The Chinese Connection:
Cross-border Drug Trafficking between Myanmar and China

Final Report

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Executive Summary

This report presents findings from a two-year field study of drug trafficking activities between Myanmar (formerly Burma) and China. Interviews were conducted with law enforcement officials, community contacts and informants, incarcerated drug traffickers, active street drug dealers, drug addicts, as well as with other researchers in the field. Observations were made both inside the Golden Triangle and the surrounding regions.

People of diverse backgrounds participate in the business of drug trafficking and distribution. Our data showed that most drug traffickers are poorly educated, with few employable skills or alternatives to make a living comparable to their aspirations. Drug traffickers in general do not belong to street gangs, organized crime groups, or terrorist organizations. Most are simply bold risk takers who work with family members, or form alliances with friends or other social contacts whom they come to trust. Drug trafficking operations are carefully planned with ingenious disguises and strategies to evade law enforcement activities. The business of drug trafficking, although dominated by groups of entrepreneurs, resembles a "learning" organism surprisingly adaptive to law enforcement interventions and market uncertainties. Traffickers continue to develop ingenious concealment and transportation schemes to stay ahead of the authorities. As a result, most drug seizures as reported by government news releases or the media are not the result of checkpoint stops or random inspections but of careful cultivation of intelligence from informants.

Trafficking is mainly considered a way to make money, although earnings vary tremendously according to the roles individuals play in trafficking operations. We do not believe that, based on our data, large criminal organizations or terrorist groups are

systematically involved in the drug trafficking business. Nor did we find signs of turf wars or competition among trafficking groups or street dealers. Drug trafficking and street dealing in China as well as in most parts of Southeast Asia appear to remain entrepreneurial in nature and fragmented in practice.

Over the past few decades, drug trafficking between Myanmar and China has evolved in several directions. Shipments of drugs in large quantities have largely disappeared (or perhaps are better concealed) and most drugs are moved in small quantities by large numbers of individuals, or "mules," who know little about the organizers behind the scene. Between drug manufacturers and end users are multiple and often overlapping layers of transportation and distribution networks, each involving only a few people. These groups of "mules" and their organizers work much like ants moving the contraband piece by piece successively from one location to another.

The vast majority of our subjects were involved in heroin transportation. Therefore, our observations and conclusions were mostly based on heroin traffickers, although there is no reason to believe that traffickers of other illicit drugs were much different organizationally and operationally.

Harsh punishment and the totalitarian political regimes appear to have hindered the development of large trafficking organizations in China and Myanmar. International pressure and China's draconian anti-drug policy have also significantly reduced the scale of opium poppy cultivation in Myanmar, making any sustained supply of heroin in the future doubtful. By official and addicts' accounts, heroin trafficking and use have been on a steady but slow decline for years. The street price of heroin has skyrocketed in the past decade or so in China and other parts of the Golden Triangle, making heroin the least

affordable illicit substance on the market. This suggests that heroin supply has become scarce. However, the production of amphetamine-type stimulants (ATS) such as ice and ketamine has increased rapidly in recent years, suggesting changes in the makeup of the addict population as well as changing market demand in the Golden Triangle region. Countries in the Golden Triangle region have all reported widespread availability of ATS, with those made in Myanmar commanding the highest price.

Many factors may have contributed to the decline of heroin production and trafficking as well as the sharp rise of ATS in the region. The U.S. and other international involvement in the regional anti-narcotics efforts appear to have produced measurable impact in reducing opium poppy cultivation and heroin manufacturing. Findings from this study underscore the importance of continued collaboration and mutual assistance in international efforts. However, counter-narcotic efforts in the region in recent years have either stalled or been disrupted due to Myanmar's political situation, despite the recent progress. The United States' near total cessation of involvement in Myanmar's anti-drug effort has not produced any intended political outcomes, but has served to diminish whatever influence the U.S. may have had from its past efforts. Continued financial as well as technical assistance through third country programs should be explored for the United States to remain engaged and monitor regional illicit drug manufacturing and distribution activities. Ample intelligence suggests that Southeast Asia is well on its way to become a major ATS supply source in the world. If one thinks the red-hot Asian economy has flooded North America with cheap consumer goods, wait till Asian drug manufacturers and traffickers show off their entrepreneurial prowess. It will happen in due time.

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Introduction

One of the world's major opium-cultivation and heroin-producing areas is the Golden Triangle, a 150,000-square-mile, mountainous area located where the borders of Myanmar, Laos, and Thailand meet (McCoy 1992; United Nations International Drug Control Program 1997). Although there is a geographical region promoted by the tourism industry as the Golden Triangle where the Mekong River flows through the three countries, when it comes to drug production and trafficking activities, the territory covers a much larger area including most border regions between Thailand and Myanmar and between China and Myanmar.

It was estimated that, in the late 1990s, Myanmar produced more than 50 percent of the world's raw opium and refined as much as 75 percent of the world's heroin (Southeast Asian Information Network 1998). For most of the 1990s, the Golden Triangle enjoyed an infamous reputation as the "breadbasket" of the world's heroin trade (Chalk 2000). Recently, Myanmar has also become a main source of amphetamine-type stimulants (ATS) in Asia, producing hundreds of millions of methamphetamine tablets annually (Phongpaichit et al. 1998; U.S. Department of State 2003; Jelsma et al. 2005).

The major opium- and heroin-producing area in Myanmar is located in the Shan State (McCoy 1972; Renard 1996), which is occupied by various ethnic armed groups (M. Smith 1999). The Shan State was the base of the Communist Party of Burma (CPB) before it collapsed in 1989. According to Burmese authorities, the CPB, which was bankrolled by China as well as supported by various non-Burmese ethnic groups, was the major threat to their regime (Lintner 1990). After the disintegration of the CPB, the Burmese regime arranged cease-fire agreements with various former CPB groups in the

Shan State (Steinberg 2001). The ethnic groups promised not to fight against the Burmese government and, in return, the Burmese authorities allowed these ethnic groups to keep their armed forces and to stay involved in the opium trade (Lintner 1991; Albor 1992; Takano 2002). The areas associated with the three armed groups believed to be heavily involved in the drug trade are: the Kokang Area or the No. 1 Special Zone, the Wa Area or the No. 2 Special Zone, and the Mengla Area or the No. 4 Special Zone (Zhao and Ke 2003). Consequently, U.S. sources estimate that Myanmar's opium production rose from 1,250 metric tons in 1988 to 2,450 metric tons the following year and continued to increase thereafter, to 2,600 metric tons in 1997 (Lintner 1998). As the relationship improved between the Burmese authorities and the ethnic groups in the Shan State, more and more money from the drug trade poured into legitimate business and fueled the expansion of the Burmese economy (Chalk 2000).

Before the mid-1980s, heroin produced in the Golden Triangle was mostly smuggled into Thailand overland and then to Hong Kong on Thai fishing trawlers before being transported to the United States, Europe, and Australia (Belanger 1989; Dobinson 1993; McCoy 1999; Chalk 2000). Hong Kong was, and still is, the organizational and financial center for the region's heroin trade (Gaylord 1997). However, rapid expansion in commerce and population migration inside China beginning in the late 1970s as a result of the nation's economic development opened up the cross-border drug trade along the Myanmar-China border (Kuah 2000). On April 12, 1986, 22 kg of heroin was seized by the authorities in Yunnan Province, in the southwest corner of China that borders Myanmar, Laos and Vietnam. The drug case, masterminded by drug traffickers from Thailand and Hong Kong, is considered to be the first major case of its kind since China

came under Communist control in 1949 (Ma 1999). In May 1994, the police in Yunnan caught Yang Maoxian [the brother of Yang Maoliang, who was in charge of the Kokang area], a notorious drug lord who had methodically controlled the trafficking of drugs into China, and sentenced him to death (National Narcotics Control Commission 1999). A year later, Lee Guoting, a Kokang leader and a well-known heroin kingpin, was arrested and executed by the Chinese authorities. Nevertheless, the Chinese route remained popular for drug traffickers. For example, in March 1996, 221 kg of heroin from the Golden Triangle were confiscated in Guangzhou, the capital city of Guangdong Province, which borders Hong Kong. From 1991 to 1997, law enforcement agencies across China arrested 568,000 for drug trafficking and seized about 30 tons of heroin and 14.4 tons of opium (National Narcotics Control Commission 1999).

The booming drug trafficking business in China can be attributed to two main factors. First, a sizeable domestic drug consumption market has emerged. By the mid-1980s, drug addiction was no longer confined to the border areas. The Chinese government now openly acknowledges that every province and all major urban areas have drug problems. China is no longer just a transit country favored by transnational criminal organizations; it has a sizeable addict population of its own (China State Department 2000; Ting 2004). According to official statistics, there were 148,000 officially registered drug addicts in China in 1991. A decade later, the number jumped to more than 900,000. Heroin remains the predominant drug used by addicts with regular-use rates ranging 83.7 percent to 87.5 percent, depending on the study (Liu et al. 2000; Hao et al. 2002).

Second, drug traffickers have developed alternative routes through China (mostly along China's southern provinces — Yunnan, Guizhou, Guangxi, and Guangdong) in response to changes in the regional drug trade (see Figure 1). After the Burmese authorities signed peace agreements with the various armed groups located in northeastern Myanmar, they then turned their attention to Khun Sa, also known as the King of Heroin, who dominated the heroin business along the Thai-Myanmar border. As the Burmese assaults intensified, and as more and more Wa soldiers joined forces in the campaign against Khun Sa, the drug lord abruptly surrendered to the Burmese authorities in 1996 (Central Committee for Drug Abuse Control 1999; Maung 1999). With the collapse of Khun Sa's Mong Tai Army (MTA), the southern, or Thai trafficking route was disrupted. As a result, the China route became all the more important for drug traffickers in Myanmar, especially when, in the late 1990s, their investments and savings in Thailand and Myanmar were diminished by the depreciation of the Thai baht and Burmese kyat. Drug traffickers have come to realize that the Chinese yuan is more desirable than either the Thai baht or Burmese kyat (Wang and Liang 1999).

Figure 1 about here

Moreover, for drug traffickers in the Golden Triangle who are predominantly ethnic Chinese, the China route is far better than the Thai route because of geographical proximity, better road conditions, cultural and linguistic familiarities. However, armed group leaders in the region have traditionally been reluctant to take full advantage of the China route, fearing that if China shuts down its border, the areas will be completely isolated. Ironically, a major confrontation erupted in 2001 between the Burmese and

Thai border forces, and the Burmese authorities shut down all the border crossings in retaliation. The Thai-Myanmar border trade all but came to a complete halt and the flow of drugs from Myanmar to Thailand was severely disrupted. This incident prompted drug traffickers to earnestly cultivate a passage through China (National Narcotics Control Commission 2003). But as traffickers expanded their routes, Chinese authorities, aided by the Burmese, increased their countermeasures against drug kingpins. On April 20, 2001, two drug traffickers were arrested by the Yunnan railway police for importing more than 500 kg of heroin into China. That same month, Tan Xiaolin, a major drug trafficker based in Muse, Myanmar, was arrested by the Burmese authorities and turned over to the Chinese. Tan's group was believed to have smuggled more than 3 tons of heroin into China. Seven months later, police in Yunnan Province discovered 672 kg of heroin inside lumber headed for Guangzhou City (the largest-ever drug bust in China). On January 28, 2002, Liu Min, a man alleged to have exported more than 510 kg of heroin into China, was shot and killed by Kokang and Burmese authorities in Kokang, under pressure from the Chinese government (Zhao and Ke 2003). In 2002 the Chinese authorities continued to seize thousands of kilograms of heroin in Yunnan and Guangzhou, and arrested drug traffickers from Myanmar, Thailand, Hong Kong and China.

The Chinese authorities execute scores of drug traffickers and dealers each year. Even so, the authorities admit that they are not gaining the upper hand in the war against drug trafficking in the border areas, as more and more traffickers, many of them peasants from interior provinces of China hired as couriers (or "mules"), continue to cross the long and porous border.

Theoretical Guidance

There are two theoretical paradigms that guided this study — the corporate model, against which many contemporary organized crime theories have been proposed (McIllwain 2003), and the enterprise model, which for the past two decades has been used to explain the many variations of criminal groups engaged in illicit economic crimes (Zhang and Chin 2002). The corporate model compares organized crime to the structure and organizational mandates of legitimate corporations (Cressey 1969). Organized crime, such as the Italian Mafia and the Colombian drug cartels, essentially models their organizational arrangement and business conduct after legitimate businesses with clear hierarchies and divisions of labor. Like their legal counterparts, these crime groups seek to monopolize criminal enterprises by expanding in size and forming large cartels of national and international scope. They operate gambling casinos, prostitution rings, drug trafficking, and offshore banks (Block and Scarpitti 1986). In some cases, such as in Italy and the republics of the former USSR, crime syndicates have developed a symbiotic relationship with the government to the point where they gradually assume political and administrative functions (Jennings 1993; Nikiforov 1993; Marotta 1997).

Much of the discourse on Chinese criminal organizations follows the corporate model, in which "godfathers" at the top of an organization direct local and overseas branches (Booth 1990; Black 1992). Although contemporary triad societies are said to be far more fragmented than their predecessors, they still possess well-defined organizational structures with at least five levels of hierarchy and clearly assigned roles and responsibilities at each level (see Chu 2000: 27-28). Within the context of drug trade in the Golden Triangle, criminal organizations are also believed to possess a clear

division of labor and chain of command: tasks and responsibilities are assigned according to members' skills and abilities; rules and regulations govern members' activities; and membership is restricted (Posner 1988; Booth 1997, 1999).

The enterprise model, on the other hand, suggests flexible and adaptive networks that expand and contract to deal with the uncertainties of the criminal enterprise (Block and Chambliss 1981; Reuter 1983; Passas and Nelken 1993; D. Smith 1994; Van-Duyne 1997). Enterprising agents are organized only to the extent that they can effectively carry out illicit activities, which is rather utilitarian or rational behavior as economists have argued (Reuter 1983; Savona 1990). A number of studies have focused on the entrepreneurial nature of organized crime and have described the transitory alliances of bold risk takers who seize opportunities to make large profits on investments such as human smuggling (Myers 1996; Chin 1999), heroin trafficking (Yawnghwe 1993; Dobinson 1993), and gambling (Potter 1994). Apart from a relatively small core group, most are brought in as needed to provide special services.

Scholars have for some time moved towards a more continuum-oriented perspective to describe criminal organizations as adopting various forms in response to the demands of the illicit market conditions. In their study of transnational human smuggling, the authors of this report found a unique mixture of organizational patterns and operational characteristics that resemble parts of both the theoretical models (Zhang and Chin 2002). Human smugglers form loosely connected groups with little vertical differentiation (i.e., smugglers essentially treating one another as an independent contractor). They nonetheless have highly differentiated roles and responsibilities. Human smugglers within a smuggling organization typically engage in one-on-one

transactions. They each may in turn maintain additional circles of contacts to procure or sell smuggling services. Zhang and Chin (2002) subsequently named this hybrid organization a *dyadic cartwheel network* to describe these complex and yet fluid organizational realities in transnational human smuggling. Human smugglers maintain singular connections with one another and engage in one-on-one transactions. Each smuggler may maintain additional circles of such one-on-one connections with resources necessary for smuggling operations. Such an organizational structure, containing members of one's close social network and oriented toward specific tasks, appears to be highly effective in coping with uncertain market environments.

In this study, we have continued this conceptual orientation to apply key concepts of both theoretical approaches in our examination of patterned organizational behaviors among the drug traffickers along the Myanmar-China border. Using this hybrid model, we have explored the basic organizational requisites such as hierarchical arrangement, division of labor, conspiracy, risk management strategies, and business practices in the drug trafficking business. We focused on the social organization of trafficking groups, irrespective of the illicit substances these individuals were transporting.

Research Methods

Research Sites

This study was conducted primarily in Yunnan Province in southwest China, the major gateway to the Golden Triangle (see Map of China in Appendix A). Yunnan completely covers the Chinese border with Myanmar. Furthermore, Yunnan also borders with Laos and Vietnam. According to Chinese government sources, the amount of drugs seized in Yunnan Province in the late 1990s represented 80 percent of all heroin and 70 percent of

all opium confiscated in China (Liu and Yuan 1999). Data collection activities were carried out in Kunming (the capital city of Yunnan), in remote border towns along the China-Myanmar border. Additional field activities took place in the urban centers of Southeast Asia where major international drug distribution centers are located (i.e., Yangon, Bangkok, Hong Kong).

Map of China about here

Primary Data Sources and Samples

We collected data from five groups of subjects: incarcerated drug traffickers (N=578), drug enforcement authorities (N=89), street-level drug dealers (N=39), drug users (N=25), armed group leaders (N=12), and our own community contacts (N=51).

First, we conducted a survey of convicted drug offenders in a prison in China. It is the main facility for serious criminal offenders in the province where the prison is located. It currently holds more than 5,000 inmates. Prison officials told us that more than 70 percent of the inmates, men and women alike, were convicted of drug trafficking, drug transportation, or drug sales offenses.[1] Altogether, 578 prison subjects (281 male and 297 female) participated in the survey.

Our project coordinator in China made all the necessary arrangements for us to conduct the prison survey. We developed a questionnaire in English and then translated it into Chinese (see Appendix B for the English version). We tested the questionnaire with a small number of inmates and then revised it to make it easier for the subjects to fill out. We went to five prison buildings and recruited about a hundred or so subjects from each building to participate in the survey. We did not randomly select our subjects.

Whenever we arrived at a prison building, we requested that prison officials bring inmates who were available at the time to a big classroom to fill out the questionnaire. The project staff explained to the participants the purposes of the study, how to fill out the questionnaire, and asked for their cooperation. It was repeatedly emphasized during the instruction phase that the study had nothing to do with any government agency, that no identifying information would be collected, and that no one would be singled out from any of the questionnaires. We also emphasized that it was up to the respondents to decide what questions to answer and how they would answer them. We then collected the questionnaires and left the prison.

We also conducted in-depth interviews with ten inmates during our visits. The interviews were conducted face-to-face in a small room, without the presence of a third party. The interviews were conducted informally. No standardized questionnaire was used nor was the interview tape-recorded. We did that intentionally to make our subjects more at ease as they told us about themselves and their involvement in drug trafficking.

Second, we interviewed 89 law enforcement officials in China and Southeast Asia. Because the focus of this study is on the trafficking of drugs from the Golden Triangle into China, we interviewed a disproportionately large number of drug enforcement officials in China. We interviewed several law enforcement representatives in Kunming where the provincial public security headquarters are located. Several drug enforcement officials in the Chinese Ministry of Public Security were interviewed in Beijing to gain insight on the central government's anti-drug policy. The remaining law enforcement subjects were recruited from the townships located along the border areas of southwest China. These towns are considered by Chinese government officials and drug

experts to be “drug disaster” areas because of rampant drug trafficking and drug use over the past two decades (Luo and Liang 1999). We interviewed one or two officials in each of these towns. In addition to the interviews on the China side, we also interviewed 21 law enforcement officials in Yangon, Bangkok, and Hong Kong. Some of the interviews with law enforcement in the border towns were conducted with a standardized questionnaire. Interviews with authorities in Kunming, Beijing, and certain Southeast Asian cities were conducted informally and without the aid of a standardized questionnaire.

Third, 39 street-level drug dealers were interviewed. We recruited these subjects with the help of the staff from a community-based drug rehabilitation program located in Kunming. Workers in the program were ex-drug users/sellers, and they recruited 25 active drug vendors to participate in our study. Because drug dealing, even for a very small quantity, is a serious crime in China, active drug dealers were extremely reluctant to be interviewed. However, because our recruiters/interviewers were long-time friends of these subjects, and because we paid the subjects $30 each for their participation, we eventually were able to recruit 25 active drug dealers who were willing to be interviewed with standardized questionnaires. The interviews were conducted face-to-face with trained interviewers. To augment these standardized questionnaires, we also interviewed 14 active drug dealers in greater detail with open-ended questions.

Fourth, we interviewed 25 heroin users in Kunming. We recruited these subjects from two community-based drug rehabilitation centers in the city. Both programs were operated and funded by foreign-based organizations. The interviews were conducted one-on-one inside the offices of the community-based centers, where former and current

drug users congregate during office hours. The centers provide individual and group counseling, and a place to socialize for former and current drug addicts. The interviews were conducted with a standardized questionnaire.

Fifth, we interviewed 12 armed group leaders or the so-called drug lords in the Wa area or Special Zone No.2. Both the PI and Co-PI visited the Wa area and conducted these interviews personally. Plans to interview subjects in two other special zones inside Myanmar, Special Zone No. 1 (the Kokang area) and Special Zone No. 4 (the Mengla area), were postponed because of the difficulties and potential risk in traveling to these two areas.

Finally, while we were making the field trips, we also talked extensively with our community contacts. Some of these contacts were our personal friends, while others were referred through the snowball technique. These were individuals who were long-time residents in the communities where our field activities took place and were familiar with local cultures and political events.

In sum, altogether 227 subjects were interviewed and 578 convicted drug traffickers participated in the prison survey. See Table 1 for a list of the subjects who were interviewed for this study. Additional tables are presented later in the report on the survey sample.

Table 1 about here

Secondary Data

We also made a concerted effort to collect as much secondary data as possible during our stay in China. Because official statistics or reports on drug-related crimes are not easily

available in China, we asked a locally-recruited research assistant to systematically collect drug-related articles in local newspapers, weekly magazines, and police and scholarly journals. Books written in Chinese by local practitioners or scholars were also collected.

Fieldwork

Members of this research team conducted fieldwork in the border areas of Yunnan, met and talked to people from diverse backgrounds, including ordinary citizens, drug users, drug enforcement authorities, businesspeople, and local government officials. We also visited correctional facilities, drug treatment centers, and drug enforcement units. Our ethnographic fieldwork focused on three townships that are considered by the Chinese authorities to be "drug disaster" areas. The first is Pingyuan, a Muslim town in the Weishan Prefecture near the Vietnam-China border where drug trafficking was once so rampant that the Chinese government had to call in the military in 1992 to crack down on armed drug traffickers (Luo and Liang 1999). The large number of local Muslims involved in drug trafficking and other cross-border illegal trade and their past history of armed resistance to law enforcement measures prompted us to explore their relationships with outside Islamic entities and participation in politically oriented activities. The second town is Lancang, located in the Simao District near the Wa State (Myanmar) headquarters in Bangkang. This town has a historical reputation for being a major transit hub for drug smuggling where traffickers from both sides of the border congregate. The third town is Ruili, located in the Dehong Prefecture near the China-Myanmar border known for its proximity to the town of Muse, a major drug producing center in northeastern Myanmar.

We also made field trips to the Wa State along the Myanmar-China border, a warlord-controlled region where purportedly most of Myanmar's heroin and ATS were produced and stored. Additional trips were made in Thailand along the Myanmar-Thai border, Hong Kong, and Yangon, where the authors of this report conducted ethnographic observations and interviewed community contacts, in addition to meeting with law enforcement officials.

Analysis and Findings

Drug Trafficking in Current China

Officials in China have acknowledged that after the 1990s, China has become both a drug consumer market as well as a transit country. Drug trafficking and use continue to be major social problems in China. Since the late 1980s, China has been mounting vigorous and continuous campaigns against drug problems (Ting 2004). While heroin still remains the primary drug of choice, the use of so-called new drugs (mostly amphetamine-type stimulants, or ATS) has increased significantly in recent years. The number of heroin users, on the other hand, is declining steadily. According to Chinese drug enforcement officials, the number of ATS drug users increases about two percent of the total registered users each year. One senior official in the Ministry of Public Security reported that in 2005 there were 1.1 million officially registered drug users in China, and the proportion of heroin users was shrinking while the ATS users were increasing.

Because China has a mandatory drug treatment policy, all detainees suspected of using drugs are required to take a urine test; those who test positive are sent to local drug treatment facilities for up to a year. Repeat users are sent to labor camps for up to three

years. Chinese law enforcement officials pride themselves on their up-to-date estimates of heroin users. A senior official in Beijing said,

> I can tell you the registration of heroin users is highly reliable because of our community-based police work and also because heroin users usually can't hide from the police for long because of their addiction. We comb the neighborhoods of the entire country and knock on doors to interview residents to find out who the drug users are. Neighbors and even family members will tell us who the heroin users are. It is hard for them to escape the police attention. The physical signs and living conditions of heroin addicts easily give away their addiction problem. The same can't be said of ATS users — those who use ecstasy, ice, ketamine — because they are not as addictive as heroin and they are mostly consumed in entertainment facilities, such as bars, karaoke clubs, and restaurants. Even family members cannot be certain whether their children are using these drugs.

Drug trafficking into China is primarily through the Golden Triangle, according to officials interviewed for this study. Despite the fact that Afghanistan borders Xinjiang Province in China's northwest corner, little heroin or opium has come through Central Asia. One senior drug intelligence official in Beijing said,

> The Golden Crescent region is not much of a threat to China. Most drugs produced in the region — which includes Afghanistan, Iran, Pakistan, and several of those countries with names ending with "–stan" — are going to Europe, North America, and Russia. I have visited the border region between Xinjiang and Afghanistan; it is a very tiny strip of land about 92 kilometers long and 4,000 to

5,000 thousand meters (about 12,000 to 15,000 feet) above the sea level. It would be extremely difficult for humans to walk across. This natural barrier actually helps prevent this region from becoming a major drug trafficking route.

Cross-border Drug Trafficking

As previously reported by other researchers (Lintner 1994; Ma 1994; U.S. Department of State 1998; Chalk 2000), there is mounting evidence that expansive economic activities along the border regions have provided ample opportunities for the growth of the illicit enterprise of drug trafficking. It was clear to us during our field activities that China has indeed become a country with high levels of drug importation both for transshipment purposes and for a growing domestic addict population. Due to geographical proximity, most heroin and ATS trafficking activities take place along the porous Yunnan-Myanmar borders. Once inside China, traffickers use three main routes to forward the drug into the interior of the country — one to the north through Sichuan Province, one through Guizhou Province towards the heart of the interior and one through Guangxi and then Guangdong along the southern coastline heading towards Hong Kong for export to the international market. The development of the Chinese route can be attributed to two main facilitators — (1) geographical proximity, and (2) vibrant cross-border commerce.

China and Myanmar share more than 2,000 kilometers of a common border, most of which is loosely guarded. Local villagers have for centuries traversed back and forth without regard to which country they may step on in carrying out commercial, agricultural, as well as familial activities. Chinese farmers lease land from their relatives or friends on the Myanmar side to grow and harvest crops. Local women and children comb the hills straddling the two countries to gather mushrooms and herbs each year.

During our border visits, we sat in bamboo huts perched on the Myanmar hillside that Chinese farmers built to watch their crops during harvest seasons.

Because of dense vegetation in this near-tropical climate region, it is often difficult to tell where Chinese territory ends and Myanmar begins. Local people use official border crossings because they are on main roads and are easier for transporting heavy goods. Otherwise, unguarded pathways over the hills are just as convenient for those who want to avoid the border police. While traveling along the border, we often wondered how China could possibly stop drug smugglers from crossing into the country.

During the first few decades of Communist control, China's tight residential registration system and restrictions on population movement largely prevented any drugs from entering China. Yunnan Province now plays a pivotal role in the overall economic development and commercial activities in and around the Golden Triangle region, the so-called Mekong River sub-region. The current trade between Yunnan and Myanmar represents about half of all Sino-Myanmar commercial exchange (Myanmar Information Committee 2005). With economic development comes greater movement of goods and people. China's rapid economic growth in the past two decades has quickly opened up venues for drug traffickers to exploit.

Drugs are transported into China through several means. In most cases, traffickers on the China side, upon receiving orders, arrange for the drugs to move across the border into a safe location somewhere close by. Crossing the border without being detected is relatively easy if one knows the terrain.

Drug Trafficking in Southern China

During 1980s and 1990s, traffickers from Guangdong Province and Hong Kong made trips to border regions in search of suppliers of drugs. Some of them made trips into the Wa State on the Myanmar side and tried to find suppliers on their own. This practice has largely disappeared, according to drug enforcement officials and drug dealers. Drug traffickers in southern China or elsewhere either hire mules or contract other traffickers to bring the goods into their territory. Trafficking routes from any given two points are typically well protected and nurtured once they have been developed. Traffickers rarely venture outside their transportation zones because such a move is often risky. According to one incarcerated trafficker from Guangdong province,

> The reason is simple. If you are from Guangdong or Hong Kong, what business do you have coming to the border area or even to Yunnan? In the border area, people like me stand out because of our identification cards and our accents, which attract attention in hotels, restaurants, or even at bus stations. Military police at checkpoints pay particular attention to non-native travelers and question them and search their belongings. You can make up excuses like looking for business opportunities or exploring local products for export to Guangdong. But soon you will run out of such excuses. Even local contacts you have established cannot be trusted these days; there are many government informants. They will take your money and then turn around and report you to the police to get another cash award.

Coastal provinces in southern China, such as Guangdong and Fujian, have always attracted drug traffickers and dealers alike because of vibrant commercial activities and rapid economic development. Guangzhou, for instance, has become a major illicit drug transshipment center in southern China (Ma and Ren 1999). According to senior drug enforcement officials in Guangzhou, the size of the addict population has remained largely stable over the years but the city of 12 million people has become increasingly cosmopolitan, with not only a large domestic "floating" population but also an increasing number of foreign visitors seeking economic opportunities. One senior drug enforcement official of the provincial government openly acknowledged that Guangzhou has become a favorite gathering place for drug traffickers home and abroad. He noted,

> Guangdong Province leads the nation in economic development and ranks far ahead of other provinces in terms of its GDP output. As its capital city, Guangzhou attracts people of all stripes, including drug traffickers. Most people in China will agree that Guangdong enjoys a reputation for business efficiency and reliability. You don't hear much about people in Guangdong trying to sell shoddy products or businesspeople ripping off customers in their pursuit of profits. In fact, Guangdong dominates the country in the manufacturing of high-tech and high-end consumer products, from automobiles to electronics, and from air conditioners to furniture. Anything that is made in Guangdong is typically thought to be high in quality and fair in pricing.
>
> In a strange way, this good business reputation has also extended into the underworld of drug trafficking and distribution. For instance, we recently seized

> a large consignment of ice in Guangzhou that was destined for Hunan Province. However the lab report came back to indicate that the chemical signature of this consignment matched the drugs manufactured locally in Hunan. This was not an isolated event. There have been several seizures of drugs that were transported to Guangdong just so they could be sold back to Hunan and other provinces.

Such a roundabout trafficking scheme would seem not only inefficient but also expensive because consumer products stamped with "Made in Guangdong" labels typically command higher prices. This senior drug enforcement official offered two possible explanations as to why traffickers chose to send drugs this way,

> First, these events may be purely coincidental because drug trafficking is like other illegitimate business activities where the dealers carefully guard their trade secrets and try to cover their tracks. No one knows where the drug consignment may be heading to next. Therefore, although drugs are manufactured in Hunan or other places, they are shipped to Guangdong because dealers here have received purchase requests from interior China. Drugs made in Hunan, for instance, are then sold back to the same place where they were produced. Unlike legitimate products that can be researched and cross-referenced in an open market, illicit drugs are manufactured and transported under utmost secrecy. Illicit drug makers may not have venues to unload their products locally. Another explanation is that manufacturers of illicit drugs prefer sending their merchandise to Guangdong for a good price. Buyers elsewhere like to purchase drugs from Guangdong because they can count on the quality and quantity.

Another senior police official concurred with this observation that "Guangzhou is now used by drug dealers as a major transshipment location for drugs from Yunnan and other parts of the China. The city is like a big wholesale distribution center. Heroin is transported from Yunnan Province and out to other places. Hong Kong is not the only outlet, not even the major one."

Despite proximity to Hong Kong and Southeast Asia, provinces in southern China are primarily used by traffickers to move drugs to local distributors or export to neighboring provinces. Although it is possible some drugs may eventually find their way into the North American market, by most accounts from drug enforcement officials in Guangdong and Fujian as well as Beijing, drugs transported into mainland China from the Golden Triangle are largely intended for domestic consumption, with limited quantities going abroad to nearby countries.

Traffickers and their Social Organizations

A survey of convicted drug offenders was conducted inside a major prison in China. Because the survey participants were recruited at this site mostly for our convenience, we do not purport to have acquired patterns of individual or group characteristics that can be generalized. Our subjects nonetheless represented more than 10 percent of the prison's inmate population at the time. Because few researchers have ever attempted such survey studies among serious drug traffickers inside China, we can at least offer some glimpses of the people who once were involved in cross-border drug trafficking along the Myanmar-China border.

As shown in Table 2, we over-sampled females, thus making the two gender categories roughly equivalent. According to prison officials, the actual male to female ratio was 3 to 1. The average age of our prison subjects was 35.5-years-old; the median and mode was 34-years-old, with the majority of the surveyed inmates below the age of 40. Females were slightly older than males, with an average age of 37.29-years compared to the average age of 33.56 among the males. Age difference was not noticeable by country of birth or Chinese Han versus other ethnic minorities such as the Dai or Jingpo.

Table 2 about here

Thirty-one percent of our subjects were single and 44 percent married. Seventeen-percent said they were divorced and another 8 percent said they were either separated or widowed. Female subjects who were born in Myanmar and older were more likely to be married and male subjects who were born in China and younger were more likely to be single.

Of the 578 subjects, 453 (78 percent) were born in China, 121 (21 percent) in Myanmar, and 4 (1 percent) in Vietnam. When we were conducting the survey, we also met several female inmates from Laos, but because of language problems, they were not able to fill out the questionnaire and thus were excluded. The majority of the subjects from Myanmar also were not able to read Chinese, and they were helped by the PI, born and raised in Myanmar, who translated the questionnaire sentence by sentence and assisted in administering the survey. These subjects were also instructed to write their answers in Burmese if they chose to. One noticeable pattern about the group of subjects

from Myanmar was that they were almost all female, 119 in total; there were only 2 males who were born in Myanmar.

Based on the survey findings and our interviews with prison officials, inmates, as well as later in our field activities, traffickers come from diverse backgrounds, ranging from illiterate peasants to college professors and from street vendors to ranking police officers. Although every now and then we came across stories of unusual drug traffickers (such as anti-narcotics police officers), the vast majority of traffickers tend to be poorly educated and without stable occupations. In our inmate survey sample, the vast majority (88 percent) completed no more than a middle school education. About half of them were employed at the time of their arrest. The vast majority of those unemployed were peasants or village people. One prisoner who talked to us in an interview made the following observation,

> I can tell the changes in the drug trafficking business just by looking at the kind of people coming in here over the years. I have been here a long time (14 years). There are a lot more laborers these days and peasants from border villages. I'd say 90 percent of the new prisoners are from rural areas. The majority of them come from some of the poorest provinces in China: Ningxia, Xinjiang, Guizhou, and Yunnan. Very few people are from the cities. Almost all are mules who are caught helping others to carry drugs. A good number of these mules are also addicts who are willing to take the risk. They are easy targets for recruiters.

According to this prisoner, inmate populations have shifted from the majority being urban dwellers to the majority being rural peasants. There used to be mostly

entrepreneurs from urban and coastal regions who, along with other businesses, hoped to become rich quickly through trafficking illicit drugs. These traffickers are becoming fewer and fewer in the prison. This subject added,

> The drug trafficking business and wholesale market have become increasingly fragmented. Drug traffickers (at least those who are sent here) these days are increasingly small-time players, who are like "ants moving house." The trafficking process essentially consists of three kinds of players: one, drug dealers in the border region who provide the drugs; two, the numerous mules who transport the drugs little by little – like ants – towards the interior and coastal provinces; and, three, the bosses in various parts of the country who take in the drugs and sell them to different levels of distributors and retailers.
>
> The ants (mules) are mostly laborers from poor provinces. These laborers are recruited by drug traffickers and are given 3,000 to 5,000 yuan ($350-$600) as their reward plus their travel expense. To these people, a short trip of just a few days to the border region brings in more money than what they could make in several months.

The over-representation of the poorly educated and unemployed offenders in the prison population could also reflect a skewed reality in the trafficking business. These prisoners are simply the poor "mules" who undertake the most risky tasks in the trafficking business and thus most likely to make mistakes that lead to their arrest. The employers behind the scene, who hire the "mules" and coordinate trafficking operations, are undoubtedly better insulated from the actual trafficking activities. These decision

makers remain the most elusive piece of the puzzle in the study of cross-border drug trafficking.

Although the prison where the survey was conducted kept only serious offenders, it was interesting to note that the vast majority, 94 percent, had never been arrested before. But for many of these subjects, their first encounter with the police would probably be their last because of their lengthy sentences. Another interesting finding was that only a small number of the traffickers, 16 percent, were reported to have never used drugs. As we later found out through interviews and field observations, drug addicts in general want to get involved in the trafficking and sales business for two reasons. First, they have access to the drug of their choice; and second, they can make money to support their habit. But the trafficking business by and large shuns the participation of anyone who uses drugs, particularly at levels close to the source of the drugs or along high-risk routes.

The offenses charged against the surveyed subjects fell into three general categories, with 45 percent charged for drug transportation (i.e., moving drugs within China), 39 percent for cross-border drug trafficking (mostly bringing drugs from Myanmar into China), and the remaining 16 percent for distribution or sale of drugs (see Table 3). Although ATS has become increasingly popular among young people in coastal as well as interior China, heroin accounted for 95 percent of the drugs transported by the survey participants. As shown in Table 3, ATS-related offenses only accounted for 2 percent of the sample. This skewed concentration of heroin was most likely due to Yunnan's geographical location, as the Golden Triangle remains the main source of heroin for China as well as for Southeast Asia. Although the production of ATS has been

on the rise in recent years and it is transported into China, there are many domestic manufacturers and distributors who compete to supply local markets with cheaper, homemade products. But when it comes to heroin, Myanmar remains almost the only source for the entire region.

Table 3 about here

Entry into the Drug Trafficking Business

Although all our subjects were motivated by the prospect of quick money, the pathways they took to enter the business and the circumstances varied widely. Every subject we talked to had a personal story. While some subjects did not seem to have thought much about the danger and risk, others claimed to have pondered for months before they finally took the plunge. One prisoner, who was sentenced to death but won an appeal which led to a "stayed" death sentence, said it was a hard decision for him and his business partner to enter the drug trade,

> My business partner and I were hesitant at first. We spent a lot of time talking and calculating. Months later, we decided it was worth the risk to make some fast money. I knew if I put my two million yuan (about $250,000) in savings into one deal, I could reap profits in excess of 20 million yuan. At the time, my partner and I had combined assets of less than five million yuan, which took us more than ten years to accumulate through hard work and frugal living. The potential profit in drug trafficking simply was overwhelmingly attractive at the time.

The social organization of the drug trafficking business resembles mostly informal social groups of individuals at various stages. In our effort to examine the structure of drug trafficking organizations active in the Golden Triangle and in Yunnan Province, we looked for key players and their roles within any smuggling activities. We explored the socio-economic backgrounds of drug traffickers on different levels and their organizational processes during the trafficking process. We found that trafficking organizations often started with just a couple of people who were either blood-related or familiar with one another in the same neighborhood or village. Because of the high risks involved in drug trafficking, such close interpersonal interactions seem conducive to establishing trust and building confidence in a short period of time.

Despite its high risk and dire consequences, entry into the trafficking business usually takes place amidst a combination of fortuitous opportunities and personal situations. Few, if any, subjects in this study reported that they were so poor that their only means of survival was the drug trafficking business. Generally, the only requirement for entry into the drug trade was sufficient *trust* between the recruiter and his prospective partner. When blood-related relatives are in the business, it is usually easy for additional members of the family or clan to join in. One convicted prisoner recalled how he entered the business: “Both my sister and her husband were in the drug business on the Myanmar side. Later, my brother-in-law came over to coordinate trafficking operations on the China side. He traveled back and forth all the time. Many of my friends in Myanmar were in the drug trade. So it was not hard for me to obtain heroin.”

In the absence of a blood relationship, informal social networks often play a vital role in screening and monitoring new recruits. Over the years drug traffickers have also

adapted to the changing market and to law enforcement activities. According to law enforcement officials as well as drug traffickers, the trafficking business is becoming increasingly dichotomized, with the mules on one end knowing little of whom they are working for, and the organizers (mostly entrepreneurs themselves) on the other end who coordinate trafficking operations from behind the scene.

Geographical Concentrations of Drug Traffickers

One interesting phenomenon was the regional characteristics among drug traffickers. Drug traffickers were often migrants from one specific region such as Weishan County north of Yunnan Province, Putian County in coastal Fujian Province, and Wuhan City in Hubei Province. In this informal economy, it makes perfect sense. People of the same hometown, once established in the drug trade, tend to bring along others from the same village when additional people are needed. Conversely, when villagers and relatives learn about the quick wealth made off by a trafficker, they will inquire and ask to be involved. In other words, entry into the trafficking business is a process of serial referrals based on one's close social network.

As a result, anti-narcotics officials in China have reported from time to time that narcotic traffickers seem to be originating from the same geographical regions.[2] Drug enforcement officials thus pay particular attention to changes and shifts in the geographical backgrounds of arrestees because such intelligence often foretells the stream of traffickers to come. Once traffickers from one region attract police attention, and the inevitable arrests which follow, they will gradually be replaced by traffickers from other regions. One ranking police official at a border town made the following observations,

> Many years ago the Hui (Muslim) ethnic minority people in Yunnan dominated the drug trafficking business. Now there are few of them. Most drug traffickers of Hui ethnicity have either been executed, or put in prison, or have changed their career. For many years, travelers of ethnic Hui would automatically invite greater scrutiny from police and border inspectors. There was so much harassment and profiling against the Hui people who traveled to border regions that their involvement in this business was greatly reduced. These days most traffickers come from provinces such as Hubei, Sichuan, and Hunan.

Such observations also seem to coincide with what we have heard from traffickers themselves. One trafficker, who had already spent more than fourteen years in prison at the time of the interview, noted the changes in the inmates coming through his prison.

> Traffickers, mostly mules, tend to come from specific geographical regions. Many of the inmates these days come from Liangshan Prefecture (a region in Sichuan Province, north of Yunnan, where most people belong to the ethnic Yi group) and Mengcheng in Anhui Province (an interior province to the east where most people are ethnic Han). Most of them are “mules” hired from the same villages. It is like the domino game. When one or two individuals took risks and made handsome profits, many others wanted to follow suit; then more and more villagers would join in as more stories of success circulated back to the hometown. Death and imprisonment did not seem to deter these people much.

Characteristics of Drug Traffickers in Southern China

Drug traffickers and dealers in Guangdong resemble those in Yunnan and other parts of China — they are a mixed bunch; they come from diverse backgrounds. However, a few patterns have emerged that are somewhat unique to the Guangdong context. In Guangdong, drug traffickers typically fall into three categories: they are usually ex-convicts, failed businessmen, or foreigners. One senior drug enforcement official in Guangdong province described how ex-convicts have become a major recruitment pool for drug traffickers,

> Most drug traffickers do not have decent careers nor employable skills. However, not having a career or any employable skills is not a sufficient condition for entry into the drug trafficking business. These are people who feel frustrated by the lack of opportunities to become rich quickly. For instance, many traffickers were ex-offenders who were exiled to Xinjiang Province in 1983.[3] After completing their sentences, many have now returned to Guangdong. Guess what? These people, after being exposed to prison subculture, have become seasoned criminals and are less amicable to conformity. They have few reasons to abide by the law. Besides, when these people returned to their hometowns and saw their peers all having made money and accumulated sizeable material wealth, they wanted to be just like them. With few money-making venues available to these ex-convicts, drug trafficking becomes a natural choice. Similarly, those who have served time in prison for other reasons are another main source of prospective traffickers. These people are usually looked down upon in society and have few legitimate employment opportunities. Drug trafficking becomes a way of survival.

In addition to ex-convicts, entrepreneurs who are down on their luck in legitimate business ventures and are desperate to make a comeback and unwilling to give up a lifestyle that they have grown accustomed to. Most of these people are merchants by trade who buy and sell consumer products and whose social networks often include contacts with the underworld. Since few legitimate opportunities can bring about sizeable fortunes as fast as drug trafficking, its risk and consequence somehow become acceptable in a time of desperation. One incarcerated subject in his early 40s who had spent much of his adult life in prison told his story of how he became involved in the drug trade,

> I was at the bottom of my business career and desperate to find money to bail myself out. I once ran a successful motorcycle dealership, but got carried away with the initial success. I opened stores and invested heavily in stocks on metal futures. The country was in a rapid economic expansion in the late 1980s and I thought metals like steal and aluminum would be in great shortage. But the government interfered with the financial market and I was stuck with an investment of more than three million yuan in aluminum futures, among other things, which I could not get rid off. My fixed expenses did not stop. For instance, the rent for my stores cost me more than 20,000 yuan a month. I quickly accumulated a huge debt and my cash reserve dried up soon. During a tradeshow in Guangzhou, I met a childhood friend who illegally emigrated to Hong Kong years ago and returned as a businessman. He told me how he got rich quickly – dealing drugs.

At the time, he was looking for a reliable supply line of heroin from Yunnan. Because of my extensive business contacts, he was wondering if I could help him develop a trafficking route from Yunnan to Guangzhou. Thinking back, I went into the drug trade for two reasons. One, I was in a financial ruin and desperately in need of money. Two, I was drawn by the immense profit that could be made in a short period of time. This friend of mine told me that he sold 7,000 grams of heroin to his associates in one day at the trade show and netted 500,000 yuan. The return was enormous.

In an exploratory trip I subsequently made to Yunnan Province, I was able to purchase a small quantity of heroin from Myanmar and brought it to Guangzhou. The total expenses put together were 6,000 yuan. This friend of mine in Hong Kong liked the quality of the product and paid me 70,000 in Hong Kong dollars. After this trip, I felt invincible and confident that I would be able to establish a stable route of moving drugs from the border area to Guangzhou.

A third characteristic of drug traffickers in Guangdong, particularly in Guangzhou, is the number of foreigners involved in the business. According to local senior police officials, the number of foreigners residing in Guangzhou has steadily increased in recent years and so has the number of foreign drug traffickers. These foreign traffickers, many of them African descent, have shown up in Guangdong's investigations with increased frequency. One senior drug enforcement intelligence analyst from the provincial government noted,

> I am talking about people from Nigeria, Kenya, Congo, and South Africa, places that we don't normally think of as source countries or destination regions. As we look deeper into the kind of transactions they engage in, we have come to realize that these are no ordinary traffickers. They are merchants who treat drugs as hard currency to buy other things. They smuggle drugs into China mostly in exchange for money to purchase and export consumer products back to their home countries. Chinese products are hot items in these countries. They have figured out that a quick and convenient way to acquire hard currency is through drug trafficking. We have arrested quite a few of these people. Although there are increased efforts to monitor the movement of foreigners living in Guangzhou, in reality there is little we can do.

Usually, Chinese police officers tend to go easy on foreigners because of language and cultural difficulties. Furthermore, Chinese police consider cases involving foreigners sensitive and not worth the trouble. There is a common saying: nothing is trivial when it comes to matters involving foreign countries. This senior official noted: "We are talking about international incidents if we don't handle foreigners carefully. Most police officers simply want to avoid such cases. Unfortunately, foreign drug traffickers know this weakness of ours. So whenever they are confronted or questioned, they will speak their native languages. They know well that our police officers are reluctant to deal with foreigners."

Despite their reluctance, Chinese authorities catch and convict foreign drug traffickers from time to time. However, the extradition process with foreign countries is often complicated, for legal as well as political reasons. One senior official in the

Ministry of Public Security in Beijing explained: "We follow stricter procedures when it comes to foreign nationals caught trafficking drugs in China. For instance, the threshold for the death penalty in China does not require much, and foreign nationals living in China are subject to our legal procedures. But if a foreign national is sentenced to death, this decision must be reviewed by the Supreme Court.[4] In other words, the death penalty for a foreigner is reviewed with far greater scrutiny than that for a Chinese citizen."

Other drug enforcement officials in Guangdong and Fujian also claim to have noticed an increase of foreign drug traffickers trying to break into the Chinese market. One senior police academy instructor in Fujian said: "I can tell you that members of a drug cartel in Colombia have recently begun to explore the Chinese market. On at least two occasions, drug traffickers from Latin America smuggled several kilos of cocaine into China to test the market and see if they can find a local buyer. It turned out that these traffickers did not make any money. The several kilos of cocaine were just used to try out the market."

Drug Trafficking as a Business

The process of drug trafficking from the manufacturer's warehouse to addicts on the street consists of multiple stages. Some of these stages are interconnected, while others appear to be independent. Overall, these stages fall into four general categories: (1) border crossing; (2) forwarding to Kunming or other locations in Yunnan Province for transshipment to other parts of China or overseas; (3) transportation to major transshipment hubs in China for further distribution; and (4) further distribution from wholesalers to mid-level dealers, street vendors, and eventually to users.

Fragmented Control of the Trafficking Process

Law enforcement officials, drug traffickers, as well as street vendors all claim that multiple, mutually independent stages stand between the drug warehouse in Myanmar and the vendors on the street hundreds or thousands of miles away. These segments along the trafficking and distribution routes are separated from each other and are controlled by different groups of individuals who may have further contacts with other trafficking individuals. Even when large consignments are seized by the authorities, the traffickers are often only aware of the stage in which they play a role. They usually have no idea how the drug was obtained in the first place and where the drug is headed in the next stage. One female drug distributor in Kunming, who routinely traveled to another city once or twice a month to pick up her heroin orders (normally in the range of 50 grams up to 100 grams), said she had no idea how her supplier obtained the drug: "This is a standard rule in this business. One dealer does not ask how another gets his supply. Nor should anyone ask me about my customers. The only exception is when your existing supplier cannot provide you with enough quantity and you want more, so you ask for referrals."

Thus far we have not come across any drug trafficker who controls any substantial length of the trafficking process between the manufacturer's warehouse and the low-level distributors. Individual shipments may vary in distance between two points, for instance from Kunming to Guangzhou or from the Myanmar side to a transit storage house in a border town on the China side. All transactions appear to begin and terminate between two individuals or groups of individuals. In other words, the business conduct of moving drugs from the manufacturing site in Myanmar to other parts of China

resembles a series of independent or even disjointed relays with each successive stage involving one or two coordinators. Drug traffickers typically only take care of one specific section that they are contracted to deliver. They have no idea how the drugs are smuggled across the border or how many more stages are to follow. It is not their concern.

Transactions in the drug trade are carried out mostly on a one-on-one basis, with rarely anyone else knowing any of transportation details. Furthermore, transactions in the drug trade are mostly carried out in public space or places where one can easily disappear into the crowd. One incarcerated trafficker noted,

> There is so much misinformation and images of drug traffickers and dealers in movies and TV shows. I always find it funny how the movie industry portrays drug traffickers as seedy people making transactions in some old and dilapidated warehouses or remote hillsides late at night. I don't think any real trafficker would want to go to these places. Traffickers are all wealthy people. Why would anyone go there? In my days, we always discussed businesses and made decisions in five-star hotels, like this last time when my partner and I were contemplating whether we should invest all our money in a drug deal. We went to a five-star hotel in Guangzhou and talked about it over a lavish dinner.

Our survey sample seemed to confirm this assertion. Most subjects, 90 percent, were arrested in public places, with the top three locations being the street, a hotel, or inside a car or bus (see Table 3). As for the location where the drugs were obtained, Table 4 shows that half of the surveyed subjects (52 percent) were not close to the drug

producer's warehouse, as their drugs were delivered to them by someone else. Thirty percent of the subjects directly transported the drug from Myanmar. The remaining 18 percent received drugs from a source inside China.

Table 4 about here

Few of the surveyed subjects were doing drug trafficking full-time. Only 2 percent (or seven subjects) claimed to be spending almost every day in the drug trade. The majority (88 percent) claimed to have spent very little time in the business. More than half of the subjects claimed to have other businesses. As an occupation, the drug trade does not appear to offer much of a future. When the subjects were asked to recall the longest time any drug dealer, distributor, or traffickers, including the subjects themselves, had ever managed to stay in the business, 85 percent of the subjects claimed to be in it five years or less. Those who claimed to have stayed in the drug trade for six or more years or knew someone else who had, only made up 15 percent of the sample.

As for the income one could derive from the trafficking business, the majority of the surveyed subjects declined to provide any specific information. Of those who answered (N=116 or 20 percent of the sample), the majority (76 percent) claimed to have made 10,000 yuan (about $1,200) or less, while 17 percent said they had made between 10,000 to 100,000 yuan. Eight individuals claimed to have made more than 100,000 yuan from the drug trade. These figures should be viewed with suspicion as most drug dealers and traffickers would not like to discuss their financial matters, either inside or outside the prison. These figures nonetheless provided some references for future studies.

Organizational Characteristics

As shown in Figure 2, the often disconnected and mutually independent trafficking activities seem rational because all parties involved in moving a consignment can minimize their exposure to law enforcement detection and safeguard their own interests. We found similar business practices in transnational human smuggling activities (Zhang and Chin 2002). In our effort to map out the web of social connections that link a drug trafficker to his or her primary as well as secondary contacts in the business, we have once again witnessed the *dyadic cartwheel network* at work. Each drug trafficking group or individual maintains his own contacts in the business; and these contacts again have their own further resources. The one-on-one transactions seem most optimal and effective in fulfilling the two fundamental principles of this illicit enterprise — (1) risk management, and (2) profit maximization.

Figure 2 about here

Based on official reports and interviews with incarcerated subjects, it appears that behind each trafficking operation, there is always a core group of individuals in charge. Often times the core members of a trafficking group are either family members or close friends. Most trafficking groups are small and they often are unaware of others in the same region. Monopoly does not exist in the drug trade inside China. It is unlikely that any trafficking group will ever get to grow to any large size because the Chinese government will crack down immediately. As one top drug enforcement official in Beijing said,

> The drug trade is a bit like a thug roaming the street. If the thug is weak, no one will listen to him. But if he tries to assert himself by beating up people and claiming a territory, people will be afraid of him. But then the police will go after him. This is why most trafficking groups in China are small so that they can evade the authorities. As soon as any organization grows in size and operation, it will attract attention from the police. The Communist government will not tolerate the existence of such criminal groups. It is possible that there may be a few big-time drug lords who continuously stay ahead of the police. In reality, such a scenario is highly unlikely. We would have heard something through our intelligence operations. The word will get around, and sooner or later we will come across references or informants who will lead us to the big players.

Hierarchy and Division of Labor

Despite the fact that traffickers come from diverse backgrounds and form tenuous and loose networks, the actual movement of drugs is always planned to the best ability of those involved. Compared to other transnational enterprise crimes such as human smuggling or piracy, greater effort goes into the planning and concealment of drug trafficking activities because of the serious consequences if authorities find out. Great emphasis is placed on staying below the law enforcement radar while securing payment upon delivery.

Drug trafficking tasks are clearly defined and delegated to different players in an organization. Some of the tasks, such as transportation, often require multiple individuals (or mules). Traffickers can be placed in three general categories: the core members (including financers and coordinators), the associates (assistants and specialists who are

peripheral to the core members), and mules or laborers. The core members, mostly entrepreneurs themselves, finance and coordinate trafficking operations. These people typically stay behind the scene. They know those who are carrying out the smuggling plan. It does not mean that core members only make phone calls from remote locations. They often participate directly in the trafficking process, except they almost never reveal themselves. For instance, they disguise themselves as bystanders to witness the handover of a consignment, or follow their own people around to see if they have been watched by the police. The actual transportation of drugs is done by mules — mostly poorly educated people, from rural areas of the country. One senior Public Security Bureau in a border town in Yunnan observed,

> The mules are paid for the pieces they carry. They usually swallow packets of drugs wrapped in condoms. The more one can swallow, the more he gets paid at the destination. In most cases, these mules can swallow between 100 to 200 grams of heroin in one trip. The most that we have ever caught was one man who swallowed 600 grams of heroin. These mules have no distribution channels themselves. They are mules only. They often don't even know whom they are working for. They are given a cell phone number or a piece of paper with a simple description of a location where there are public phones. These mules give little thought to what they are doing is actually life threatening. There have been many incidents of ruptured condoms inside the stomach causing death to the carriers.

Although the core members of a trafficking group get to give instructions, there is no clear hierarchal order within a trafficking organization. Even mules are not powerless, although they receive the least financial reward in any drug trade. Mules do not always follow instructions, although such deviations frequently result in exposure of an operation. Mules follow instructions because they will get paid handsome amounts of money when they make a successful delivery. If they sense the risk is too high, they will not take the offer or will bargain for more money. One senior drug enforcement officer in Guangdong said that drug carriers sometimes know full well what they are carrying and they choose to participate in trafficking operations because they know they can get away with it.

> Drug traffickers are usually quite clever. If not, they will not last long. In general, people who can survive two or three years in this business are usually very intelligent and think really hard in order to stay ahead of the police. For instance, pregnant women from Xinjiang minorities have been heavily recruited to transport drugs by concealing them in their body cavities or wrapped around their body. These are minority (mostly Muslim) women. Now we are talking about political issues when it comes to ethnic minorities. We can't conduct strip searches even with female staff. Even if we have concrete evidence against them, because of their special status as pregnant women, by law, they cannot be incarcerated. So we have to let them go, after confiscating the drugs.

The relationships between members of a trafficking group appear to hinge entirely on the collective desire to make money. Core members also collaborate and negotiate

among themselves based on their expertise and mutual needs. One high-ranking drug enforcement official in Beijing offered his experience in telling big players in the drug trade from the less significant ones. Having overseen several high-profile cases, this veteran drug enforcer observed,

> When the major players are arrested, they behave very differently from the commoners in the drug trade. They are ready to accept their fate. For instance, when we finally caught Tan Xiaolin,[5] I felt like I had known him for a long time, because I was in charge of his case. When I talked to him, he was quite calm and fatalistic. He knew his luck ran out. He was quite honest about his business operation and told us about his organization. He took responsibility for what he did. He couldn't hide it anyway since we had gathered his information for years and knew the people around him. However, regular traffickers would lie to the end, and try to get away with as much as possible at every turn during interrogations.

Because of the multiple stages involved in the drug trade, core members are buyers as well as sellers. In addition to worrying about financing and coordinating trafficking operations, these core members are also responsible for maintaining and repairing the network as this is a trade that receives frequent blows from law enforcement activities. One incarcerated drug offender on a stayed death sentence commented on how to connect the chain once someone is arrested,

> If one link is broken, the common way of repairing the network is to talk to the guy while he is still in the county detention center where visits are still allowed.

> He will usually tell the "visitor" where to find the next person to dispose of the shipment. People at my level (of trafficking) are usually sentenced to death or at least spend decades in prison. Why not help out your partner to get rid of the goods. It is a lot of money. Also, it is customary in this business that when your partner is caught, his wife and children will be taken care of. I can only help by telling my partner how to continue the business. He will be able to make more money and give some to my family. We take care of each other when one falls. Now I am here, I know my partner is taking care of my family. He sends my share of the money to my wife each month.

Role differentiation in drug trafficking also shows patterns of regional characteristics. Financiers and organizers of drug trafficking operations tend to come from Hong Kong. Taiwanese criminals are involved at all levels, but their specialty is in the manufacturing process. They seem to have quite an expertise in the production of synthetic drugs in large-scale labs in places like China, Taiwan, the Philippines, Indonesia, and Malaysia. They make the super labs in the U.S. look like the Little Leagues, because their labs are capable of producing hundreds of kilograms of ice in a week.

Self Preservation as a Trafficker

Extreme caution is frequently exercised by drug traffickers because of the high risks involved in terms of safety as well as for financial reasons. Of the two major concerns in the drug trade, personal safety is much more important, because it does not take much (as low as 50 grams) to qualify for the death penalty in China. High levels of differentiation

in roles and specialization in the drug trade can be viewed as a self-preservation strategy in response to law enforcement activities and possibly unscrupulous dealers. By separating the financing, coordination, and actual transportation of drugs, players at each stage can best protect themselves and minimize their exposure to authorities. In the event that any one stage is exposed, police will have little information about the other stages of the drug transaction. All subjects in this study clearly indicated that safety was at the top of their list of worries in the business. One long-term prisoner reflected why he was caught,

> In our business, there is a saying, "the police can make ten thousand mistakes, but we cannot afford a single one." The police get to go home each day, sleep and eat and carry on as usual if they don't catch any drug traffickers or if they let traffickers go undetected. But if a trafficker lets down his guard and makes one wrong move, it is often fatal. Let's look at the big picture. No drug traffickers can beat the police in the long run. We will always lose this cat-and-mouse game in the end. There are loopholes for traffickers to take advantage of. But sooner or later mistakes will be made. The risk of being arrested increases with each trip. If a trafficker wants to stay ahead of the police, he must be ten times more careful than the police in planning and executing every move. But in most cases, it is so easy to forget this basic principle when you are so close to finishing the job that you can almost smell the cash.

Law enforcement officials and drug traffickers interviewed in this study shared with us some of the ingenious strategies devised by traffickers to avoid detection.

Frequent changes of contact information are a basic technique practiced by all people in the drug trade. One senior investigator in Guangdong gave one example,

> Last year, we caught a trafficker who used more than 100 cell phone numbers in eight months. Each phone number was typically used only once, definitely no more than three times before the SIM card and the phone were discarded. It is so cheap now to buy a SIM card and there are also used cell phones, probably stolen ones, for sale everywhere for very little money.

Concealment is a specialization in the drug trade that all traffickers have come to rely upon. While some traffickers have developed clever ways to hide drugs on their own, others hire people with special expertise at both ends of the trip, first to hide the drugs at the source and then to disguise them at the destination. Another drug enforcement official marveled at the many imaginative ways drug traffickers have devised to circumvent the authorities,

> You know the old Chinese saying — "while goodness advances a foot, evil advances a yard." Drug traffickers continue to create clever ways to hide their contraband. There are simple ways to hide drugs, such as Coke bottles, which are used to transport opium tar because opium is similar in color to Coca Cola. It is difficult to single out which bottles contain opium tar in a truck full of Coke bottles. We also have caught traffickers dissolving heroin and then absorbing it with their clothing. Then, after the clothing materials soaked with heroin arrive at their destination, they are washed with special chemicals and the water solution is refined back to its powder form. Other forms of concealment include mixing

> heroin or ice with dark-colored materials and molding the mix into various art crafts or common consumer products. There are many ways to dissolve heroin in chemical solutions. But such concealment strategies usually require specialists at both ends of the transaction.

For financial safety, people in the drug trade frequently use what a trafficker called "the mine laying technique," whereby a buyer typically puts an agreed-upon deposit into a bank account set up by the seller, and the seller will deliver the merchandise to a password-protected locker at a supermarket. These two people do not even have to see each other during a transaction, and thus protect one another's identity from law enforcement. The drug is often retrieved by a mule who is given the password and gets paid upon delivery while the retrieval process may be watched by the real buyer or an associate standing nearby to make sure the mule is not followed.

One convicted drug trafficker, who specialized in retrofitting passenger cars to hide contraband, recalled his first experience in modifying a car,

> I spent ten days modifying the car. I had to rip out all the seats and cut open the floor. Then for the next six days I tried to pack as much heroin into the cavities as possible. Sixty kilograms were all I could pack into the space. It was a lot of work. I didn't hire anyone. I had to do this myself. You can't trust anyone for this type of work. I repainted the floor and body carefully to make it look like no work had been done to the car. We had all the equipment to do the job. My brother-in-law did this type of job a lot.

Traditional Chinese Criminal Organizations and Drug Trafficking Groups

Traditional Chinese criminal organizations, such as Hong Kong-based triads and Taiwan-based crime syndicates, have long been accused of playing active roles in international drug trafficking activities in Asia and Oceania (Sullivan 1996; Mahlmann 1999; Curtis 2003; Hurst 2005). In this study, we attempted to explore the nexus between drug trafficking and traditional Chinese criminal organizations, such as those based in Taiwan, Hong Kong, and the U.S., and tried to understand how traditional criminal organizations participate in the drug trade, at what stage, and the roles they play.

We made a conscientious effort to look for evidence and ask front-line drug enforcement officials from China and surrounding countries as well as American anti-narcotics agents to describe or explain the widely speculated association between triad-type criminal organizations and drug trafficking. Over the two years of field work and hundreds of interviews and conversations with drug traffickers, dealers, and addicts, as well as law enforcement officials, we have thus far found little evidence to suggest any systematic linkage between drug trafficking and traditional criminal organizations. This observation does not suggest that no individual members of triad societies were ever part of the drug trade. However, we are fairly certain that triad-type criminal organizations in Hong Kong, Taiwan, or the U.S. are not active players in cross-national drug trafficking operations.

Law enforcement agencies and government officials in Southeast Asia also suggest the same. None of the subjects in this study knew of anyone who acted on the order of their gangster "big brothers" to partake in any trafficking operations. Despite its tremendous profit potentials, we believe cross-national drug trafficking does not fit the

primary organizational requisites of traditional criminal organizations. In a previously published paper, we have argued that most transnational criminal enterprise activities are fraught with risks and uncertainties. With their emphasis on permanency and sustained profitability, traditional criminal organizations are structurally unfit for fluid situations with unpredictable outcomes (Zhang and Chin 2003). On the contrary, individual entrepreneurs seem capable of thriving under these precarious market conditions.

Three factors may have contributed to this oft-cited connection between traditional criminal organizations and cross-border drug trafficking. First, the preoccupation of U.S. drug enforcement policies and strategies that have targeted well-known drug cartels or trafficking organizations in Colombia and Mexico. Decades of drug enforcement in the Latin America have influenced U.S. views on drug trafficking organizations in general. Second, drug trafficking is an organized behavior, although there are different degrees of organization. Therefore the term is used loosely to describe any groups of individuals that are involved in this illicit enterprise. Third, triad societies have long fascinated Western scholars and policy makers alike. Any organized criminal activities, from human smuggling and counterfeiting to drug trafficking and pirating, gets labeled as being orchestrated by triads when in fact there has been little evidence to substantiate their involvement in any of claims.

Even U.S. drug enforcement officials in the field have acknowledged that there are no drug kingpins, or at least they have not seen any in China or Southeast Asia. One U.S. law enforcement representative in the region noted,

> Big drug kingpins are rarely found in Hong Kong or Southeast Asia, but there are significant players. We don't really call them groups or organizations. They can

> only be described as loosely connected syndicates. Hong Kong Chinese are not as structured as the Colombians. The main players may be calling the shots, but it mostly has to do with one's expertise. To give you an example, the four of us get into a venture. You have an expertise in providing transportation. We may just collaborate on one shipment. On the next shipment, you and I may stay in one deal. But the other two collaborate with someone else. It makes law enforcement penetration a lot more difficult. Investigations must be carried out on a case-by-case basis.

This assessment of the relationship between traditional criminal organizations and drug trafficking has been widely shared by law enforcement officials in Hong Kong and mainland China. One senior Hong Kong police official agreed with the U.S. drug enforcement officials,

> One would like to believe that triad societies like Sun Yee On and 14K are controlling drug trafficking. Triad societies are no doubt involved in all sorts of criminal activities. If they are involved in drug trafficking, they are involved in low-level retail sales. They are not as organized as one would like to think. In large transnational shipments, you may arrest people who happen to be members of 14K, that doesn't mean their involvement in the drug business was endorsed by the head of 14K. A lot of drug criminals may have membership in the triad societies but they are not working for their groups. Large international cases may make a good story, but the triad connection is a myth.

In 2006, the U.S. government officially acknowledged for the first time what drug enforcement agents in the field have known for years: that the Hong Kong drug trade is primarily dominated by loosely connected individuals and there is no evidence to suggest any direct link between regional drug trafficking and Hong Kong triads (U.S. Department of State 2006). In fact, regional law enforcement agencies in Hong Kong as well as surrounding jurisdictions have long ceased to search for evidence to pin the blame on triad societies.

However, entrepreneurs of Chinese decent remain active in drug manufacturing and distributing activities in Southeast Asia. This study provides first hand data depicting how Chinese drug traffickers operate in the Golden Triangle and surrounding countries. Law enforcement sources in the region seemed to agree that one can find Chinese nationals in almost all major drug raids. Our contacts in Myanmar claimed that almost all major traffickers and distributors of illicit drugs are Chinese. One ranking intelligence official with the Australian Federal Police noted,

> Most major drug manufacturing and trafficking activities in Southeast Asia and elsewhere in the Pacific region are linked to Chinese criminals. Chinese criminal entrepreneurs have long demonstrated their ability to develop new market opportunities and forge business partnerships with people of different ethnic backgrounds.

Violence in Cross-border Drug Trafficking

By most accounts either from drug enforcement officials or drug traffickers themselves, violence is not a common occurrence in the drug trade in China. We inquired frequently in our field activities about how and when violence was used among drug traffickers or

whether there were contract killings for getting back at a snitch or taking out competition in one's turf. But compared to drug trafficking in Latin America, the drug trade in China is quiet. Even when we encountered cases where members of a trafficking group ratted on each other or that informants entrapped and sold out their own friends for cash rewards, we did not hear of any revenge killings or murders by contract inside China. One ranking police official in Beijing commented,

> Compared to street crimes, drug trafficking involves people with greater financial resources and connections. They are more interested in finding ways to corrupt government officials with their money and they strive to enter higher levels of society to meet powerful figures in the community. These people rely on the use of their intelligence. However, the business of international drug trafficking is known for its cruelty. In our neighboring countries, mysterious murders occur from time to time. If a drug trafficker wants to wipe out a snitch, he may hire someone to throw a couple of hand grenades through his window. In China, however, drug-related murders are rare.

Some police officials explained that the lack of violence was partly due to the difficulty in acquiring firearms in China. Another ranking prosecutor in Hong Kong reflected why Chinese drug traffickers were less likely to resort to violence: "It is already a dangerous business without the violence. Once you open fire at each other, you attract all kinds of attention. It is just too much hassle. One could have used the time to plot new trafficking routes or find some officials to bribe. It is just not the Chinese way of doing business."

However, some drug enforcement officials along the Myanmar-China border differed in their assessment. They claimed to have encountered armed drug carriers crossing the border. In fact, these police officials in the border region blamed drug traffickers for the influx of illegal firearms in the black market. A police chief in a small border town said,

> Although violence is not common, but we have encountered traffickers who resorted to violence when they were cornered by police. Most of the firearms that we confiscated were during drug raids. There are two reasons why traffickers carry firearms. First, traffickers must protect themselves against unscrupulous buyers or sellers. In this business, trust is a rare commodity. Second, when a trafficker carries enough drugs to warrant the death penalty, he will fight to the end. There have been several cases in which our police officers have been killed or wounded by drug traffickers during inspections. Our officers had no idea that they were about to uncover a large cache of drugs, and the traffickers acted first.

Gun control is extremely tight in China. For decades, even police officers were not allowed to carry weapons while on patrol duties. Guns are still strictly controlled these days, although police officers in most places are equipped with handguns. All guns must be stored in locked cabinets during off-hours and registered whenever they are checked out. The police chief at the border town complained,

> In the early years, our officers joked that drug traffickers were better equipped than the police. It was true. In those years, our officers often chased armed drug traffickers with only a baton in their hands. Things are different now. Our drug

enforcement officers are well equipped. But that doesn't mean they are safe from physical harm. Unlike soldiers in a war who can shoot first to eliminate the enemy, our police can only react passively and shoot only when shot at. Moreover, our officers are always in the open while the traffickers are always in disguise. You never know whom you are approaching until it is too late. Some traffickers carry grenades small enough to fit into their hands and you cannot see them until it is too late. When traffickers carry enough drugs to qualify for the death penalty or a life sentence, they will likely use every weapon at their disposal trying to escape. These dead-enders have nothing to lose.

Drug Control

Drug Control in China and International Collaboration

Many law enforcement agencies in the region have come to realize that ethnic Chinese, particularly those from Hong Kong and Taiwan, as well as overseas Chinese, are becoming increasingly involved in transnational drug trafficking enterprises. Trafficking groups made up of ethnic Chinese are scattered around the world in such countries as Colombia and Peru. They have made use of their extensive contacts in the Chinese enclaves in these countries to purchase and ship drugs to places where profits can be realized.

Despite the ever increasing involvement of ethnic Chinese in international drug trafficking activities, China is mostly preoccupied with combating domestic drug problems. By most indicators, China has managed to slow down the rapid increases observed in the 1980s in the number of drug users through many measures — compulsory drug treatment of all officially identified drug users and harsh punishment for

possession and trafficking offenses. The control of illicit drugs commands special attention in China's political psyche because of its experiences in the two wars more than a century ago with foreign countries over the influx of opium (Ting 2004). Chinese authorities have launched many campaigns aimed at reducing the demand as well as stopping the flow of drugs in China (Dikotter et al. 2004). Chinese officials in recent years have become increasingly open about drug control issues, periodically publishing statistics on drug use surveys and announcing significant drug raids in the news media.

According to our official contacts in Beijing, the Ministry of Public Security – the top police agency in the central government – has about 50 full-time staff in its Bureau of Narcotics Control (the equivalent of the U.S. Drug Enforcement Administration). One top drug enforcement official in Beijing compared his own agency with the DEA,

> DEA has over 10,000 people alone. This is at the federal level. If you count all police personnel throughout the country who are assigned to drug enforcement details, the number is far bigger. Our budget is minuscule compared to that of the U.S. drug enforcement budget. This is not because our government does not pay attention to drug enforcement issues. In fact, our budget on drug enforcement is increasing steadily. But we are such a huge country and there are so many other pressing issues that need money. It would be unrealistic to ask the government to spend all its money on drug enforcement activities.

Despite the small staff and budget, this official took pride in the hard work and accomplishments his agency has been able to make. Nationwide, there are about 17,000 police officers assigned specifically to drug enforcement details. Each provincial police

agency typically has its own drug enforcement division, and so do most large municipal or county police agencies. Small county police agencies normally fold their drug enforcement functions into their criminal investigation divisions. Yunnan Province has the most well-developed system of anti-narcotics teams in China because of its geographical location and history of drug control issues. In 1982, Yunnan was the first province in the nation to establish teams of police officers trained and assigned specifically to combat narcotics. As mentioned earlier, Yunnan Province accounts for about 80 percent of all heroin seizures in China. A ranking police official in Beijing who used to head Yunnan's narcotics operations commented:

> The government of Yunnan has always put a high priority on counter-narcotics efforts because of our location. We have years of experience going back to the early 1980s. In comparison, most other provinces started a lot later. We were the first to have a special anti-narcotics police force. Many other provinces didn't even have such specialized police forces until very recently. We have a highly efficient system, with a small staff but a high success rate. Our overall strategy is three-pronged: first, we try to stop the traffickers from crossing into the country; then we try to block them from moving along major highways connecting our neighboring provinces; and finally, we have established a system of stationery and random inspections at all transportation hubs.

On the issue of official corruption in drug enforcement, Chinese officials acknowledged its share of the problem, but claimed that in comparison to other

developing countries, particularly those in Latin America, China is running a relatively clean operation. One high ranking Public Security official in Beijing stated,

> I can proudly claim that our drug enforcement agencies are the cleanest in the world. I cannot say that we never have corrupt officers. But these are rare cases. Unlike some other countries where drug traffickers have infiltrated into many aspects of society and even managed to influence their political and law enforcement affairs, drug traffickers have never been able to systematically corrupt any of our government or law enforcement agencies. This will never happen in China, because after all we are still a one-party country and our government will not tolerate this kind of threat to its regime. In a sense, our political and legal system ensures that corruption of our government officials or police officers by drug traffickers will not become a major issue in China.

As for intelligence development and sharing among law enforcement agencies in the region, the opinions were in unison. All officials we interviewed in this study agreed that without intelligence development and maintenance of a large network of informants, drug enforcement will not likely make any progress. One senior official in Guangdong said,

> Random inspections and checkpoints are basically useless. Even in the U.S. after the September 11 events, less than five percent of shipping containers are inspected. In Guangdong, which relies on export and import businesses, we have neither the manpower nor the equipment to inspect the millions of containers. Here is an example. A few years back, the Guangdong government spent 1.2

> million yuan (about $146,000) to set up checkpoints on all major trans-province highways to inspect passengers and cargo vehicles in a campaign to stop the flow of drugs. Guess what the result was by the end of the yearly campaign? A total of about 500 grams of heroin was found on only two occasions. And in both incidents, we received concrete intelligence pinpointing the specific vehicles. In other words, without intelligence, nothing would have come out of this massive inspection campaign.

Information sharing and joint investigations are considered the backbone of drug enforcement in China. Officials interviewed for this study were clear how their tasks differed from those of their colleagues in regular criminal investigations. One senior police official in Beijing commented,

> Unlike street crimes where you have victims, there are no "victims" in the drug trade who will call on the police for help. Even when drug dealers or traffickers have defrauded each other, you will be lucky to have one case out of every 100 cases where you will get a call from the involved party. They simply don't report. Without active intelligence development, there will be no cases. Drug enforcement police must be proactive and work hard to develop cases, or they will have nothing to do. We also have to constantly improve ourselves because drug traffickers change their strategies constantly.

International collaboration has been an important aspect of police work in China's effort to combat drug trafficking. All law enforcement subjects in Beijing and other parts of China appeared to have had varying degrees of contact with foreign police agencies.

China hosts regular drug enforcement seminars and training workshops for neighboring countries in Southeast Asia. China also sends its police officials to other countries to receive training. All official subjects emphasized the importance of international collaboration in the field. One top-ranked police official in Beijing stated that China emphasizes three things in international collaborations: (1) maintain open communication, (2) develop pragmatic strategies, and (3) strive for efficiency. He commented on the increasing international exchange of police work in recent years,

> Drug enforcement is one of the few areas where the exchange of intelligence and collaborative investigations are the easiest to carry out. Because all nations share the same goals and objectives in combating trafficking of drugs and reducing the demand, police agencies tend to have far fewer political obstacles to overcome than many other areas of government affairs.

It was noted that during the interviews in this study, most officials were highly appreciative of the collaborative spirits that most foreign police agencies have shown in their exchanges. One top drug enforcement official in Beijing commented,

> We rarely encountered any resistance from a foreign country. We have made great strides in multilateral and bilateral collaborations in our intelligence sharing and cooperative investigations with many countries. Most countries, including the U.S. DEA, have been quite impressed with our productivity and efficiency. Honestly, I have not encountered any problems I cannot solve in our international collaborations. Maybe this is because of my confidence.

According to his accounts, international collaborations between China and neighboring countries have expanded at an even greater pace since 2000. He continued,

> We have about 20 to 30 international joint cases at any given time. Most major cases that we have solved involved some foreign assistance. For instance, the Tan Xiaolin case, in which we worked with the Burmese authorities. Tan thought that by living in Myanmar and never crossing into China he would be safe. He was wrong. Through joint investigations with the Burmese police, we were able to trace 2,000 to 3,000 kilograms of heroin directly to him, and another 6,000 to 7,000 kilograms of drugs to at least implicate his involvement. We have bilateral, multilateral relationships with some 30 to 40 countries. Our collaborations are all-encompassing, from investigation to intelligence sharing. I can say our efficiency has impressed most of our foreign partners.

The collaboration between drug enforcement agencies in mainland China and Hong Kong was often used as an example to illustrate the active international cooperation in police work. Because of the unique relationship between mainland China and Hong Kong, Beijing is never hesitant to demonstrate its political leadership in dealing with its administrative subordinates. One top-ranked police official in Beijing observed,

> We have a great relationship with Hong Kong in intelligence sharing and joint investigations. In fact, we are doing a lot of law enforcement for Hong Kong authorities. We give each other a lot of valuable information that helps our mutual investigations. We want to catch drug traffickers, and they want to stop the drugs from entering Hong Kong. The more intelligence they share with us,

> the more we can do on this side of the border and that means less work for them. We have responsibilities to take care of them. But the exchange is not always equal. Because of our different legal systems, we have greater latitude to assist them than the other way around. For instance, if they ask us to assist in arresting fugitives, we will catch them and turn them over. But if we ask Hong Kong authorities to do the same, they often cannot comply. There is no extradition agreement. To put it simply, without mainland police, social stability in Hong Kong will be greatly weakened.

His enthusiasm and optimism over international collaboration in regional as well as international drug enforcement work was also shared by officials from other countries. U.S. officials in the region were also positive in their experiences working with regional host nations, despite the fact that not all countries are able to accommodate U.S. requests. One U.S. official in Hong Kong commented,

> We are fortunate to be in Hong Kong. We have great cooperation with Hong Kong authorities, which are very capable. We have asset sharing, extradition, information sharing protocols with Hong Kong authorities. This is lacking from many other countries. Any investigations we do here in Hong Kong, we always coordinate with our counterparts.

However, this international collaboration is not without its problems. For instance, intelligence sharing in the region is often narrowly defined. Although U.S. law enforcement officials expect a free flow of information between them and their host

agencies, they wish at times that they could receive a bit more material on particular cases. One official said,

> At times, we would like to see more detailed information on cases. Occasionally, local authorities take the position that we are merely liaisons working for foreign agencies, therefore only information specifically pertaining to the U.S. is shared. They don't understand that we want to get the big picture, from a regional and global point of view. We realize that no one country can do this job alone. However, we have been successful in pushing our collaborating authorities to analyze cases from a regional and global perspective.

Drug Control in Hong Kong

Hong Kong's vibrant commerce and its port facilities have long made it an ideal location for transporting drugs from Southeast Asia to the international market. For many years, drug traffickers from Hong Kong were active in planning and financing trafficking operations on the mainland as well as in the surrounding nations. According to U.S. intelligence sources, Hong Kong is no longer a major transshipment hub in Southeast Asia and Oceania. The drug addict population in Hong Kong has been on a steady decline for the past few years according to the official Central Registry of Drug Abuse (CRDA) (U.S. Department of State 2006). Although Hong Kong imports ATS from China to meet the increasing demand among the youth population, both law enforcement officials and government prosecutors claim that there are far fewer heroin users these days.

Both U.S. and Hong Kong authorities attribute this change to Hong Kong's effective intervention efforts and public campaigns, as well as to the availability of alternate trafficking routes in coastal China (U.S. Department of State 2006). Most drugs in Hong Kong are believed to come from China or Southeast Asia. According to local police, there are very few cases of drug manufacturing in Hong Kong territories. One senior prosecutor explained why it was fairly easy to weed out drug manufacturing facilities in Hong Kong,

> Unlike the 1970s where there were still rural and remotes corners in Hong Kong where you could possibly hide small secret labs, it is very hard to manufacture drugs in Hong Kong these days. Hong Kong is a small place with a dense population. People live in small apartments literally on top of each other. There is a well developed network of community intelligence. Why risk being caught here in a densely populated place when you can pay someone in China to produce the drugs?

Another senior prosecutor agreed with this explanation on the disappearance of drug manufacturing in Hong Kong. Having worked in Hong Kong's judicial system for thirty years, he recalled that drug manufacturing was common in the 1970s. He noted,

> I rarely see drug manufacturing cases now. The majority of drug cases these days involve street-level dealers, typically involving psychedelics and cannabis that are sold and used in disco and karaoke clubs. It is simply too difficult to produce drugs in Hong Kong. One simple but major obstacle is the smell. You have to have very good ventilation. The fumes can easily offend your neighbors who

would then complain to the authorities. Also, these people tend to cover up their windows. Any time you cover your windows for a long period of time, and with strange odors coming out of your vents, you will attract attention. The police will raid the place. Besides, if you produce any illicit substance, there will be traces in your ventilation ducts, a great piece of evidence for prosecution purposes.

Another factor contributing to the drop in drug trafficking activities is the succession of laws with harsher punishments for drug offenses. Although Hong Kong abolished the death penalty in the early 1990s, penalties for drug-related offenses are still severe by Western standards. A high ranking government prosecutor explained: "Compared to other developed countries, Hong Kong has severe punishments for drug offenses. You can shoot a police officer and get 17 to 20 years in prison. But if you are caught carrying one or two kilograms of heroin, you can get 20 years or more in prison."

However, both U.S. and Hong Kong law enforcement agencies believe Hong Kong still plays an important but limited role in the international drug trafficking business by serving as the coordinating and financial base of operations. Many officials in mainland China tend to agree with this assessment and believe most expertise in financing trafficking operations and laundering drug money still comes from Hong Kong. Because of its large container shipment business, Hong Kong also continues to serve as a convenient transshipment hub for traffickers moving drug consignments through its myriad shipping businesses. Local drug traffickers are also developing routes through adjacent townships in Guangdong and renting warehouses to store large consignments for delivery to Hong Kong or other markets.

Drug Control in Myanmar

Even by U.S. assessments, the military junta in Myanmar has made significant progress in recent years in reducing opium poppy cultivation and opium production, in part because of its cooperation with the United Nations and other regional allies (particularly China and Thailand) (U.S. Department of State 2005, 2006). Myanmar has also been recognized for its efforts to collaborate with its neighbors in jointly controlling the transportation of precursor chemicals, in an effort to reduce narcotics production and trafficking in the highlands of Southeast Asia.

Although such efforts should be encouraged and assisted through large-scale and long-term international assistance, the political situation in Myanmar has also discouraged many donor countries that could have been helpful to its law enforcement efforts. This is a pertinent issue because continued opium poppy eradication drives farmers into deeper destitution. Without viable alternative sources of income, it is only a matter of time before the farmers either revert back to growing opium poppies or participate in producing synthetic drugs. Myanmar has already ascended to a prominent position in the region for supplying its drug consumers with vast amounts of ATS, including ketamine and ice.

Even though the U.S. suspended all direct counter-narcotics assistance to Myanmar in 1988, when the military junta crushed the pro-democracy movement led by Aung San Suu Kyi, the U.S. Department of Justice still maintains a regular liaison post in the U.S. Embassy in Yangon, and shares intelligence with the Myanmar authorities and provides limited assistance in investigations. For instance, the DEA conducted opium yield surveys in Myanmar's border regions in 1993 and 1995, and annually from 1997

through 2004, which monitored the changing geographic distribution and scope of the opium crop. Such collaboration in intelligence sharing and mutual assistance led to significant seizures, arrests, and convictions of drug traffickers and producers in 2005 (U.S. Department of State 2006). For years, the U.S. provided limited funding through United Nations programs that benefited drug eradication projects in Myanmar, particularly in the warlord controlled Wa State. However, in January 2005, the U.S. federal court in New York indicted several leaders of the United Wa State Army, the de facto warlord government in the Wa State, a public rebuke which brought about a complete halt to any indirect U.S. assistance to Myanmar's counter-narcotics programs.

The military junta is fully aware of the corruption problems among its officials and recently has shown determined efforts to reform itself. In 2005, Myanmar joined the UN Convention against Corruption, and launched a series of programs aimed at curbing official corruption, including increasing government employee salaries by ten-fold, firing officials on corruption charges, and closing businesses suspected of drug trafficking or money laundering. In a 2005 investigation assisted by the U.S. DEA and Australian Federal Police, the Burmese authorities closed the Myanmar Universal Bank and its 38 branch offices throughout the country, and seized assets of over $18 million (U.S. Department of State 2006). The bank’s chairman and his associates were arrested and charged with money laundering and drug trafficking offenses. The military junta government also revoked operating licenses for two other banks suspected of money laundering.

During our field visits in Myanmar, we learned about the closing down of businesses such as a hotel and a trading company in Mandalay (the country's second

largest city), because their owners were either collaborating or assisting drug trafficking activities. Whereas such charges would have been easily swept under the rug in the past through briberies, we were told by our community informants that these backdoor dealings were of limited use when illicit drugs were involved.

Discussion

China has been accused of being ineffective in curbing many transnational crimes, such as human smuggling and piracy of intellectual property. However, China has been unequivocally aggressive and serious in its efforts to combat transnational drug trafficking and substance abuse. We have interviewed law enforcement officials along most major trafficking routes and at different levels of police administrations from Beijing to remote police stations in rural Yunnan. Our impression is that despite meager budgets and poor equipment, Chinese law enforcement agencies have been striving to gain an upper hand in their war against drugs.

China's relationship with countries around the Golden Triangle remains a sensitive issue. For years the Chinese have been conducting free training workshops for law enforcement personnel from neighboring countries in order to improve their tactics and skills in investigating drug production and trafficking. China also pressures these countries to be more forceful in eliminating opium cultivation and the trafficking of heroin and other drugs across their borders into China. But many neighboring countries have long been weary of China's growing political and economic dominance in the region.

The warlords in the opium cultivation regions must maintain a delicate relationship with China: their economic survival depends more on their business with

Beijing than with Yangon; they cannot afford a direct confrontation with China on drug issues. For many years, warlords along Myanmar's border regions signed agreements with authorities in Yunnan promising not to allow any sales or transportation of drugs into China. Although illicit drugs flow into China anyway through unofficial and clandestine channels, these warlords have generally kept their promise and have avoided any direct accusations from the Chinese authorities. More recently, the warlords have shown even greater willingness to cooperate. Warlord governments in northern Myanmar have vowed publicly to eradicate opium cultivation and to ban production of synthetic drugs. Some claim to have achieved the overall goal, while others claim to have set a definitive timeline for achieving the goal. International officials and law enforcement agents are invited each year to inspect Myanmar's progress in counter-narcotics programs.

We have recently noticed two divergent markets in China's drug trafficking business, one with older traffickers primarily concentrating in the heroin trade, and the other with younger traffickers specializing in ATS. Poly-drug users are not common and heroin addiction these days is greatly stigmatized but not as much as is the use of methamphetamines and ecstasy. Years of public education and cultural taboo associated with heroin use appear to have gained momentum in China. Sources in both public and private sectors have informed us that the size of the heroin addict population in China is steadily declining. While the aging addicts are struggling with relapses and hustling for drug money, fewer young people are joining their ranks. Instead, the so-called "new drugs" (i.e., methamphetamine, ecstasy, and ketamine) are becoming popular among urban youth. These drugs are considered non-habit forming and more "fun" to use,

particularly at karaoke and night clubs. Heroin is widely considered a thing of the past that is used only by burned-out junkies and losers.

The future of drug trafficking in China is juxtaposed between two conflicting forces. On the one hand, China's booming economy and frenzy to get rich will undoubtedly encourage entrepreneurship among the masses. Drug trafficking, with its profit potential, will continue to draw risk takers whose opportunities in life are otherwise few. On the other hand, the strong social stigma surrounding illicit drugs and related drug trafficking activities, coupled with an unforgiving penal system and totalitarian government, will likely restrain the growth of the addict population and the number of daring entrepreneurs. Unlike other social ills, particularly the so-called victimless crimes (gambling, prostitution, and financial malfeasance), there is little moral ambiguity about anti-narcotics efforts. Because of China's population, the number of addicts will remain substantial and drug trafficking will continue for the foreseeable future.

As for drugs that only pass through China on their way to other Asian or Pacific Rim countries, there are many obstacles to this prognosis. Aside from China's draconian penal system and stigmatizing cultural environment, the remaining addict population will likely absorb whatever drugs that manage to get through to the domestic market. Despite high profit potentials for overseas drug orders, the fundamentals of illicit enterprises remain the same. That is, drug traffickers will most likely choose the shortest distance and least risky venue to unload their cargoes and realize profits. China's role as a transit country for the international market, particularly from such remote regions as Yunnan to coastal provinces, will most likely remain limited. It is our belief that most drugs transported from the Golden Triangle are still destined for China's domestic market.

Limitations of the Study

The resourcefulness of our field coordinators and community contacts (i.e., our personal connections and their extended social networks) helped us tremendously in gaining rare glimpses into a hidden world. Still, this study has several limitations which may affect the interpretation of the findings. An obvious problem with this study was our heavy reliance on our own personal contacts in the community, as well as their extended social contacts. Such a field approach has its inherent limitations. Most notably, our exposure to this extremely secretive world was influenced by the access afforded to us. In other words, the type of contacts we developed in the communities in Southeast Asia determined the type of information we were to gather. Since our contacts and their social networks introduced us to mostly loosely connected entrepreneurs, our findings have thus been tainted with perspectives gathered from these individuals. For instance, the fact that we did not find any traditional crime syndicates in drug trafficking ventures in the Golden Triangle does not mean that their involvement did not exist. We just did not find any evidence to make such a claim.

Furthermore, although we strove to include different types of drug dealers and users to widen our knowledge, the selection of the subjects was for the most part limited to the initial contacts, and therefore could very well be systematically biased. For instance, most of our referrals to active drug dealers and users came from two community-based drug treatment organizations. Although the centers were well known in the addict and street dealer community in the city, their outreach effort was limited to only a few urban ghetto areas, thus excluding all other prospective subjects who did not have access to, or use the centers' services.

Another limitation of this study was that our understanding of the drug trafficking activities in and around the Golden Triangle was built upon information pieced together from multiple sources. Only a few subjects provided complete descriptions of their trafficking operations. Most stories we gathered pertained to only limited or specific segments of the trafficking enterprise, which engendered our primary belief that drug trafficking was fragmented and controlled by many players at different stages. It could be possible that some well organized trafficking groups were able to coordinate long distance operations and ship drugs from the source to street vendors. Characteristics derived and presented in this report were therefore inferred from data provided by individuals who were unrelated to one another in their trafficking activities. For obvious ethical and safety reasons, we did not attempt to follow a trafficking operation from start to finish. Therefore, we pieced together the "trafficking organization" from fragmented descriptions.

Finally, regardless of what strategies we employed to gain the confidence of our subjects or how successful we had been in convincing the subjects of our sincere intent to protect their identity, the extent to which these drug dealers and users gave honest answers was difficult to gauge. As researchers of sensitive topics must do, we relied on multiple sources of information and our intuitive understanding from field observations and direct interactions with these people. Much more research is needed to substantiate the findings in this study and to improve our understanding of these versatile groups of entrepreneurs.

Generalizability of the Study Findings

Our access to criminals, informants, and police officials in the Golden Triangle region gave us unprecedented glimpses into a world few had ever before peered into. However limited our entry point might have been, our conclusions and findings were all based on first-hand data gathered along the routes and regions frequented by drug traffickers. Furthermore, we employed several strategies to increase the validity and reliability of the data we gathered. First, we relied on our personal contacts, people living in the communities who knew us for many years and had no reasons to deceive us. Relying on their referrals, we were able to reach other informants. Such reliance on one's own social networks had worked well in our other studies of sensitive topics, such as street gangs (Chin 1996), political corruption and organized crime (Chin 2003), and human smuggling (Zhang and Chin 2002). Second, we relied on multiple sources and crosschecked the data obtained from interviews, social conversations, and our field observations. We were able to construct questions with sufficient prior knowledge of the region and tailored our questions to specific subject populations. In other words, we were not navigating in an entirely foreign territory. Third, most of our interviews were conducted in confidential environments or settings that our subjects deemed comfortable. We let our subjects decide what and how much they would answer our questions. Our years of field research experiences rewarded us richly in terms of building trust and confidence with prospective subjects. The fact that responses from our subjects became repetitive and patterned gave us some degrees of confidence that the data were reliable.

To increase the representativeness of our subjects, we strove to: (1) reach traffickers of different types (e.g., mules, concealment specialists, coordinators, and street

vendors); (2) gathered information at multiple sites (i.e., many cities in China, border regions between China and Myanmar, Myanmar, Thailand, and Hong Kong); (3) interview active and retired traffickers, at large and incarcerated. In short, there were few, if any, alternatives to gathering first-hand data on drug trafficking other than the ones we had attempted here. Despite the limitations discussed above, we are confident that the findings and conclusions presented here are at least accurate to the extent of the trafficker population with whom we were able to interact. However, it is prudent to assume that the traffickers we were able to reach only represent incomplete aspects of the drug trafficking business in the Golden Triangle region.

Policy Implications

Findings from this study underscore the crucial roles that China and Myanmar can play in the region as well as in the world in curtailing the production and transportation of heroin and ATS drugs. Although Afghanistan has replaced Myanmar as the major supplier of opium and heroin in the world (Powell 2007), the warlord controlled regions in Myanmar continue to exert influence in the world drug market. The rapid increase in ATS production and distribution in this region since the mid-1990s deserve serious attention from regional governments as well as western countries. Several major developments are shaping the drug trafficking, distribution, and consumption markets in the region, which we believe will carry far-reaching effects on Western countries.

First, rapid economic development in Southeast Asia and China has brought about unprecedented exchanges of goods and services, which serve to break down trade barriers and travel restrictions among countries that historically viewed each other with suspicion and even hostility (such as between China and India, and between Myanmar and

Thailand). Second, there is a general lack of sophistication in regional government's control and regulation of chemical precursors required to produce ATS. Most countries in the region do not have mature systems of inspection and registration that are commonly found in the United States or other Western countries to monitor and track the production and movement of chemicals likely to be used in producing ATS. Third, because precursors such as ephedrine can be easily obtained and the production of ATS is relatively easy, a greater number of entrepreneurs are entering the production market, a drastic departure from the way heroin is produced in the Golden Triangle (which is still tightly controlled by local warlords). Fourth, shifts in the addict population in recent years have also brought about changing demands for illicit drugs. For instance, because of the years of public campaigns, heroin addiction has become highly stigmatized. ATS, however, is typically considered less or even non addictive that is often consumed in group settings in night clubs, drawing large numbers of young people who just want to have a good time.

All intelligence that we gathered from the region points to one direction, the shift towards greater production and distribution of ATS in Southeast Asia and China has already taken place and will likely become a future supply source to North America (Ahmad 2003). High ranking officials in Beijing acknowledged that while the number of heroin addicts remained about the same and even declined, the number of ATS users has increased significantly in recent years. The recent discovery of super labs capable of producing thousands of kilograms of ice a week in Fiji, the Philippines, and Mexico was an example. There is a greater exchange of entrepreneurs with technical know-how to travel extensively and participate in the production of ATS. In contrast, heroin

production in the Golden Triangle has remained concentrated in warlord controlled territories.

These developments highlight the importance of international collaboration in developing and sharing intelligence, and carrying out investigations. More importantly, it serves the United States' interests to collaborate with Southeast Asian countries by leveraging their different legal and political systems against drug production and trafficking activities. Because of differences in political, legal and economic systems, both China and Myanmar have relied largely on draconian penal measures to pursue drug traffickers and dealers. As shown in Table 3, the sentences of the surveyed subjects revealed the severity of punishment for drug offenses in China. A large number of the sample, 42 percent, received the so-called "stayed death sentence." These convicted offenses were serious enough to warrant the death penalty but, for one reason or another, not enough to justify immediate execution.[6] Thirty-one percent of the subjects were sentenced to life in prison for their offenses, while 22 percent received a sentence of more than 10 years. Only a small number of the subjects, 5 percent, received sentences of less than 10 years. The high concentration of severe penalties in the sample was not necessarily a selection bias, because drug offenders in other provinces receive more severe punishments than their counterparts in Yunnan, which has grown accustomed to traffickers of greater quantities due to its proximity to the Golden Triangle.

One senior drug enforcement official in Beijing claimed that drug trafficking in China is now mainly for domestic consumption. In the 1980s, most drugs were transported through Guangdong Province to Hong Kong for transshipment overseas.

Very little heroin, if any, from the Golden Triangle is now transported through China to reach the U.S. market. This official noted,

> You have to look at the basic economic principles in drug trafficking. The vast distance between China and the U.S. is a major obstacle. It is just too far to be profitable for small quantities of heroin, such as 30 or 50 grams. You will have to transport large quantities, which would require significant finance and coordination.

China's firm stand against illicit drugs, together with its increasing international status, can provide an ideal platform for the United States to garner support and solicit assistance in promoting its drug policies in the region. It should be noted that the observed decline in opium poppy cultivation and the production of heroin, as noted by regional governments as well as the U.S. government, occurred independent of the rise of Afghanistan as a major supplier. In other words, the progress made in the Golden Triangle region and Southeast Asia in reducing heroin production is mostly due to regional efforts, rather than changes in the world market. However, these anti-narcotics efforts seemed unable to curtail the growth of ATS manufacturing and trafficking activities. A separate market and economy appear to have emerged in response to the regional demand for ATS.

Unfortunately, many anti-drug efforts have either been halted or disrupted because of Myanmar's political situation. Most notably, since 2000, the U.S. has practically ceased to provide any financial support to assist the Myanmar government or other international organizations working in the country in reducing opium poppy

cultivation and heroin production. The U.S.' cessation of involvement in Myanmar's anti-narcotics efforts should be reexamined. In comparison, Thailand enjoys much greater assistance (in terms of money, technology, and manpower) in its anti-narcotics efforts from the United States, when in reality, the country's drugs are almost exclusively imported from Myanmar. Such an approach may hurt U.S. interests in the long run, because it neither accelerates the downfall of the current military junta nor helps control drug production and trafficking activities. The absence of any involvement in Myanmar's anti-narcotic efforts only tarnishes the U.S. image as playing politics at the expense of legitimate law enforcement cooperation, which only further diminishes the American influence in the region.

We believe a distinction should be made by U.S. political leaders as well as policy makers between legitimate mutual assistance among law enforcement agencies and ongoing political contentions. Limited engagement and financial assistance to Myanmar, at least through third country (or the United Nations) anti-drug programs, should be explored. Additionally, the U.S. should greatly increase its technical support to regional governments in monitoring and tracking trafficking movements of ATS.

After two years of field activities and interviews with scores of law enforcement and government representatives in the Golden Triangle region, we believe that the U.S. role in combating transnational drug trafficking in this region is negligible or marginal at best. Some may argue against our recommendation for greater U.S. involvement in regional anti-narcotics efforts. After all, we do not believe that most heroin and ATS produced in the Golden Triangle region or even the larger Southeast Asia are destined for the United States, and that we have not found evidence to suggest any systematic

involvement in the drug trafficking business by terrorist organizations. But we do believe that it will not be long before Asia becomes the main supplier of ATS for the rest of the world. The greater influx of consumer products from China and other Asian countries to North America will inevitably increase the flow of illicit goods and services. The global economy and increasingly fragmented drug production and trafficking systems will ensure a convergence of drug distribution networks between Western countries and Asia. It behooves the United States not only to remain engaged but also to play an active leadership role in bringing together regional efforts in combating the production and trafficking of illicit drugs in Southeast Asia.

As for recommendations for the U.S. political leaders with regard to involvement in anti-narcotics efforts in China and Southeast Asia, there remain to be two choices. One, the United States maintains its current policy, which involves minimal involvement other than stationing drug enforcement officials in regional embassies. On the other hand, the U.S. can become more proactive in forging greater collaborations with regional law enforcement agencies and even nudging the Myanmar government to do more.

Needlessly to say, the United States is most threatened by the influx of illicit drugs from south of the border and will remain so for many years to come. However, it will be shortsighted for the U.S. authorities to remain on the sideline just because most drug trafficking activities do not have direct bearing on the U.S. domestic market. In an increasingly global environment, the commingling of drug manufacturers, traffickers, and distributors is only a matter of time.

Future Research and Comparative Analysis

To our knowledge, this is the first study of its kind and certainly has left many questions for future efforts. One important area that warrants continued effort is to accumulate empirical data on different aspects of drug traffickers and their organizations. As stated earlier, any empirical endeavor of this nature invariably suffers from the handicap of access limitations. We have made assertions and speculations about the organizational and operational characteristics of Chinese drug traffickers in the Golden Triangle region, based on the data we were able to collect. These data are skewed by our entry point into the secretive underworld, which is undoubtedly far more complex than what we were able to observe. Therefore, much greater collective work is needed for researchers to gain different entry points (either by approaching different subject populations or employing different research methods) to study drug manufacturing, trafficking, and distribution activities in Southeast Asia.

An extension of the need for additional empirical data is to explore the development and evolution of the organizational structures of transnational drug traffickers. We found most traffickers to be entrepreneurs, loosely affiliated with other like-minded people who are committed to no organizational goals or subcultures. Aside from a few stories about family members willing to sacrifice themselves for each other, most traffickers, once caught, are ready to sell out their partners.

The shift towards more fragmented markets in drug manufacturing and trafficking is likely caused by greater involvement of these entrepreneurs. Although vulnerable at individual level, the entrepreneurial dominance proves far more resistant to law enforcement interventions than any formal criminal organizations, because of their

collective ingenuity. Their learning ability relies not within any specific organization, rather in the growing process whereby surviving traffickers learn from those who are caught. Gradually, drug traffickers become more sophisticated. Understanding a criminal enterprise group's organizational structure is critical in developing effective response strategies. Such knowledge allows law enforcement agencies opportunities to identify weakness and vulnerabilities that provide better application of investigative strategies.

Another important issue for future research effort is to systematically compare how drug traffickers from Columbia and Mexico differ from those in the Golden Triangle. There have been numerous feature stories in the news media about the exploits of the Columbian or Mexican drug cartels, but little systematic research has been done on drug trafficking in South America. The same can be said about drug trafficking in Southeast Asia.

Because the social and political conditions in Colombia and Mexico are different from those in the Golden Triangle, a comparative approach will also enhance our attention to the different strategies and practices that drug traffickers employ in their business. For instance, we can examine how drug traffickers along the Myanmar-China border differ from their counterparts in Latin America in building and maintaining their smuggling routes, and how different requisites in the market place make different demands on the formation of trafficking organizations.

Recent studies on drug trafficking organizations in Latin America have produced competing explanations that illustrate the complexity of this research topic. For instance, the Medellin cartel and the subsequent Cali cartel in Colombia and the Arellano-Felix

brothers in Mexico have long been known for their large-scale international operations, their ability to influence major social institutions (such as elected offices, law enforcement agencies, and even the military), and their extensive use of violence to accomplish organizational goals (Geffray 2001; Thoumi 2002). For years, the exploits of such drug kingpins as Pablo Escobar, the Ochoa brothers, Jose Gonzalo Rodriguez Gacha, and the Arellano-Felix brothers in corrupting government officials through bribery or neutralizing state power through assassinations have created an image of large, multi-national corporations, made invincible through ruthless tactics (Godson and Olson 1995; Chepesiuk 2003). However, Zaitch (2002a) in his ethnographic study of Colombian drug traffickers in the Netherlands found that members of the drug cartels interacted with flexible and even chaotic networks of underground and international criminals. He challenged the mythical image of fixed "cartels" with homogenous, corporate-like organizations and argued that social and business networks in the cocaine enterprises were heterogeneous and flexible, and formed by relations between criminal and legal actors, settings, and businesses. The reality, as Zaitch described, was essentially an enterprise model, which contrasts significantly with what we have known about Colombian or Mexican drug trafficking organizations.

Although few empirical studies on drug trafficking have sought to advance theories on organized crime, these recent studies nonetheless have offered tantalizing evidence of interesting theoretical implications. Since all drug trafficking organizations respond to varied market constraints, it is important to explore how members of a group collectively alter organizational behavior and structural patterns to accomplish the adaptation process. In other words, we need to explore the “learning capacity” of a

trafficking organization in adapting to changes in the environment. As Kenney (1999) pointed out, in the face of persistent government efforts to eliminate them, Colombian drug trafficking organizations have proven to be innovative and highly adaptable. Kenney argued that these trafficking organizations essentially "learn" from their experience and can select response strategies based on stored knowledge, thus becoming difficult to eliminate over time. Zaitch (2002b) explored the subjective perceptions of Colombian traffickers in Rotterdam, and found that economic factors and human resources had a central impact on their key decisions, while law enforcement risks tended to be secondary.

A comparative analysis regarding how these different traffickers operate may help law enforcement agencies to better devise response strategies. By looking at the organizational structure and the political, economic, and social influences in different drug producing regions, such a comparative analysis can produce empirical guidance that either validate current law enforcement strategies or recommend alternative ones.

Endnotes

[1] In China, drug-related crimes are categorized into trafficking, sales, transportation, and manufacturing. The difference between trafficking and transportation is that the former involves the movement of drugs across borders and the latter, within China. Anyone convicted for trafficking, sale, transportation, or manufacturing of more than 1,000 grams of opium or 50 grams of heroin would receive at least a 15-year sentence, and possibly a death sentence. Drug use is not a crime in China, even though the authorities can detain a drug user for 15 days, and order drug addicts to enroll in a mandatory drug rehabilitation center or send them to a labor camp for up to three years (Ting 2004; Zhu 2004). For confidentiality reasons, we cannot reveal the name nor the location of the prison where the survey was conducted.

[2] The identification card that all mainland Chinese carry reveals the specific region where the card carrier comes from. Police arrest-statistics routinely indicate the suspect's region of residence.

[3] In 1983, confronted by a sharp upsurge in crimes across China, the Communist government, through its Ministry of Public Security, launched a nationwide campaign, called *yanda* (or severe strike), to crack down on street crimes and punish serious and chronic offenders with long prison sentences. In a nationwide effort to purge criminal elements from the urban centers, thousands upon thousands of convicted and/or repeat offenders from coastal and interior provinces were exiled to labor camps deep in the Gobi Desert in Xinjiang Province, in the far, northwest corner of China.

[4] China's Supreme Court normally does not review death penalties unless there are constitutional issues or extraordinary circumstances, such as when foreign nationals are involved. On the other hand, death penalties of Chinese citizens can only be appealed to the provincial High Court.

[5] Tan Xiaolin was arguably the biggest drug lord captured in recent years along the Myanmar-China border. In the six years of his operation, he perfected the technique of concealing drugs in trucks' gas tanks and reportedly brought two to three tons of drugs into China. At the time of his arrest in 2001, he maintained a private armed security force of 200 people in Muse, a town bordering China. He was arrested by the Burmese police and then extradited to China where he was convicted and executed in 2004.

[6] Although China hands out many death sentences each year for drug-related offenses, the majority are not carried out immediately. The stayed (or "delayed") death sentences typically carry a two-year waiting period, during which the convicted can technically still be put to death should they show no remorse for their past deeds or refuse to participate in work programs (supposedly designed to reform and re-educate these criminals). Almost without exception, these stayed death sentences are eventually converted to a life-in-prison sentence, and then to a fixed sentence varying around 20 years, as the "death-row" convicts strive to behave and try to earn sentence-reduction credits. According to prison officials as well as incarcerated inmates, the majority of these convicts will serve 18 years before they are released.

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Figure 1: The Changing Patterns of Heroin Trafficking in the Golden Triangle

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Before
Burma → Thailand → Hong Kong → International Market

Present
Burma → Yunnan → Guizhou → Guangxi → Guangdong → Hong Kong → International Market

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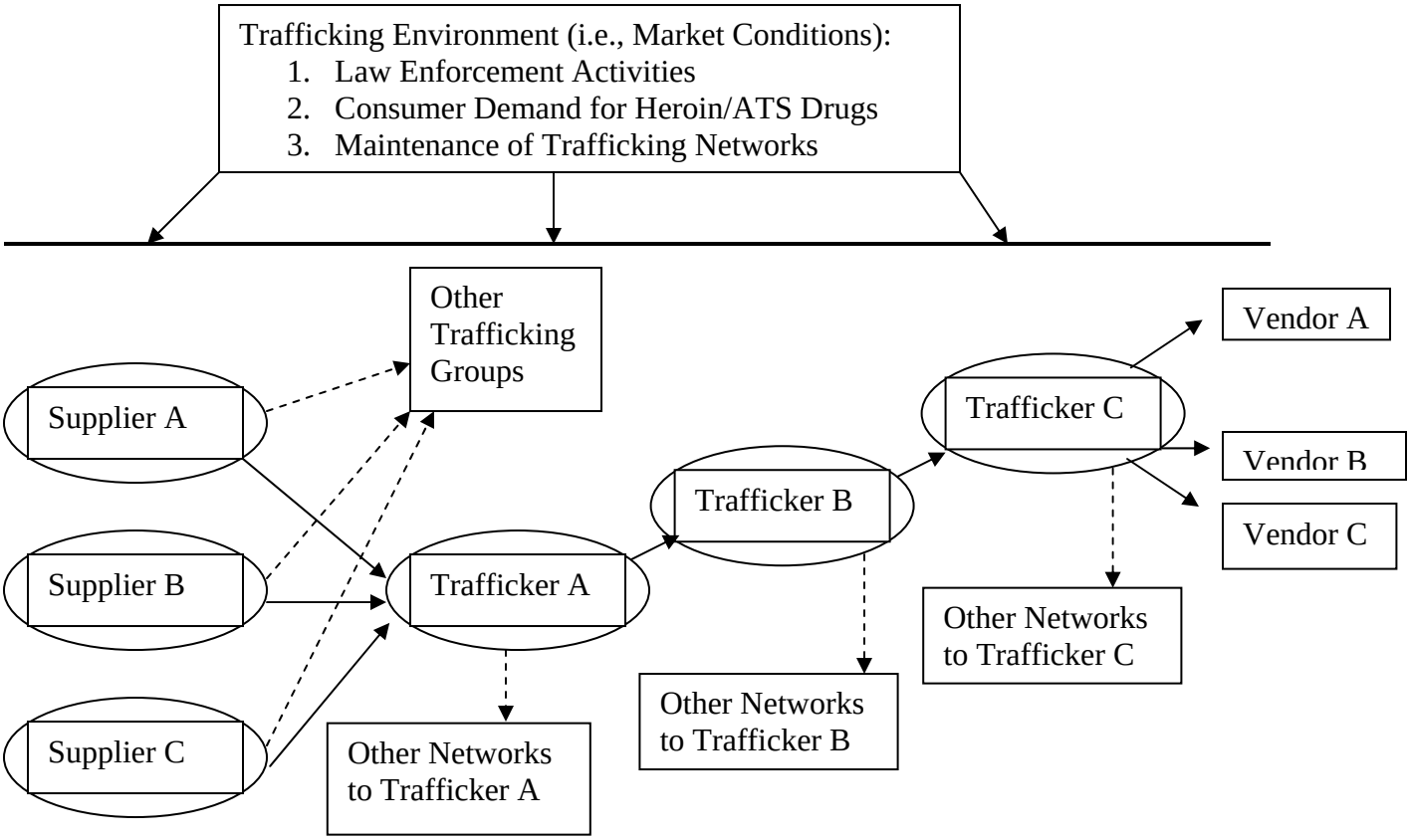
Figure 2: A Conceptual Diagram of Exploring Cross-Border Drug Trafficking Networks



Notes:

- The solid lines represent the direct connections in a trafficking network; whereas the dotted lines indicate that each trafficker within one network may maintain additional linkages to other trafficking groups.
- We assume both suppliers and traffickers respond to similar market conditions along the Sino-Myanmar border regions such as law enforcement activities and price fluctuations resulting from imbalance between supply and demand.

Table 1: In-depth Interviews by Locations

	Interview Locations			
Types of Subjects	China	Myanmar	Thailand	Hong Kong
Law enforcement officials	68	5	8	8
Drug traffickers (incarcerated)	10	1		
Drug lords		12		
Street drug dealers	39			
Drug users	25			
Community contacts	10	19	19	3
Total	*152*	*37*	*27*	*11*

Table 2: Demographic Characteristics of the Incarcerated Drug Traffickers (N=578)

Variable	Frequency	Percent
Sex		
Male	281	49
Female	297	51
Age (mean = 35.5, median and mode = 34)		
18 to 30	183	32
31 to 40	229	40
41 to 68	158	28
Martial Status		
Single	169	31
Married	244	44
Divorced	97	17
Separated	21	4
Widowed	20	4
Country of Birth		
China	453	78
Burma	121	21
Vietnam	4	1
Education		
None	107	19
Elementary	217	38
Junior High	180	31
Senior High	49	9
College	18	3
Employed?		
Yes	275	49
No	286	51
Ever arrested?		
Yes	35	6
No	527	94
Ever used drugs?		
Yes	93	16
No	471	84

Notes: Percentages are rounded and represent valid cases.

Table 3: Offenses and Sentences (N=578)

Variable	Frequency	Percent
Offense charged		
Domestic drug transportation	223	45
Cross-border drug trafficking	193	39
Distribution or sales of drug	78	16
Drugs involved		
Heroin	515	95
ATS*	10	2
Other	16	3
Place of arrest		
Street	171	35
Hotel	77	16
Car or bus	63	13
Checkpoint	55	11
Railway station	41	9
Home	34	7
Airport	29	6
Other	13	3
Sentences for current offense		
Death (stayed)	234	42
Life	172	31
10 or more years	123	22
Less than 10 years	30	5

Notes: Percentages are rounded and represent valid cases; *ATS = Amphetamine-Type Stimulants.

Table 4: Characteristics of Drug Trafficking Business (N=578)

Variable	Frequency	Percent
Sources of drugs		
From outside China	108	30
From inside China	67	18
Dealer deliver to me	192	52
Time spent in drug business		
Almost everyday	7	2
Flexible, hard to say	36	10
Rarely (only did it once or twice)	320	88
Ability to decide on price		
I was able to decide on price	76	17
Price was already decided for me	371	83
Owned other businesses		
Yes	312	59
No	216	41
Worst headache in drug business		
Can't get paid	74	16
Fear of arrest	212	46
Fear of market price crash	7	2
Fear of entrapment	86	18
Fear that family may know	86	18
Longest time in drug business (self or partners)		
One year	28	42
Two-five years	29	43
Six or more years	10	15
Income from drug business		
10k yuan or less*	88	76
Between 10k and 100k yuan	20	17
More than 100k yuan	8	7

Notes: Percentages are rounded and represent valid cases; *10k=10,000.

Appendix A: Map of China

Appendix B:

In-Prison Drug Trafficker Survey Questionnaire

I. Thank you for agreeing to be interviewed. First of all, let me ask you a few personal questions.

1. Sex: 1 . . . . Male
2 . . . . Female

2. How old are you?

_____ year-old

3. Your marital status is . . . .

1 . . . . Single
2 . . . . Married
3 . . . . Divorced
4 . . . . Separated
5 . . . . Widowed

4. Where were you born?

Country _____
Province _____
County/City _____
Township _____

5. Where would you consider to be your ancestral hometown (*juji*)?

Province _____
County _____
Township _____

6. Which ethnic group do you belong to? (PROBE: Han, Hui, Dai, Lahu, Wa, Burmese, etc.)

Ethnicity _____

7. What is your education level?

1 . . . . Illiterate
2 . . . . Self-study
3 . . . . Some elementary school
4 . . . . Elementary school graduated
5 . . . . Some junior high school
6 . . . . Junior high school graduated
7 . . . . Some senior high school
8 . . . . Senior high school graduated
9 . . . . Others (Please specify _____)

8. Do you have an occupation besides your involvement in the drug business?

1 . . . . Yes Occupation _____ Monthly income _____
2 . . . . No

II. Let me ask you a few questions about when and how were you arrested for the crime that led to your current imprisonment.

9. When were you arrested? _____ year; _____ month

10. At what place were you arrested?

City _____ County _____

11. For what offenses?

(1)._____; (1a). convicted_____; (1b). not convicted ____
(2)._____; (2a). convicted_____; (2b). not convicted ____
(3)._____; (3a). convicted_____; (3b). not convicted ____

12. What is your sentence?
_____ months (convert years to months)
(code 996 for lifers; 997 for suspended death sentence)

13. Speaking of this last incident that got you here into this prison, can you tell me what happened? (PROBE: what, where, when, what kinds of drug, and the amount of drug involved, was it just you who was arrested, anyone else in your group?)

_____
_____
_____
_____
_____

14. How many times had you been arrested before for any reason? _____times

15. (If yes to prior arrest) tell me what happened at each arrest (what, when and where).

_____
_____
_____
_____
_____

16. Have you been in prison before? _____times

III. Now, I would like to ask you a few questions about your involvement in the drug trade/trafficking. Please keep in mind that we will not share any of your information with the gongan or prison officials.

17. At what year did you start involve in it?

Year _____

18. Under what conditions did you involve in the drug trade for the first time? (PROBE: desperate for money, I was invited to get involve in it by relatives/friends, it was all accidental, I was curious about the business, I did not know I was involved in the drug trade, etc.)

_____
_____
_____
_____
_____

19. What roles did you play for your first involvement in drug trafficking/deals? (PROBE: ask respondent to describe specific activities and tasks, time and locations—how far from home or work unit or hometown.)

_____
_____
_____
_____
_____

20. How many people were directly involved in this first transaction? What is your relationship to these people, please don't tell me their names. (PROBE: relatives, friends from the same village, neighbors, etc.)

_____
_____
_____
_____
_____

21. How would you describe this first group of traffickers/dealers you were involved? (PROBE: ask respondent to describe if there were any power differentials among members of the group, who was in control and who decided issues of what, when, and where, and for how much).

_____
_____
_____
_____
_____

22. How much money did you make (or promised to make) from this first transaction?

_____ yuan

23. Did anyone from that first group get arrested? If Yes, what happened?

_____
_____
_____
_____
_____

24. From that year on, did you continuously involve in the drug trade?

1 . . . . Yes (Skip to Question #26)
2 . . . . No
3 . . . . I was arrested on my first try (Skip to Question #26)

25. If not, why did you stop in the interval?

_____
_____
_____
_____
_____

26. Tell me about this business and the people you were working with:

(a). Partner/Associate #1 (relationship, when got to know each other, what activities did he/she do? Age/gender/occupation. How long did you work together?)

_____
_____
_____
_____
_____

(b). Partner/Associate #2 (relationship, when got to know each other, what activities did he/she do? Age/gender/occupation. How long did you work together?)

_____
_____
_____
_____
_____

(c). Partner/Associate #3 (relationship, when got to know each other, what activities did he/she do? Age/gender/occupation. How long did you work together?)

_____
_____
_____
_____
_____

(d). Partner/Associate #4 (relationship, when got to know each other, what activities did he/she do? Age/gender/occupation. How long did you work together?)

_____
_____
_____
_____
_____

27. Can you describe a typical transaction you did with these business associates? Who initiated and who decided on pricing and location of delivery of goods?

_____
_____
_____
_____
_____

28. In the business right before you got into prison, how much time were you spending on trafficking drugs? Tell me what a typical day was like?

_____
_____
_____
_____
_____

29. What were some of the rules in your business? What happened when someone failed to follow these rules? What kind of punishment or sanctions would occur to this person? Give me a few examples.

_____
_____
_____
_____
_____

30. If you and your partners decided to move some drugs, who decided on the tasks each person had to do? Was there a boss who made these decisions? Did you ever get to make such decisions?

_____
_____
_____
_____
_____

31. After all this time working with your partners and associates, were you happy with them? Why did you say so? Were they capable? Punctual and reliable?

_____
_____
_____
_____
_____

32. Did you ever get in a fight or argument with your associates/partners over payment issues? Why? How was it settled? Tell me a case where you had payment disputes with your partners.

_____
_____
_____
_____
_____

33. Did you ever hire someone to help you with this business? If you did, what did they actually do for you? (PROBE: weigh the drugs, drive the cars, go to the hills to collect opium, invest money, offer protection)

_____
_____
_____
_____
_____

34. Approximately how much money did you typically make from the drug business in a year?

Maximum _____ yuan
Minimum _____ yuan

35. Tell me about your lifestyle before you got into prison. (PROBE: having mistresses, gambling heavily, maid, kids go to private schools, etc.)

_____
_____
_____
_____
_____

36. Besides drugs, are you also involved in other types of businesses?

1 . . . . Yes
2 . . . . No (Skip to Question #39)

37. If you do, what other types of businesses are you involved in?

_____
_____
_____
_____
_____

38. How much money were you making from these other businesses?

Maximum _____ yuan
Minimum _____ yuan

IV. Now I would like to ask you a few questions about the processes of the drug trade.

39. Where and how did you normally buy the drug? (PROBE: buy it in Burma, buy it from a distributor in China, wait home for sellers to come) (Interviewer: If the subject is a heroin producer, ask the subject about buying opium and precursor chemicals; if the subject is a methamphetamine producer, ask the subject about buying precursor chemicals)

_____
_____
_____
_____
_____

40. What were the most frustrating things in this business? (PROBE: Not getting paid on time, afraid of being arrested, worry that the price might go down). Give me a few examples.

_____
_____
_____
_____
_____

41. After you took in the drugs, what did you do with it before reselling it? (Probe: dilute them, repackage, hide them, etc.)

_____
_____
_____
_____
_____

42. How did you manage to sell the drug? (PROBE: Sell it in the streets, wait at home for buyers to come, sell it in the entertainment centers)

_____
_____
_____
_____
_____

43. Did you use drugs yourself?

1 . . . . No (Skip to Question #46)
2 . . . . Yes (explain what kinds, how much, methods of consumption)

_____
_____
_____
_____
_____

44. When, how, and where did you first get involved in drug use?

_____
_____
_____
_____
_____

45. Did you ever receive any types of drug treatment, and if so, how, when, and where did that happen?

_____
_____
_____
_____
_____

46. How do you see people who sell the drug to you? Tell me your general impression of people in your business. (PROBE: Good or bad impression, not easy to deal with, honest businesspeople, very good at cheating). How do you see this drug business?

_____
_____
_____
_____
_____

47. How do you see people who buy the drug from you? (PROBE: You don't have a good impression, are they honest or dishonest people, are they junkies or victims)

_____
_____
_____
_____
_____

48. How do you now feel about your involvement in the drug business; what are the pros and cons of being involved in the drug trade; what plan do you have for the future.

_____
_____
_____
_____
_____

49. Were you ever involved with a black society gang, if so, when and how did that occur?

_____
_____
_____
_____
_____

50. Were you ever involved with or supportive of a terrorist/political group, if so, when and how did that occur?

_____
_____
_____
_____
_____

51. Do you ever know anyone who does drug trafficking or dealing for political reasons, such as raising money to buy weapons or support some dissent activities in parts of China?

_____
_____
_____
_____
_____

V. Finally, I want to ask you your viewpoint on the prevention and suppression of the drug business.

52. The Chinese government has been trying to crack down on drug trafficking for many years; but it seems the problem is getting worse. How do you explain this phenomenon? How would your forecast the future of drug trafficking in China?

_____
_____
_____
_____
_____

53. My interview is completed. Is there something else you want to tell me?

_____
_____
_____
_____
_____

Interviewer: _____

Date: _____

Was the subject cooperative?

1 . . . . Very cooperative
2 . . . . Relatively cooperative
3 . . . . Not that cooperative
4 . . . . Very uncooperative
8 . . . . Not sure

Please describe the appearance, dress, and mood of the subject and the interview process.

_____
_____
_____
_____
_____
_____