[Dr Ikramul Haq](https://www.thenews.com.pk/writer/dr-ikramul-haq)

June 26, 2021

**Phony wars**

June 26 marks the International Day against Drug Abuse and Illicit Trafficking. The theme for 2021 is ‘Share facts on drugs, save lives’. According to the United Nations Office on Drugs and Crime (UNODC), nearly 210 million people are using illicit drugs such as cocaine, cannabis, hallucinogens, opiates and sedative hypnotics worldwide.

Pakistan is one of the worst-affected victims of terrorism, money laundering, drug trade, tax evasion, corruption and rent seeking. The war against terrorist networks – Islamic State in Iraq and Syria (ISIS), Al-Qaeda and the Taliban (enjoying networking with many outlawed groups that have hubs in Afghanistan, Pakistan and elsewhere) cannot be won unless their financial lifeline is destroyed. These networks are minting enormous money from voluntary donations to organised crime.

The questions that irk everybody are: where do these terrorists get so much money from? Why are the governments not serious in cracking down on unlawful transfer of funds? If banking channels are used, then why can remitters and recipients not be traced? If hawala and hundi are used for unlawful transfer of funds, why are those engaged in these unlawful activities not arrested and punished? Who is financing these terrorist networks? Who is providing them sophisticated arms and military training?

It is a well-established fact that criminals remit billions of dollars every year from bank accounts maintained in various countries. The crackdown on this enormous dirty money is the real issue – though it finds scarce coverage in the media and even military strategies to uproot terrorism that is largely fed by arms and drugs deals, at the domestic and global level.

James Petras, professor of Sociology, Binghamton University, New York, in his paper, ‘Dirty Money’ Foundation of US Growth and Empire’makes startling revelations: “There is a consensus among U.S. Congressional Investigators, former bankers and international banking experts that US and European banks launder between $500 billion and $1 trillion of dirty money each year, half of which is laundered by US banks alone".

These yearly inflows surpass all the net transfers by the major US oil producers, military industries and aircraft manufacturers. The most recent estimates (2020) are that 90 offshore jurisdictions around the world licensed about 11,000 offshore banks that control approximately $155 trillion in assets. This is the real situation on the ground, whereas we have been hearing for two decades from successive American presidents their commitment against wars against drugs and terrorism (sic). These are in reality phony wars.

President Biden has announced complete withdrawal of American and allied forces by the 20th anniversary of 9/11. Behind this is the hope of a recapture of Afghanistan by Taliban/Daesh and destabilization of the entire region for the containment of China, so as to attack its Belt and Road Initiative (BRI) – creating troubles for Pakistan vis-à-vis the China Pakistan Economic Corridor (CPEC), the flagship project of the BRI.

The 2021 International Narcotics Control Strategy Report (INCSR), annually prepared by the US Department of State, admits that: “Once the money has been laundered, it can be recycled into bona fide investments not only in real estate, hotels, etc, but also in other areas such as the services economy and manufacturing. Dirty and covert money is also funnelled into various financial instruments including the trade in derivatives, primary commodities, stocks, and government bonds and terrorists in Afghanistan and elsewhere make use of it”.

The US Financial Crimes Enforcement Network (FinCEN), according to a global exposé by the International Consortium of Investigative Journalists (ICIJ) and BuzzFeed News through FinCen Files revealed: “how a broken U.S.-led enforcement system allows banks to continue to profit from moving trillions in dirty money”. Though Pakistan made great efforts to block huge funds in the wake of 9/11 through banks, hawala and hundi, its name was put in the grey list of the Financial Action Task Force (FATF) in 2018. However, no action against India has been taken till today, even though it appears as the second biggest money launderer after the US in the FinCen Files.

Professor Petras in ‘Enormous By Any Measure’ says: “Washington and the mass media have portrayed the U. as being in the forefront of the struggle against narco trafficking, drug laundering and political corruption: the image is of clean white hands fighting dirty money. The truth is exactly the opposite”. The case of Afghanistan is no different where drug barons, through accumulation of vast assets, influence politics and cripple state institutions (the chapter ‘Norwegian Connection’ in ‘Pakistan: From Hash to Heroin’ – written by me – testifies to it).

Since the organised crime syndicates have deeply embedded tentacles and influences in the financial systems, terrorists find no difficulty in exploiting the available infrastructure. There is sufficient evidence that militant groups working against the security and stability of Pakistan generate huge funds through organised criminal activities and also get generous ‘donations’ from ‘sympathisers’ in and outside Pakistan.

In Afghanistan, just after the news of the withdrawal of US/allied forces, the Taliban/Daesh forces – with financing from drug barons and warlords – started taking over the capitals of all main provinces of the country. It is written on the wall that they will capture power once again and a second dark era of terrorism will threaten Pakistan as a step to counter the BRI.

In the face of this New Great Game, Pakistan needs to develop links with golden ring countries and forge a bloc to counter financing of terrorism and money launderers (explained in detail in ‘Pakistan Tackling FATF: Challenges & Solutions’). There is an urgent need to establish a joint team of the National Accountability Bureau (NAB), Federal Investigation Agency (FIA), Anti Narcotics Force (ANF) and Federal Board of Revenue (FBR) to book and prosecute the men and networks involved in organised crime.

Pakistan suffered massively due to terrorists and drug mafias crippling institutions and bringing millions of youth dependent on drugs. Pakistan has suffered a lot and paid a heavy price in men and material while fighting against terrorism. Determined and practical efforts are now needed to destroy the financial supply lines of organised criminal networks.

We need to make the National Counter Terrorism Authority (Nacta) an effective institution like the UK’s National Crime Agency (NCA). It is time to evaluate what happened to the National Action Plan (NAP) and 29 civil-military wings established in August 2016. These and many other questions need to be considered seriously, if we are really serious about uprooting terrorism, drug trafficking and other organised criminal activities.

The writer is an advocate of the Supreme Court and adjunct faculty at LUMS.

Email: ikram@huzaimaikram. com

Twitter: @drikramulhaq