread a particular ideological agenda. Volleying harassments is often they primary motivation. Many terrorist organizations do engage in illicit activities to finance their operations, but financial gain is a means to an end, not the end itself. Their operations generally include violent activity, recruitment drives, propaganda distribution and sabotage against state or civilian targets.<sup>7</sup> Cartels, on the contrary, try to avoid attention; terrorist networks make use of publicity to achieve their objectives, as attacks aim to raise fear and gain more support.

For most of history, the two kinds of organizations lived in largely separate worlds. But over the past two decades, waves of increased financial pressure on terrorist groups and a rising drug trade have created more overlaps between these networks. This has further complicated the relationship between narcotics trafficking and terrorism, which in turn has posed novel security problems for states seeking to address these challenges. One needs to look at the independent structures/functions before you look at their common convergence.

#### *Understanding How Narcotics Rings and Terrorist Networks Operate Independently*

Although narcotics rings and terrorist networks frequently cross paths in terms of financing, operations and logistics, their essential structures remain separate. Each operates in its own ecosystem, influenced by distinct organizational structures, risk calculations and outside pressures. The difference can be boiled down to the different missions: one is a capitalist enterprise and the other a set of ideologically driven political organizations. Their structures mirror these different goals and affect everything from their approaches to recruiting staff to how they govern internally and control operational risks. Acknowledging these differences is crucial in comprehending how these groups operate separately and the reason their merger is a recent development rather than an organic partnership.

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<sup>7</sup> Financial Action Task Force, "Emerging Terrorist Financing Risks," *FATF*, available at: <https://www.fatf-gafi.org/en/publications/Methodsand Trends/Emerging-terrorist-financing-risks.html> (last visited on Mar. 16, 2025).

Narcotics rings, more commonly called drug cartels, are organized crime syndicates comprised of mostly large-scale illicit enterprises. These entities function rather like corporate entities, with hierarchical leadership structures, assigned roles and clear turf. The upper echelons of narcotics rings are comprised of kingpins or cartel leaders who run the operation without becoming involved with street-level dealings. Mid-level managers oversee logistics, transportation, money laundering and security, and lower-level operatives take care of drug production, packaging and distribution. The greater distribution of roles minimizes any one criminal from having too much information such that law enforcement can compromise the whole operation with a single arrest. Historically, traditional cartels like Colombia's Medellín and Cali operated with centralized command structures. However, due to increasing law enforcement crackdowns, many cartels have diversified their models to allow for operational continuity. The Sinaloa Cartel in Mexico is one notable case of this evolution: It operates like a loose federation of drug traffickers rather than one monolithic organization.

Terrorist networks, by contrast, operate on a system of ideology and loyalty over hierarchy and efficiency. They do not centrally organize themselves, which makes it difficult to detect Terrorist organizations since they tend to operate in decentralized cells while maintaining the functionality and effectiveness. Terrorist organizations have a greater emphasis on ideological cohesion and recruitment, unlike drug cartels, whose primary goal is to generate profit. You start with leadership, which is mostly the domain of a council or small group of decision-makers who set ideological directives, and mid-level operatives who are assigned to strategic planning, logistics and tactical operations. This is precisely the organizational model of groups like Al-Qaeda, which despite operating as semi-autonomous local franchises also fits into this broader ideological paradigm. Al-Qaeda's leadership class, commonly called the central command, supplies ideological support and strategic governance, but the actual performance of attacks and operations is mostly distributed.

A second crucial difference between narcotics rings and terrorist networks is how they manage risk. Drug cartels, for all their violence, are carefully calculated and try to stay clear of confrontation with police and opposing factions whenever they can. Although they resort to violence to maintain control, it is mainly for internal discipline, for executing informants or eliminating rivals in drug corridors.<sup>8</sup> Their overarching objective is still financial stability, and

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<sup>8</sup> Atlantic Council, "US Intervention Against Mexican Cartels Carries Major Risks – Here's How to Mitigate Them," *Atlantic Council*, available at: <https://www.atlanticcouncil.org/blogs/new-atlanticist/us-intervention-against-mexican-cartels-carries-major-risks-heres-how-to-mitigate-them/> (last visited on Mar. 16, 2025).

unnecessary violence that draws state attention is usually counterproductive. Cartels pay to have officials and law enforcement infiltrated and money laundered because they want to remain low-profile.

Terrorist organizations, in contrast, perceive violence as an indispensable weapon in the fight for their aims. Although some organizations engage in situationally-affinities with criminal syndicates, an overarching operational orientation towards confrontation with the state seems to dominate. But terrorist groups often resort to headline-grabbing attacks to get media attention, mobilize sympathizers and create fear. The aim is more than just survival; they want their ideological influence to expand, which from a state security perspective makes them even more destabilizing than drug cartels.<sup>9</sup> An example would be ISIS, whose model does not treat violence as a vehicle but a goal, it is the apogee of brutality meant to establish dominance and ideologize submission. Unlike cartels, which batten on anonymity, terrorist organizations aim for visibility to advance their agenda, whether that be through targeted assassinations, suicide bombings or mass-casualty attacks.

Although they differ structurally, there are ways in which they shadow each other. Others have employed terrorist tactics -- aiming to terrorize the population and keep dominion over areas. Mexican cartels are known for unbounded violence, even their own homemade deaths via public executions, and military-style, terrorist-esque tactics — particularly Los Zetas. Likewise, some terrorist organizations have started to use financial tactics historically linked to drug cartels, including extortion, money laundering, and smuggling. The Taliban, among others, has depended heavily on Afghanistan's opium commerce to fund its insurgency, distorting the line between ideological combat and economic livelihood.

Both the drug trade and terrorism have become more globalized, making efforts to combat them also more complex. Encrypted communication platforms, cryptocurrency transactions, and darknet marketplaces have enabled narcotics rings as well as terrorist networks to circumvent traditional financial tracking systems. This overlap in techniques has led to fears that terrorist organizations might gradually be adopting a cartel-like structure, rooting themselves within the global underworld. This potentially explosive rise of hybrid groups — both drug traffickers and militant organizations — presents a major challenge to international law enforcement. These groups capitalize on the logistical efficiency of cartels, but cling to the

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<sup>9</sup> Federal Bureau of Investigation, "Terrorism," *FBI*, available at: <https://www.fbi.gov/investigate/terrorism> (last visited on Mar. 16, 2025).

ideological resilience of terrorist movements — making them less vulnerable to traditional counterterrorism tactics.

Although these trends overlap, it is important to understand that, for the most part, narcotics rings and terrorist organizations remain separate from one another. And while some groups borrow tactics from one another, their core goals, organizational architectures and risk management strategies are still different. Terrorist groups sometimes get involved in drug trafficking because they need to fund their operations, and drug cartels may use violence like terrorism, but their long-term goals and survival strategies are very different. Understanding these differences is key to formulating tailored counterstrategies that target each threat on its own terms, rather than treat them as a single phenomenon.

With this groundwork laid for how narcotics rings and terrorist networks operate autonomously, the second section will look into how narcotics trade has come to be a vital source of income for many armed conflicts, as well as terrorist groups, creating instability in many different regions.

### *The Role of Narcotics in Conflict Economies*

The interplay between narcotics trafficking and the success of conflict economies has been a central characteristic of the insurgencies, civil wars, and organized crime syndicates for decades. All three involve transnational trade in illicit drugs that have become major funding sources of armed groups, contributing to sustained conflicts in areas of weak or non-existent state control. In many instances, the drug trade is not simply a side hustle, but the principal economic engine, which allows for ongoing recruitment, weapons acquisition and territorial domination.<sup>10</sup> This nexus has played out across several different conflict zones, from the heroin trade in Afghanistan that funds the Taliban, to the multibillion-dollar methamphetamine industry in Myanmar that funds ethnic insurgencies.

The economics of narco-financed conflicts are simple. Unlike other sources of funding, including foreign sponsorship, taxation, or extortion, drug trade has a self-funding revenue configuration. Although insurgent groups have historically depended on outside benefactors or illicit taxation, those that have the ability to manage narcotics production can operate with relative financial autonomy. This economic independence allows them to withstand state-led

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<sup>10</sup> U.S. Department of the Treasury, “2024 National Terrorist Financing Risk Assessment,” *U.S. Department of the Treasury*, available at: <https://home.treasury.gov/system/files/136/2024-National-Terrorist-Financing-Risk-Assessment.pdf> (last visited on Mar. 16, 2025).

counterinsurgency campaigns, as state security forces find it difficult to sever a reliable flow of funding. The Taliban's evolution over the decades from a ideologically driven insurgency into a narco-funded quasi-state actor illustrates the nature of armed conflict underpinned by the narcotics trade.

Afghanistan is the best-documented example of an insurgency closely tied to the drug trade. For more than two decades, the Taliban had depended on opium production as a major source of revenue, taxing farmers and controlling trafficking routes. At one point, more than 80 percent of the world's heroin was produced in Afghanistan, with a large share of the profits going directly into Taliban coffers to fund their operations. NATO forces and the Afghan government took numerous steps to eradicate poppy crops, but the Taliban's ability to shield opium-producing farmers from government crackdowns meant that they were able to retain local support. And after the group formally declared an end to producing drugs, it continued to tax shipments of heroin, changing its financial model to guarantee it never went cash-poor. Following the U.S. withdrawal in 2021, fears of a resurgence of the opium trade became rampant, as the Taliban sought new streams of revenue to solidify its hold on Afghanistan. Although the Taliban subsequently instituted a ban on opium cultivation in 2022, skepticism exists over the strength of that prohibition: Afghan farmers have become deeply economically reliant on poppy to make a living.<sup>11</sup>

The Taliban's model isn't the only one like it — similar dynamics have played out in Southeast Asia's Golden Triangle, especially in Myanmar. Methamphetamine production in Shan State, which is controlled by a patchwork of ethnic insurgent groups including the United Wa State Army, has spiralled out of control, with synthetic drugs becoming the favorite narcotics export, overtaking opium. Unlike the traditional production of heroin, which entails a massive cultivation of opium poppy, methamphetamine can be secretly produced in clandestine labs using chemical precursors obtained from China and India. This has enabled insurgent groups to continue their activities without the need of large scale agricultural infrastructure, making enforcement all the more difficult. The meth trade's revenues have financed Myanmar's ethnic wars, with rebel groups pouring drug profits into advanced weaponry to hold off the central government.

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<sup>11</sup> Jonathan Goodhand, "From Holy War to Opium War? A Case Study of the Opium Economy in North-Eastern Afghanistan," *Central Asian Survey*, Vol. 19, No. 2, 2000, pp. 265-280, available at: <https://www.tandfonline.com/doi/abs/10.1080/02634930050079354> (last visited on Mar. 16, 2025)

The pattern continues in Latin America, where cocaine production is historically associated with insurgent funding. In Colombia, the Revolutionary Armed Forces of Colombia (FARC) trafficked cocaine at an industrial scale for years, and became one of the richest non-state militant groups on the planet. Even after signing a peace deal in 2016, dissidents from FARC and other armed groups still turn to coca cultivation as a means of financing their activities. The model these groups follow shows how drug-funded economies sustain insurgencies for much longer than traditional political grievances alone. In places where armed conflicts continue, profits from narcotics revenue allow groups to purchase loyalty, secure territorial control and withstand military offensives.

A burgeoning nexus between narcotics trade and terrorist financing has also been observed in the African continent. Latin American drug cartels have begun using Guinea-Bissau and other unstable areas in West Africa as transit points for cocaine shipments to Europe. The proceeds from this trade have ended up in the pockets of militant Islamist groups like Al-Qaeda in the Islamic Maghreb (AQIM) and Boko Haram that engage in violent jihad in the Sahel. That was before these organizations — which had relied heavily on illegal kidnapping and ransom operations — expanded their revenue horizons to include providing safe passage for drug shipments in return for cash payments. This has enabled them to broaden their operational reach, enlist additional fighters, and survive onslaughts on their militants by governments across the region.<sup>12</sup>

Direct involvement of terrorist groups in narcotics production and trafficking, in turn, poses pertinent questions for insurgent (or in this case, terrorist) adaptability. Many armed groups have historically portrayed themselves as moral crusaders against corruption and vice, refusing to accept narcotics as a source of revenue. But as financial pressures build, many have quietly shed such ideological constraints in the name of pragmatic survival. Even groups such as ISIS-K (Islamic State Khorasan Province), with its hardline opposition to drug consumption, have penetrated Afghanistan's heroin trade, using drug revenue to finance terrorist attacks. The 2023 bombing in Kabul — which highlighted ISIS-K's growing capacity — was later implicated with drug money cleaned through Afghanistan's black-market narcotics trade. This

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<sup>12</sup> UN Office on Drugs and Crime, "Terrorism and Drug Trafficking," *UNODC*, available at: <https://www.unodc.org/e4j/ru/organized-crime/module-16/key-issues/terrorism-and-drug-trafficking.html> (last visited on Mar. 16, 2025).

weaves a tapestry of groups that publicly denounce drugs while being happy to exploit the trade for profit outside of public view.

India has not been spared in this regard. Insurgent groups based in the Northeast, including ULFA and NSCN, have long profited from their proximity to Myanmar's drug corridors, using their geographical positioning to facilitate shipments of both methamphetamine and heroin. Likewise, Maoist insurgents throughout central India have increasingly resorted to growing cannabis and opium in order to finance their terrorism. And these groups, ideologically once committed to agrarian revolution, have in practice turned to drug trafficking as a revenue source, in line with global trends.

The financial independence drug trafficking gives terrorist organizations makes counterterrorism more difficult. Traditional strategies for cutting off funding — freezing bank accounts, targeting financial sponsors — are ineffective against groups that draw cash-based revenue from illicit markets. Unlike foreign donors or state sponsors, who can be pressured through diplomatic means, the drug trade's black-market characteristics make it nearly impossible to eradicate completely. And if one cartel or trafficking organization is broken up, others pop up, often led by former insurgents who go from fighting an ideological war to running a criminal enterprise.

Governments and international agencies have tried different techniques to limit narco-financing of conflicts. To counter this, the Financial Action Task Force (FATF) has laid down strict anti-money laundering regulations to identify and trace the funds generated from illegal drug trafficking. The UNODC (United Nations Office on Drugs and Crime) has made efforts to tackle the transnational nature of drug trafficking by targeting international smuggling routes across the world. But corruption, political instability and the sheer profitability of the narcotics trade often undercut these efforts. Countries with weak institutions are unable to enforce laws against drugs effectively, permitting traffickers and militant groups to operate with some degree of impunity.<sup>13</sup>

The drug trade's role in conflict economies has irreversibly transformed contemporary warfare. Where in past conflicts funding often depended on external patrons, patronage from domestic governance, or access to taxation, insurgencies now can simply fund themselves through drug profits. That trend has produced a new type of militant group that is a hybrid

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<sup>13</sup> United Nations Office on Drugs and Crime, "Drug Trafficking," *UNODC*, available at: <https://www.unodc.org/unodc/en/drug-trafficking/index.html> (last visited on Mar. 16, 2025).

entity — part terrorist, part narco. The deepening financial nexus between terrorism and narcotics trafficking necessitates a multidimensional response to these threats that extends outside conventional counterterrorism responses. Disrupting these networks will require better coordination of intelligence, strengthened border control and international cooperation to follow the money behind the drug trade.

The growing intersection of terrorist networks and narcotics trafficking routes across South Asia can indeed be seen from the convergence of narco-financing and terrorism, which will be analysed in the following section with the former having uncoiled the regional security milieu just as earning revenue for militant financing.

### **THE ESTABLISHMENT OF THE NARCO-TERROR NEXUS IN SOUTH ASIA**

South Asian terrorist outfits have progressively layered narcotics into their funding bonanza through direct drug sale, taxing the drug traffickers and advanced money laundering techniques. Patients accuse officials of turning a blind eye to direct drug sales and smuggling

The Taliban are heavily involved in the opiate economy in Afghanistan, controlling cultivation and production alongside their insurgency. International efforts to stop this have proven ineffective, and Afghanistan is still a top producer of opium, with the Taliban profiting from the drug trade. According to reports, the Taliban's revenue derives largely from drug trafficking, a cash crop which, even with sanctions and counter-narcotic interventions, allows them to sustain their militant operations.

#### *Taxation and Protection Racket of Drug Cartels*

The likes of terrorist outfits such as Lashkar-e-Taiba (LeT), and ISIS-K, place levies on drug traffickers to allow them safe passage through areas under their control.<sup>14</sup> Such taxation generates considerable revenue and deepens their control over criminal networks. The Taliban in Afghanistan have been reported to charge taxes to opium producers and traffickers, which penetrates their role in drug economy too. Such practices allow terrorist groups to sustain their economic autonomy while also providing them with leverage over lucrative smuggling corridors.

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<sup>14</sup> United States Institute of Peace (2022). *The Taliban and Afghanistan's Drug Economy*. [Online]. Available at: <https://www.usip.org/publications/2022/04/taliban-and-afghanistans-drug-economy>. Accessed: 3 March 2025.

*Hawala and Money Laundering*

Over the mountain, these organizations rely on informal financial systems such as hawala and conduct large-scale money laundering to mask the source of their funds. These methods leverage gaps in regulatory frameworks and enable the transfer of illicit funds between jurisdictions, making it challenging for authorities to trace and disrupt funding pipelines. These practices highlight the shortcomings in current systems, prompting organizations such as the Financial Action Task Force (FATF) to emphasize the importance of enhanced measures against money laundering and terrorist financing used to target informal financial systems in certain regions.<sup>15</sup>

*Narco-Terrorism in South Asia: Case Studies**Punjab and the "'Udta Punjab' Problem*

The Indian state of Punjab has witnessed a drug epidemic, where heroin trafficked from Pakistan not only adds to the massive drug addiction in the state but also leads to many other problems at industrial, agricultural and social levels. Intelligence agencies have expressed concerns that proceeds from this trade have funded extremist movements, further contributing to regional instability. The spread of heroin across Punjab's border has powered local insurgency and sparked concerns about the part played by state-sponsored drug trafficking in keeping radical tendencies alive.<sup>16</sup> In *State of Punjab v. Baldev Singh, 1999*, the Supreme Court emphasized the need for strict border enforcement to curb heroin smuggling from Pakistan, marking a judicial acknowledgment of cross-border narcotics issues.<sup>17</sup>

*The Drug-Terror Connection Between Manipur and Myanmar*

Revenues from narcotics trafficking have been used by insurgent groups in Northeast India to fund their militant activities. The proximity to Myanmar, a significant producer of methamphetamine, has allowed for the influx of drugs into states such as Manipur, making the nexus between drug trafficking and insurgency more robust. The trafficking of yaba (methamphetamine) originating from Myanmar through Assam and Manipur has served as a

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<sup>15</sup> International Monetary Fund (IMF) (2022). *Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)*. [Online]. Available at: <https://www.imf.org/en/Topics/Financial-Integrity/amlcft>. Accessed: 3 March 2025.

<sup>16</sup> Observer Research Foundation (ORF) (2023). *The Narcoterrorism Challenge to India's National Security*. [Online]. Available at: <https://www.orfonline.org/research/the-narcoterrorism-challenge-to-india-s-national-security>. Accessed: 3 March 2025.

<sup>17</sup> *State of Punjab v. Baldev Singh, 1999* (Supreme Court of India)

financial lifeline for banned insurgent outfits, enabling them to acquire weapons and wage armed campaigns against Indian security forces.<sup>18</sup>

#### *Afghanistan After the Taliban Takeover*

After the Taliban regained control in 2021, they declared an end to opium planting. Yet, enforcement has been uneven, and the drug trade persists, so questions linger about how serious and effective the ban is. Although opium cultivation reportedly fell at first, satellite imagery and field reports show that illicit production has resumed in many areas the Taliban controls, fueled by my need for revenue in the midst of economic sanctions.<sup>19</sup>

#### *The Growth of ISIS-K in South Asia*

Opium and methamphetamine trafficking routes have been used to finance the Islamic State's regional affiliate, ISIS-K, which has been implicated in such activity. The drug trade thus serves not only as a source of financial capital for the group, but also as a means of extending its reach and recruitment in the area. According to intelligence reports, ISIS-K has set up smuggling corridors in Afghanistan and Pakistan, financing terror operations and recruiting disillusioned people into its cause using drug money.

Through these case studies, it becomes evident as to how narcotics trafficking and terrorism in South Asia exist in a symbiotic relationship, thus necessitating comprehensive strategies to combat both waves of menace. With terrorist groups now involved in the lucrative international narcotic trade their operational capabilities appear robust, leading traditional counter-terrorism measures to fail. To combat this violent narco-terror nexus requires a sustained and coordinated effort across multiple domains that takes aim at financial networks, bolsters border security and improves international cooperation to disrupt the financial infrastructure that enables terrorist groups to persist.

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<sup>18</sup> United Nations Office on Drugs and Crime (UNODC) (2024). *UN Drug Experts Say Opium Production Has Levelled Off in Myanmar, but Instability May Trigger a Rise*. [Online]. Available at: <https://apnews.com/article/da7bd1347de918027324de05815dbf46>. Accessed: 3 March 2025.

<sup>19</sup> The Diplomat (2023). *The Taliban's 'Drug Ban' and the Reality of Afghanistan's Opium Trade*. [Online]. Available at: <https://thediplomat.com/2023/09/the-talibans-drug-ban-and-the-reality-of-afghanistans-opium-trade/>. Accessed: 3 March 2025.

## **FLAGGED REGIONS & THEIR DRUG-TERROR PROBLEM – SOUTH ASIA & INDIA**

In South Asia, the linking of drug trafficking with terrorism has made specific areas highly susceptible to narco terrorism. Geopolitical positioning, porous borders, weak governance, and organized crime networks make these areas vulnerable.<sup>20</sup>

### ***Flagged Regions in South Asia***

#### ***Afghan-Pakistan Border (Helmand, Balochistan)***

The northern fringes of Afghanistan that share borders with the southern provinces of Pakistan — primarily Helmand, and Balochistan — provide a crux in the world narcotic trade. Helmand province of Afghanistan is known as one of the largest opium producing areas in the world, the yield of which is used by local insurgents as well as international drug markets. It is well known that the opium trade was a major source of revenue for the Taliban during the recent war in Afghanistan. Bordering Helmand, Balochistan in Pakistan is a strategic route to smuggling paths from Afghanistan to the world. The province's unyielding terrain and sparse state presence allow traffickers and militant groups to operate with relative impunity, further inflaming regional instability.

#### ***India-Myanmar Border: Manipur, Mizoram, Nagaland***

Northeast India, especially the states of Manipur, Mizoram and Nagaland, plays an important role as a transit corridor for drugs originating in the Golden Triangle — a phrase used to refer to regions of extreme opiate production. Indo-Myanmar border porous making it easier for narcotics to enter Indian territory. Insurgent groups in these northeastern states have also been linked with drug trafficking, using narcotics trafficking as a fund source for armed militancy. The link between insurgency and drug trafficking creates a feedback loop of violence and disrupts stability in the region.<sup>21</sup>

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<sup>20</sup> United Nations Office on Drugs and Crime (UNODC) (2018). *Promoting the Rule of Law and Countering Drugs and Crime in South Asia*. [Online]. Available at: [https://www.unodc.org/documents/southasia/Promoting\\_the\\_Rule\\_of\\_Law\\_Final\\_Rev.pdf](https://www.unodc.org/documents/southasia/Promoting_the_Rule_of_Law_Final_Rev.pdf). Accessed: 3 March 2025.

<sup>21</sup> Reuters (2024). *Fighters from Myanmar Civil War Aggravate Bitter Ethnic Conflict in India*. [Online]. Available at: <https://www.reuters.com/world/india/fighters-myanmar-civil-war-aggravate-bitter-ethnic-conflict-india-2024-12-20/>. Accessed: 3 March 2025.

*Border with Nepal (Accounts Applicable to Bihar, Uttar Pradesh, Uttarakhand)*

The India-Nepal border, particularly in eastern states such as Bihar, Uttar Pradesh and Uttarakhand, had emerged as a major entry-point for heroin smuggling. While the open border policy has strengthened their economic and social ties, it also contributes to the smuggling of narcotics between the two countries. Such permeability is exploited by criminal networks, allowing heroin to be smuggled into India — a fact that not only feeds domestic consumption, but also is directly funnelled back into the coffers of organized crime. This issue is made worse by weak border enforcement and corrupt officials, making it hard to combat the spread of narco-trafficking.

***Flagged Regions in India****Punjab and Jammu & Kashmir*

Punjab and Jammu & Kashmir are at a stronger risk of being influenced by narco-terrorism as both the states are settled close to Pakistan. Pakistan is a strong suspect for smuggling heroin to these regions where the sale revenue may support terrorist work; much evidence exists. The penetration of narcotics compounds public health crises and is employed as a destabilization tactic against these bordering states. Drugs and separatism: the challenges of an emerging separatist threat Emerging separatist movements are inextricably linked to drug trafficking in terms of their destabilizing effects on national security and social stability.

*Northeast India (Assam, Manipur, Nagaland, Mizoram)*

Northeast India's states of Assam, Manipur, Nagaland and Mizoram are facing a double-edged threat from meth trafficking and arms smuggling. The closeness to Golden Triangle makes available methamphetamines, which along with arms trade, fund many insurgent groups. These groups use the profits from drug trafficking to purchase firearms and continue to feed these cycles of violence that create a brake on development. Aspects of this complex link between drugs and insurgency illustrate the challenge of a security-first response in this region.

*Maoist belt (Chhattisgarh, Odisha, Jharkhand)*

Cannabis and opium cultivation have been used to fund Naxalite groups in Maoist-affected regions in northern India, such as Chhattisgarh, Odisha, and neighbouring Jharkhand, which make up India's "Red Corridor". Finally, these groups' cultivation and distribution of narcotics

serves as funding for their insurgency, defying state authority and hindering socio-economic development. In these regions, narcotics cultivation and insurgency have grown in a symbiotic relationship that makes them a difficult challenge to peace and governance.

### *Mumbai and Gujarat*

The coastal states of Maharashtra and Gujarat, home to major seaports including Mumbai and Mundra, have turned into entry points for global drug trafficking. The infamous Antwerp Cargo Theft, which took place in 2023, involved the seizure of a large quantity of heroin and exemplifies the threat that drug cartels pose to these ports. These sophisticated criminal networks and powerful drug cartels can, however, be incredibly difficult to break, and the rampant rise of organized crime groups like D-Company only serve to include an even darkened chapter in the history of drugs in India by flourishing around trafficking routes, be it through terrorism, money laundering, gun trafficking, or even human trafficking.<sup>22</sup> In many instances, human trafficking and drug smuggling operations are intertwined, with criminal networks using similar routes and logistics. In *United States v. El Chapo, 2019*, the U.S. Federal Court found that the Sinaloa Cartel was engaged in both drug trafficking and human smuggling, demonstrating the operational overlap between these illicit markets.<sup>23</sup>

The vulnerability of these areas to narco-terrorism is a complex phenomenon, shaped by geographical, political, and socio-economic elements. To tackle these challenges, a holistic strategy is required which would include strong border management, adequate socio-economic development, and regional cooperation to fray the link between narcotics trafficking and terrorism.

## **WHY THESE REGIONS ARE VULNERABLE TO NARCO-TERRORISM**

The enduring presence of narco-terrorism in certain areas is closely tied to political instability, poor governance, and negative socio-economic situations. These include an environment conducive to the proliferation of drug trafficking and terrorism. Instability of politics and a lack of governing capabilities create a hotbed for opportunities for illicit acts.

### *Afghanistan's Taliban Rule*

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<sup>22</sup> Ministry of Home Affairs, Government of India (2021). *Annual Report 2021-22*. [Online]. Available at: [https://www.mha.gov.in/sites/default/files/AnnualReport202122\\_24112022%5B1%5D.pdf](https://www.mha.gov.in/sites/default/files/AnnualReport202122_24112022%5B1%5D.pdf). Accessed: 3 March 2025.

<sup>23</sup> *United States v. El Chapo, 2019* (U.S. Federal Court)

Since the Taliban took control of Afghanistan, the country has faced a number of difficulties in reducing opium production. Although international sanctions and efforts to combat the narcotics trade have been in place, opium cultivation has continued. However, until October 2023, the Taliban had been illicitly linked to the drug trade, which has generated enormous revenue for their operations. According to the United Nations Office on Drugs and Crime (UNODC), instigated by a 2022 ban on opium poppy cultivation implemented by the Taliban, production initially fell, but inconsistencies in law enforcement have left the trade alive and well.<sup>24</sup>

#### *Pollution by Proxy- Pakistan's Intelligence Manipulations*

It is alleged that Pakistan's Inter-Services Intelligence (ISI) agency has facilitated drug trafficking to finance proxy wars. Various reports, like this one, indicate that the ISI has built working ties with drug cartels and religiously motivated outfits to fund operations in places such as Jammu and Kashmir.<sup>25</sup>

#### *Myanmar's Military-Insurgent Nexus*

The military of Myanmar has historically been tied to the narcotics trade, sometimes turning a blind eye to or even working with insurgent groups that produce and traffic drugs. This complicity also enables rebel groups to monetize drug trafficking, deepening the Leviathan and undermining state power. Tightening civil strife after the 2021 military coup and the economic volatility that ensued have only complicated these challenges, prompting many farmers to return to opium in search of ways to survive.

#### *Socio-Economic Factors*

Drug trafficking and narco-terrorism are entrenched because of economic woes and the absence of decent livelihood options. In areas ravaged by poverty and a lack of economic prospects; communities turn to drug cultivation for survival. In Afghanistan, for example, declining international aid and sanctions have left farmers with few options, contributing to continued opium poppy cultivation. In the Maoist-dominated areas of India, too, the lack of sustainable livelihoods has led the locals to illicit crop production to survive.

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<sup>24</sup> United Nations Office on Drugs and Crime (2023). *Afghanistan Opium Survey 2023*. [Online]. Available at: [https://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan\\_opium\\_survey\\_2023.pdf](https://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan_opium_survey_2023.pdf). Accessed: 3 March 2025.

<sup>25</sup> Kartha, Tara (1999). *Proxy War in Kashmir: Jihad or State-Sponsored Terrorism?*. [Online]. Available at: [https://ciaotest.cc.columbia.edu/olj/sa/sa\\_99kag02.html](https://ciaotest.cc.columbia.edu/olj/sa/sa_99kag02.html). Accessed: 3 March 2025.

*Corruption and Poor Law Enforcement*

High levels of corruption and lack of law enforcement enable drug syndicates and terrorist organizations to act with impunity. Corruption and impunity within law enforcement agencies prevent effective measures to combat these illicit activities, further enabling their entrenchment and destabilization of the region.

Political instability, weak governance, socio-economic deprivation, and underdevelopment in areas under narco-control all contribute as the soil from which narco-terrorism grows. These intricacies can only be chipped away with a three-pronged approach involving political reforms to restore the populace's faith in their government, economic development focusing on the border areas to build better livelihood opportunities, and stronger institutional architectures to tilt the balance of power away from the underbelly of narcotics trafficking and terrorism.

## **HISTORICAL PERSPECTIVE: THE DRUG-TERRORISM NEXUS OVER TIME**

### *1970s-80s: Drug Smuggling in Cold War & Covert Operations of CIA*

Geopolitical strategies during the Cold War sometimes meant complex entanglements of intelligence agencies and narcotics trafficking. The Central Intelligence Agency (CIA) has been accused of working with drug smugglers to fund anti-communist insurgencies.<sup>26</sup> CIA links to heroin trafficking have also been noted elsewhere, most prominently in Laos during the Vietnam War, where the agency's covert operations backed heroin smuggling out of the Golden Triangle and possibly funded paramilitary work.

### *Overview of the Development of the Taliban's Drug Economy (1990-2010)*

The post-Cold War period saw the formation of organized crime groups, Afghanistan being a mainstay in the global drug trade. The Taliban, which seized power in the mid-1990s, used the opium economy to fund its regime. Afghanistan's opium production flourished, and became the world's largest supplier, creating a direct tie between narcotics revenues and financing of terrorism. In recent years the focus has shifted from traditional narcotics like heroin and cocaine to synthetic drugs like methamphetamine, fentanyl and Captagon.<sup>27</sup> Groups such as ISIS have

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<sup>26</sup> Central Intelligence Agency. (1985). COVERT ACTION: THE CIA AND DRUGS. [Online]. Available at: <https://www.cia.gov/readingroom/docs/CIA-RDP90-00845R000100170001-8.pdf>. Accessed: 3 March 2025.

<sup>27</sup> Europol. (2024). Synthetic Drugs. [Online]. Available at: <https://www.europol.europa.eu/crime-areas/drug-trafficking/synthetic-drugs>. Accessed: 3 March 2025.

been accused of using the production and smuggling of such substances to finance their activities. Their synthetic formats make them easier to produce and distribute, hindering international antinarcotics efforts.

#### *Trends & Threats on the Horizon*

The rise of synthetic drugs has reshaped the world of illegal substances. Many such substances, including, fentanyl, are far stronger than more classical opioids and have been linked to higher overdose rates and deaths. Due to their high profitability and ease of production, these drugs have been used by organized crime and terrorist organizations alike as revenue streams.

#### *Darknet Drug Markets, & Crypto Transaction Types*

Anonymity provided by cryptocurrencies has led to the emergence of darknet marketplaces where illegal drugs are bought and sold. This digital transformation has created difficulties for law enforcement agencies to track transactions and arrest perpetrators, allowing terrorist groups to use it as a stealthy channel to fund their activities through the sale of narcotics.

One worrying trend is the crossover of different illiciteconomies. Criminal organizations such as The Italian mafia, the Russian mafia, The Sicilian mafia, The Japanese Yakuza, Triads, and Colombian mafia syndicates engage in these organized crimes. This relatedness enhances their operational reach and deepens their financial reservoirs which represent multi-faceted threats to both global security and counter-terrorism strategies.

#### **Forecast: Future Prognosis**

Post Taliban revival in Afghanistan, there is luring prospects of increasing dependence on drugs trafficking to fund their rule and military initiatives. The sanctions and withdrawal of aid by the international community might force the regime to increase the opium trade and enhance the narco-terrorism nexus.

India continues to confront increasing threats from inflows of narcotics from the Golden Triangle (Myanmar, Thailand, Laos), and smuggling networks based in Pakistan. The issue is compounded by the porous borders with neighbouring Bangladesh, Myanmar and closure of North East India when it comes to insurgent activities, accentuating the need for strong

counter-narcotics policies to address the national security threat posed by drug trafficking in the region.<sup>28</sup>

### *AI Powered Drug Trafficking and Cyber Money Laundering*

The rising adoption of artificial intelligence (AI) and advanced digital platforms in narcotics trafficking represents the next wave of evolution in this illicit sector. Also, by applying complex algorithms, AI can optimize smuggling routes, anticipate law enforcement actions, or increase the efficiency of money laundering, making traditional enforcement techniques harder to apply.

Thus, the drug-terrorism connection has changed considerably over the decades, responding to geopolitical changes, technological developments, and market dynamics. Understanding how these trends have evolved is critical to formulating appropriate policies and interventions to break these interconnected illicit systems.

## **CONCLUSION**

The nexus between drug trafficking and terrorism has emerged as a significant security threat in many countries where the geography, governance structure and existing smuggling networks have facilitated the convergence of narco-terrorism, particularly in South Asia. From Cold War-era covert operations to contemporary synthetic drug trafficking and cryptocurrency-based laundering, narco-financing has always evolved in accordance with geopolitical conditions and technological changes. Terrorists groups, previously dependent on sponsoring nation-states, are turning to the immensely lucrative drugs trade, financing insurgencies, arms purchases, and maintaining their operational capabilities.

Enforcement problems remain, especially in areas where state agencies are either complicit in or too impotent to fight the illicit economy, even with the global treaties like the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and the likes of FATF's anti-money laundering frameworks to regulate economies. The Narcotics Drugs and Psychotropic Substances ( NDPS) Act, 1985 has been the mainstay of Indian legislation against drug trafficking which remains a crucial legal weapon in dealing with narco-terror financing but is limited in utility for the complexities of its manifestations.

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<sup>28</sup> United Nations Office on Drugs and Crime. (2024). World Drug Report 2024. [Online]. Available at: <https://www.unodc.org/unodc/en/data-and-analysis/world-drug-report-2024.html>. Accessed: 3 March 2025.

Thus, the future trends of narco-terrorism will be defined by synthetic drugs, darknet transactions, and AI-driven trafficking networks, resulting in unparalleled challenges to law enforcement agencies beyond borders. Located between the Golden Crescent and Golden Triangle, India is being increasingly threatened by cross-border smuggling networks involving Pakistan, Myanmar, and Nepal. In tackling this nexus, a multi-pronged approach is essential, involving intelligence-sharing, intensified financial monitoring, technological countermeasures and enhanced regional collaboration.

In the end, the struggle against narco-terrorism necessitates a multi-faceted approach that blends legal, economic, and security actions to root out the financial underpinnings of terrorist groups and criminal syndicates. Just as in the drug trade, these groups have the incentive to choose the path of least resistance (a tacit approval of the activity) unless an enforcement strategy is worked out.