

“How do insurgency-controlled drug economies impact state fragility and consolidation? A case study on Myanmar”

Jelte Schievels*

Abstract

A critical body of literature emerged questioning the seemingly obvious negative effects of insurgency-controlled drug economies on state consolidation and arguing that state engagement with these economies can aid state consolidation. This article engages with this literature by critically reviewing the state-building strategy of Myanmar’s government, as discussed by Patrick Meehan. The state in Myanmar engaged with the opium economy to negotiate cease-fires with major ethnic insurgencies and increase its presence. Contrary to Meehan, I argue the Myanmar state’s strategy is severely limited since it fails to address root causes of the conflict. Additionally, its specific circumstances implicate that the strategy has little theoretical applicability outside Myanmar.¹

Keywords: state consolidation, illicit economies, drugs-insurgency nexus, Myanmar, opium economy.

Introduction

Whereas traditional arguments on the ‘drugs-insurgency nexus’ focus on the seemingly obvious negative effect of drug-economies on state fragility and consolidation, a critical body of literature questions this conventional ‘resource curse’ narrative.²

¹ The state controversially changed the official name of the country from Burma to Myanmar in 1989. I use Myanmar in this article, but with no political purposes in mind.

² The term ‘drug economies’ refers to the illicit shadow economy that involves the production and trade of illegal drugs. The ‘drugs-insurgency nexus’ refers to the

Authors such as Sherman, Synder, Goodhand, and Meehan assert that drug economies can be beneficial; securing peace, fostering political order or benefitting state consolidation processes amongst others.³ The underlying logic is that insurgents can abandon their political cause in favour of their economic motives, and, as such, the profits of the drug economies can be used to forge peace.

To engage with this body of literature, this article focuses on the case of Myanmar, as discussed by Patrick Meehan, and critically reviews his arguments.⁴ This article proceeds as follows. First, I provide context on the history of illicit drug economies in Myanmar. Second, I lay out Meehan's argument as to why the illicit drug economy has fostered state consolidation. Subsequently, I challenge his thesis on three grounds. First, although Meehan does convincingly argue the state has extended its power in Myanmar, I argue the consolidation is limited. By allowing insurgencies and the Tatmadaw (the state's army) to engage in the opium economy, the government is managing rather than resolving the conflict. Second, I argue we should consider what kind of 'peace' is desirable. Although engaging with the opium economy in Myanmar might positively impact the security environment and state consolidation, it generates other negative externalities that make 'peace' undesirable. Third, I argue

complex relationship between drug economies and insurgencies, generally assuming the two positively reinforce each other. Lastly, the 'resource curse-narrative' refers to arguments by scholars such as P. Collier & A. Hoeffler, 'Greed or Grievance in Civil War,' in *Oxford Economic Papers*, Vol. 56 (2004), pp. 563-595, that claim that a resource-rich country is more susceptible to insurgencies given they present larger economic incentives for rebellion.

³ J. Sherman, 'Burma: Lessons from the Ceasefires'. In K. Ballentine and J. Sherman, *The political economy of armed conflict: Beyond greed and grievance* (Lynne Rienner Publishers, 2003), pp. 225-255; Synder (2004); J. Goodhand. 'Corrupting or consolidating the peace? The drugs economy and post-conflict peacebuilding in Afghanistan,' in *International Peacekeeping* Vol. 15 (2008), pp. 405-423; P. Meehan, 'Drugs, insurgency and state-building in Burma: Why the drugs trade is central to Burma's changing political order,' in *Journal of Southeast Asian Studies*, Vol. 42 (2011), pp. 376-404; P. Meehan, 'Fortifying or fragmenting the state? The political economy of the opium/heroin trade in Shan State, Myanmar, 1988-2013,' in *Critical Asian Studies*, Vol. 47 (2015), pp. 253-282.

⁴ P. Meehan, 'Drugs, insurgency and state-building in Burma: Why the drugs trade is central to Burma's changing political order,' pp. 376-404; P. Meehan, 'Fortifying or fragmenting the state?', pp. 253-282.

that the state consolidation in Myanmar was conditional on several factors specific to the country, limiting its applicability to other insurgency-controlled drug economies.

The Drugs-Insurgency Nexus in Myanmar

Ever since its independence in 1948, Myanmar has struggled with various ethnic groups that demand more autonomy. Hosting 135 distinct ethnic groups in the largest country in Southeast Asia, the central state has maintained poor relations with many of them. In 1962, Myanmar's military force, the Tatmadaw, overthrew the weak government and installed a junta. The Tatmadaw has fought many ethnic insurgencies, such as the Shan State Army (SSA), the Karen National Union (KNU) and the Kachin Independence Army (KIA) as well as ideological ones, most prominently the Communist Party Burma (CPB).⁵

Virtually all sides - the insurgencies, the Tatmadaw and pro-state militias - have engaged in illegal activities to generate revenue.⁶ Already since the 1960s, one of the most profitable illegal activities is the cultivation of opium. Myanmar is a world-leading producer of opium, second only to Afghanistan.⁷ Many armed groups started to allow and engage in opium cultivation in the land they control. Production has always been highest in Myanmar's border areas, such as the Shan and Kachin states, where the state historically has little power.⁸ Despite eradication efforts by the state in the 1960s, 70s and 80s, the insurgencies grew increasingly resourceful and, subsequently, powerful.⁹

⁵ V. Felbab-Brown. 'Myanmar Maneuvers How to Break Political-Criminal Alliances in Contexts of Transition.' in *Crime-Conflict Nexus Series*, Vol. 9 (2017), p. 7.

⁶ Ibid, p. 8

⁷ International Crisis Group (ICG), 'Fire and Ice: Conflict and Drugs in Myanmar's Shan State,' in *Asia Report*, Vol. 299 (2019), p. 5.

⁸ T. Kramer, 'The current state of counternarcotics policy and drug reform debates in Myanmar,' in *Journal of Drug Policy Analysis*, Vol. 10 (2016), p. 4.

⁹ V. Felbab-Brown. 'Myanmar Maneuvers How to Break Political-Criminal Alliances in Contexts of Transition, p. 8.

In the late 1980s, the hostile relationship between various insurgencies and the state radically changed. This was due to two major events which increased pressure on Myanmar's government. First, nationwide protests broke out.¹⁰ They were led by a pro-democratic movement spearheaded by Aung San Suu Kyi and the National League for Democracy (NLD). Second, in 1988, the CPB splintered along ethnic lines, giving birth to four separate ethnic insurgencies. Fearing the momentum of the pro-democratic movement, the Tatmadaw negotiated ceasefires with the insurgencies to stop the insurgencies from joining forces with the pro-democratic movement.¹¹ Key in these negotiations was the state's approval of the opium activities of the ethnic insurgencies, in return for a cessation of most violence. The ceasefires crucially improved security by giving the insurgents material incentives to quit their political struggle.¹² Moreover, the ceasefires formed the basis for further political engagement and normalisation of the relations between Myanmar's state and the ethnic insurgencies.¹³

Myanmar as an Example Within the Critical Drugs-Insurgency Literature

This remarkably positive political engagement led scholars to study the role of opium in the state's interaction with the insurgents.¹⁴ Myanmar became a central case study in the critical drugs-insurgency literature. Various authors argued that Myanmar illustrates that illicit drug economies can foster political stability and aid peace. Snyder, for instance, discussed Myanmar to support his argument that the

¹⁰ P. Meehan, 'Fortifying or fragmenting the state?', pp. 264-265.

¹¹ *Ibid.*

¹² V. Felbab-Brown. 'Myanmar Maneuvers How to Break Political-Criminal Alliances in Contexts of Transition, pp. 8-9.

¹³ State consolidation in Myanmar primarily concerns building and strengthening state institutions in areas in which the state traditionally had a weak presence so that Myanmar's state can exert its authority. Examples are increased military presence, co-opting local elites and controlling economic activity.

¹⁴ See J. Sherman, 'Burma: Lessons from the Ceasefires', pp. 225-255; P. Meehan, 'Fortifying or fragmenting the state?', pp. 253-282.

government can secure peace if it co-opts insurgents by building 'institutions of joint extraction'¹⁵, in which the insurgents and government share the profits of lootable resources. Sherman argued the economic self-interest of insurgents made cease-fire agreements in Myanmar 'attractive and relatively durable'¹⁶, which was naturally based on the importance of opium.

Meehan, focusing on the opium economy in the Shan State specifically, extended these arguments by arguing that the drug economy did not merely facilitate peace, but presented several unique opportunities for state consolidation.¹⁷ First, the government centralised the means of extraction through taxing and engaging in the opium economy. Therewith, it can finance its military to extend its power. Second, it centralised the means of violence by entering into forms of 'negotiated governance'. Essentially, the government 'buys' the loyalty of militias and powerful local elites by allowing them to cultivate and trade opium.

Meehan gave a few convincing examples of how Myanmar's state has concretely consolidated power through its engagement in the opium economy.¹⁸ He mentioned how cease-fires with various insurgent groups have facilitated a greater and more concentrated Tatmadaw presence. This greater military presence is largely financed with drug money and local taxation of the opium economy. Moreover, its involvement in the opium economy has given the state leverage vis-à-vis the insurgents and local elites, who are dependent on the state for their opium operations. This relative position of power has allowed the state to enter into alliances with local militias in a form of

¹⁵ R. Snyder, 'Does Lootable Wealth Breed Disorder? A Political Economy of Extraction Framework,' in *Comparative Political Studies*, Vol. 39 (2006), pp. 943-968.

¹⁶ J. Sherman, 'Burma: Lessons from the Ceasefires', p. 226.

¹⁷ P. Meehan, 'Drugs, insurgency and state-building in Burma: Why the drugs trade is central to Burma's changing political order,' pp. 376-404; P. Meehan, 'Fortifying or fragmenting the state?', pp. 253-282.

¹⁸ Admittedly, Myanmar's state and the Tatmadaw cannot be simply equated with each other. Particularly in Myanmar, these are separate but heavily interlinked institutions (See Callahan, M. 2005. *Making enemies: war and state building in Burma*. Ithaca: Cornell University Press). For the purpose of this article, however, I equate increasing Tatmadaw influence with state consolidation.

'negotiated statehood'¹⁹, to co-opt local elites into the state party²⁰, to divert drug money inwards through state-led money laundering²¹ and to increase border control. As such, the ceasefires have enabled state consolidation in border areas of Myanmar, increasing the ability of the state to exert its authority.

Crucially, Meehan argued these findings are not limited to Myanmar, but indicate 'illicit drug economies can become embedded in processes of conflict reduction and state consolidation'²², displaying that 'mainstream discourse on the political economy of drugs [which] has emphasised the negative correlation between drug production and state capacity (...) is deeply flawed.'²³

Critique 1: The limitations in Myanmar

Despite the unquestionable merit in Meehan's argument, I argue that Myanmar's state consolidation is limited and remains fragile. Even three decades after the initial cease-fires, the state remains unable to defeat the insurgencies and establish a secure environment in which it can control local populations.²⁴ It has been shown that there are multiple actors, apart from the Tatmadaw, that exert power in the Shan State. These spaces, coined as 'mosaics of territorial control' by Maclean, are complicated and locally-defined political orders comprised of multiple layers of government, all composed of different sets of actors.²⁵ Rather than viewing parts of the Shan State as government-controlled, it is more fitting to characterise the state as sharing the political orders with existing local

¹⁹ P. Meehan, 'Fortifying or fragmenting the state?', p. 272

²⁰ Ibid, p. 274

²¹ Meehan (2011), p. 398

²² P. Meehan, 'Fortifying or fragmenting the state?', p. 253.

²³ P. Meehan, 'Drugs, insurgency and state-building in Burma: Why the drugs trade is central to Burma's changing political order,' p. 376.

²⁴ P. Meehan, 'Fortifying or fragmenting the state?', p. 272.

²⁵ K. MacLean, 'Sovereignty after the Entrepreneurial Turn: Mosaics of Control, Commodified Spaces, and Regulated Violence in Contemporary Burma,' in Joseph Nevins and Nancy Lee Peluso, *Taking Southeast Asia to Market: Commodities, Nature, and People in the Neoliberal Age* (Cornell University Press, 2008), p. 156.

powerbrokers.²⁶ The state's presence is dependent on consent of local groups, bought with opium. State consolidation is thus not merely enabled though engagement in the opium economy as Meehan claims; it relies on the existence and continuation of the opium economy. This severely limits Myanmar's state consolidation in three ways.

First, the state's participation in the illicit drug economy results in the loss of legitimacy, both domestically and internationally. Meehan himself points out that the domestic population has blamed the government for opium-related social issues.²⁷ The ethnic tensions in Myanmar only worsen this sentiment, since it is suspected the state's *laissez-faire* drug policy is based on the motivation to harm other ethnicities. Moreover, international states and agencies have been increasingly critical of Myanmar, as they too have realised much of their domestic drug problems originate in the Shan State.²⁸ China has pressured Myanmar since the early 2000's to intensify its counternarcotic efforts.²⁹ More recently, reports have noted China, ASEAN and the West have expressed concerns over the drug economy and demand a reduction in opium production.³⁰ All these developments indicate that both domestic and international audiences condemn the state's engagement in the opium economy, which damages its' legitimacy.

Second, and most importantly, there is an inherent contradiction between the interests of further state consolidation and

²⁶ Again, it is important to note that the Tatmadaw's interest also do not necessarily align with the government's. Many 'government controlled areas' only allow access to military personnel: humanitarian agencies, local aid workers and law-enforcement are averted to protect their opium operations (ICG 2019, p. 6-13). This dynamic is reinforced since the Tatmadaw in this region receives little support of the central government and is required to live off the land (P. Meehan, 'Fortifying or fragmenting the state?', p. 269).

²⁷ P. Meehan, 'Fortifying or fragmenting the state?', p. 278.

²⁸ Economist (2018) Economist, 'Methamphetamines from Myanmar are causing problems across Asia,' in *The Economist* (15th December 2018)

²⁹ V. Felbab-Brown. 'Myanmar Maneuvers How to Break Political-Criminal Alliances in Contexts of Transition, p. 5.

³⁰ T. Kramer, 'The current state of counternarcotics policy and drug reform debates in Myanmar,' p. 10; E. Stepanova, *Addressing Drugs and Conflicts in Myanmar: Who Will Support Alternative Development?* (Stockholm International Peace Research Institute, 2009).

the interests of groups engaged in illicit drug economies. This is where the crux of the problem in Myanmar lies: the state acknowledges that, at some point, it must defeat the remaining insurgents to increase its presence, but opium prevents the demobilisation of the insurgencies as much as it enabled the cease-fires. To understand this argument, we first have to realise that the current state consolidation has actually facilitated an increase in drug-related income for the insurgencies.³¹ The cease-fires lowered levels of violence, but in return, the largest insurgencies (such as the United Wa State Army (UWSA), SSA and KIA) essentially received autonomous and safe rule in return.³² Almost all opium cultivation in 2008 was located in areas controlled by insurgency and ceasefire groups.³³ It allowed the insurgents to build up political influence over significant areas and finance their operations.³⁴ The cease-fires provided what the International Crisis Group (ICG) terms 'predictable insecurity: production facilities can be hidden from law enforcement and other prying eyes but insulated from disruptive violence.'³⁵

The problem is that the initial state consolidation, such as increased military presence and the co-optation of local elites into the state party structure, did not require an attacks on the opium economy. At this point, however, opium economy hinders further state consolidation. The remaining insurgencies refuse to give up control over their land and armies, both of which are namely crucial for their opium activities.³⁶ This conflicts with the interests of the state to fully stabilise the area and expand state power. It must demobilise the insurgents and force them to give up territory.

³¹ This is why the rebel groups agreed to cease-fire and increased state presence in the first place.

³² ISD (2018), pp. 37-40; A. Behera, 'Insurgency, drugs and small arms in Myanmar,' in *Strategic Analysis*, vol. 41 (2017), pp. 39-40

³³ United Nations Office of Drugs and Crime (UNODC), *Myanmar Opium Survey 2008* (UNODC, 2008).

³⁴ B. Routray, *Narco Economy in Myanmar: From Opiates to ATS* (ISPSW Strategy Series, 2018); UNODC, *Myanmar Opium Survey 2008*; A. Behera, 'Insurgency, drugs and small arms in Myanmar,' pp. 39-40

³⁵ ICG, 'Fire and Ice: Conflict and Drugs in Myanmar's Shan State,' p. 8.

³⁶ *Ibid.*, p. 18.

This tension has resulted in an escalation of violence after 2008, when the government demanded that the insurgencies would integrate into the Tatmadaw by transforming them into Border Guard Forces.³⁷ The insurgencies resisted, however, and violence broke out. It illustrates that the dynamic has changed. The initial increased state presence, which was dependent on rebel consent, was profitable for the insurgencies as they could freely focus on opium cultivation in return. A state attempting to co-opt groups into their army and control the Shan State, however, conflicts with the interests of the insurgencies. These developments deviated from their initial agreement and was thus understandably met with resistance after decades of relative peace.

Third, the state's strategy to base the cease-fires on opium concessions fails to address key drivers of conflict that increase the chance of relapsing into conflict. As Kramer writes, the government is 'managing the conflict rather than resolving it.'³⁸ Surkhe points out six points of vulnerability in a post-conflict context, that have been recognised within the state-building literature to threaten peace: inadequate Disarmament Demobilisation and Reintegration (DDR), existence of an illegal economy, property disputes, a failing justice sector, continuing targeted violence, and unrealistic peace ambitions.³⁹ It is clear that the state-building strategy in Myanmar leaves many of these issues unaddressed. For instance, most insurgencies are still active and fully operational, despite being in a current agreement with the Tatmadaw. The existence of an illegal economy and targeted killings is similarly threatening sustainable peace.

Moreover, the current strategy fails to address the political grievances of the insurgents. It relies on the state convincing the rebel

³⁷ D. Brenner, 'Ashes of co-optation: from armed group fragmentation to the rebuilding of popular insurgency in Myanmar.' *Conflict, Security & Development*, vol. 15 (2015), pp. 343.

³⁸ T. Kramer, 'The current state of counternarcotics policy and drug reform debates in Myanmar,' p. 5.5

³⁹ M. Berdal & A. Surkhe. *The Peace in Between: Post-War Violence and Peacebuilding* (Routledge, 2012), p. 19.

elite to abandon their political cause for economic incentives. A recent escalation of violence demonstrates the limitations of this approach. In a study to the Kachin Independence Organisation, Brenner demonstrates that the failure to address their political grievances resulted in a revival of the insurgency after long periods of cooperation with the Tatmadaw.⁴⁰ He argued that the leadership lost internal legitimacy after agreeing to economic concessions offered by the state, which resulted in popular resistance and a change in leadership. The group is currently still fighting the state.

Critique 2: Undesirable Peace

We must critically consider what kind of peace is desirable in Myanmar. Many scholars in the state-building literature have previously asked what peace constitutes, and perhaps more importantly, what it should constitute.⁴¹ This debate is relevant to Myanmar too, as Meehan equated Myanmar's state-building strategies with conflict reduction. But Meehan failed to address what kind of 'peace' is being built, and whether this is desirable. I argue the current peace is not desirable: the increasing state presence diminishes local agency to influence economic and political structures, often to the benefit of (inter)national business actors and political elites without much consideration for the local interests.

Felbab-Brown has previously shown that state policies concerning drug economies often have effects beyond the drug economy itself, including various negative externalities.⁴² Particularly considering the violent history of the Tatmadaw, it is no surprise that

⁴⁰ D. Brenner, 'Ashes of co-optation: from armed group fragmentation to the rebuilding of popular insurgency in Myanmar.' pp. 337-358.

⁴¹ See for instance: C. Call, 'Knowing peace when you see it: Setting standards for peacebuilding success,' *Civil Wars*, Vol. 10 (2010), pp. 173-194; E. Newman, 'A human security peace-building agenda,' in *Third World Quarterly*, Vol. 32 (2011), pp. 1737-1756; K. Lidén, R. Mac Ginty & O. Richmond, 'Introduction: beyond northern epistemologies of peace: peacebuilding reconstructed?' in *International peacekeeping*, Vol. 16 (2009), pp. 587-598.

⁴² V. Felbab-Brown, 'Organized Crime, Illicit Economies, Civil Violence & International Order: More Complex Than You Think,' in *Dædalus* Vol. 146 (2017), pp. 98-111.

its state consolidation strategy has engendered various negative externalities.

Increased state presence has paved the way for greater economic exploitation of the region. In what Kevin Wood termed 'ceasefire capitalism', Myanmar's state has cooperated with rebel elites and (trans)national finance capital to dominate the political and economic life of the Shan State.⁴³ The deals made with drug lords paved the way for growing drug operations without the risk of law enforcement acting. Moreover, the state has used their increasing power in the Shan State to facilitate deals with prominent Chinese companies that exploit natural resources in the provinces, such as rare gems, timber and rubber.⁴⁴ These businesses often rely on security protection from the Tatmadaw, or friendly insurgents or militias, to carry out their operations. As such, the increased state presence has benefitted the economic interests of a few groups; Myanmar's state and the Tatmadaw, rebel elites and large international companies.⁴⁵

Unfortunately, these economic activities have caused severe damages to the environment and local populations. Many local communities in the Shan State resort to opium cultivation out of poverty and a lack of licit economic alternatives. Although opium provides a much-needed source of income, the drug cultivation harms these communities in other ways. For instance, the opium economy negatively impacts food security in the Shan State.⁴⁶ Moreover, the state's activity in the Shan State is trailed with human rights violations, part of which are in direct relation to the opium economy. The state has moved or closed major opium operations to satisfy

⁴³ K. Woods, 'Ceasefire capitalism: military-private partnerships, resource concessions and military-state building in the Burma-China borderlands,' in *Journal of Peasant Studies*, Vol. 38 (2011), pp. 747-770.

⁴⁴ V. Felbab-Brown. 'Myanmar Maneuvers How to Break Political-Criminal Alliances in Contexts of Transition, p. 10.

⁴⁵ It must be said that in recent years, Myanmar's government has adopted various policies that create a more equal playing field in these regions. For more info, see V. Felbab-Brown. 'Myanmar Maneuvers How to Break Political-Criminal Alliances in Contexts of Transition.

⁴⁶ N. Htwe, 'Opium fight fuels food insecurity,' in *Myanmar Times*. (9th July 2012). <https://www.mmtimes.com/national-news/490-opium-fight-fuels-food-insecurity.html>

Chinese demands without any consideration for local populations, for instance forcefully displacing 50,000 farmers away from their homes.⁴⁷ Other violations are not directly related to the opium economy, but are part of the ongoing war against non-compliant ethnic minorities, in which the Tatmadaw has burned down houses, raped and tortured civilians and made use of child soldiers.⁴⁸ Similar violence has contributed to the huge amount of internally displaced people in Myanmar too.⁴⁹

Moreover, many communities struggle with high rates of drug addiction.⁵⁰ The inaction of Myanmar's state against drug production has obviously created a substantial supply of drugs, and communities lack the knowledge and services to effectively combat addiction. Many users contract HIV and hepatitis C, and the government is often blamed by the communities for mistreating addicts and purposefully dismissing the issue.⁵¹

Critique 3: Assessing the theoretical implications

Meehan asserts that his arguments with regards to Myanmar have wider applicability, and accuses the mainstream discourse of being too 'dogmatic.'⁵² Although there is truth in his latter point, I argue the former is untrue. The positive relation between state capacity and the drug economy in Myanmar was based on a specific set of conditions that are unlikely to be found elsewhere. To demonstrate this, I will compare Myanmar with Afghanistan and Colombia, the two most notable examples of the drug-insurgency nexus.

⁴⁷ Ibid.

⁴⁸ Human Rights Watch, 'Burma: Army Attacks Displace Thousands of Civilians.' (14th August 2009). <https://www.hrw.org/news/2009/08/14/burma-army-attacks-displace-thousands-civilians>

⁴⁹ ICG, 'Fire and Ice: Conflict and Drugs in Myanmar's Shan State,' (2019). p. 13

⁵⁰ Drug Policy Advocacy Group Myanmar, *Addressing drug problems in Myanmar: 5 key interventions that can make a difference* (Transnational Institute, 2017).

⁵¹ T. Kramer, 'The current state of counternarcotics policy and drug reform debates in Myanmar,' p. 8.

⁵² P. Meehan, 'Drugs, insurgency and state-building in Burma: Why the drugs trade is central to Burma's changing political order,' p. 377.

One of the important underlying conditions of Meehan's argument is that economic incentives take primary importance within an insurgency. Meehan argued that insurgencies were willing to accept increased state presence mainly for the economic benefits of continuing their opium activities. The 'narcotisation' of insurgencies is widely discussed, resonates within the policy community.⁵³ Nevertheless, this view is heavily criticised within the academic community for being an oversimplification of the complex linkages between drugs and insurgents. Both the FARC and the Taliban are good examples demonstrating that drugs remain a means to a political end.

In the case of the FARC, the framing of the insurgents as a narco-insurgency has conveniently suited the political agendas of its opponents, such as former President Uribe. Elected on a platform focused on fighting the FARC, referring to them as 'narco-terrorists' enabled Uribe to ignore their legitimate political grievances.⁵⁴ Yet, scholars have repeatedly pointed out that the FARC used coca as a means rather than an end.⁵⁵ The drug money of course provided the insurgents with financial resources, but these were directed to its military struggle rather than its members.⁵⁶ The FARC has strictly regulated the drug trade, even punishing senior leaders that wanted to benefit personally.⁵⁷ Moreover, engaging in the coca-industry

⁵³ For instance, current US airstrikes against the Taliban often target drug laboratories to hurt their finances flow. For a more elaborate discussion on this myth, see V. Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs*, (Brookings Institute, 2010).

⁵⁴ S. Brodzinsky, 'Colombia's peace deal rejection returns Álvaro Uribe to political limelight' in *The Guardian* (7th October 2016).

⁵⁵ M. Jonsson, E. Brennan & C. O'Hara. "Financing War or Facilitating Peace? The Impact of Rebel Drug Trafficking on Peace Negotiations in Colombia and Myanmar," in *Studies in Conflict & Terrorism*, Vol. 39 (2016), pp. 542-559; V. Felbab-Brown, 'The coca connection: Conflict and drugs in Colombia and Peru,' in *Journal of Conflict Studies* Vol. 25 (2005), pp. 104-128.

⁵⁶ M. Jonsson & E. Brennan, 'Drugs, guns and rebellion: A comparative analysis of the arms procurement of insurgent groups in Colombia and Myanmar,' in *European Journal on Criminal Policy and Research*, Vol. 20 (2014), pp. 307-321; M. Jonsson, E. Brennan & C. O'Hara. "Financing War or Facilitating Peace?" p. 547.

⁵⁷ M. Jonsson, E. Brennan & C. O'Hara. "Financing War or Facilitating Peace?" p. 547.

served political functions. It greatly improved relations with the local population and allowed greater variation of tactical options.⁵⁸

Additionally, FARC's involvement in the coca industry was quickly resolved in the recent peace negotiations. In an article assessing the impact of illicit drug economies on the prospects for peace, Jonsson, Brennan & O'Hara compare peace negotiations in Colombia to those in Myanmar.⁵⁹ Although they argue that in both cases the illicit drug economies did not hinder the peace process, and even aided it in Myanmar, the authors note a difference in explaining why. Contrary to Myanmar, where peace was facilitated by the rebel's economic incentives, they find that in Colombia, the FARC's ideology ensured the drug economy was a limited challenge. In the peace negotiations, the FARC were willing to cease their drug activity as long as they achieved political success and alternative sources of income. In conclusion, coca was of incredible economic importance for the FARC, but it would be short-sighted and incorrect to argue these interests superseded the FARC's political cause.

Similarly, in Afghanistan, despite the prevalence of opium cultivation in Taliban strongholds Helmand and Kandahar⁶⁰, it would be hard to imagine the Taliban abandoning their ideological cause for opium profits. Although the entire Taliban certainly profits from opium, the relation between the insurgents and the drugs is quite complex. Perhaps even more so than in Colombia and Myanmar, opium cultivation in Afghanistan is driven by complex localised social, political and economic dynamics.⁶¹ The opium crop has unique benefits for impoverished local farmers in that it is profitable, drought-resistant and easily traded, making it particularly appealing in insecure, conflict-torn areas.⁶² The farmers, rather than the insurgents, are thus an important driver of cultivation. It is

⁵⁸ V. Felbab-Brown, 'The coca connection: Conflict and drugs in Colombia and Peru,' pp. 104-128.

⁵⁹ M. Jonsson, E. Brennan & C. O'Hara. "Financing War or Facilitating Peace?"

⁶⁰ UNODC, *Opium Survey Afghanistan* (UNODC, 2018).

⁶¹ For excellent discussion, see D. Mansfield, *A State Built on Sand*. (Hurst Publishers, 2016).

⁶² P. Fishtein, *Despair or Hope: Rural Livelihoods and Opium Poppy Dynamics in Afghanistan*, (Afghanistan Research Evaluation Unit, 2014)

furthermore important to recognise the Taliban controls many areas that do not engage in illicit drug activities.⁶³ And lastly, its engagement in sophisticated forms of shadow governance are an important indicator of its political ambitions that, again, take prevalence over economic incentives.⁶⁴

A second important condition underlying Meehan's argument is that insurgents are fragmented and weak. This condition was met in Myanmar, where the insurgents were weakened, war-weary and splintered, mainly as a result of the collapse of the CPB in 1989.⁶⁵ For instance, the Shan State Army (SSA) heavily relied on the CPB for supplies, and were subsequently weakened after its dissolution.⁶⁶ Initially, these factors significantly aided the government in signing cease-fires with the insurgencies, an opportunity rightfully exploited in Myanmar but hard to find elsewhere. Both the Taliban and the FARC have proven resilient insurgencies, whilst facing stronger and more resourceful counterinsurgents than the insurgents in Myanmar. Admittedly, the Taliban and the FARC are not uniform rebellions, and have been characterised as localised insurgencies.⁶⁷ Nonetheless, both groups do have a stronger leadership exercising control over the organisation, have a uniform ideological base from which they operate and the local branches share collective objectives.

Additionally, the fragmentation of the various insurgencies is a crucial facet of Meehan's argument, in that it allowed the state to play insurgencies out against each other.⁶⁸ It forges alliances through a stick-and-carrot approach: work together with the Tatmadaw and it will protect your interests; refuse cooperation and the army will target your operations.⁶⁹ This strategy is, however, only viable when

⁶³ Most notably in the northern provinces.

⁶⁴ A. Jackson, *Life under the Taliban Shadow Government*. (Overseas Development Institute, 2018).

⁶⁵ J. Sherman, 'Burma: Lessons from the Ceasefires', p. 230.

⁶⁶ P. Meehan, 'Fortifying or fragmenting the state?', p. 265.

⁶⁷ V. Eccarius-Kelly, 'Surreptitious Lifelines: A Structural Analysis of the FARC and the PKK,' in *Terrorism and Political Violence*, Vol. 24 (2012), pp. 235-258; P. Thruelsen, 'The Taliban in southern Afghanistan: A localised insurgency with a local objective,' in *Small Wars & Insurgencies*, Vol. 21 (2010): pp. 259-276.

⁶⁸ P. Meehan, 'Fortifying or fragmenting the state?', pp. 273-277.

⁶⁹ *Ibid.*

multiple insurgencies are actively competing with each other for the opium production, and aided by the fact that some have long-lasting rivalries and differing political objectives. The Taliban and FARC do not face similar internal tension.⁷⁰ Moreover, both insurgencies are not as involved and dependent on their drug activities, rendering similar dynamics unlikely.

A last important condition is the absence of international pressure to crack down on drug activity within a state's border. The United Nations Office for Drugs and Crime (UNODC) – established to fight illicit drugs and international crime – and the US have been on the forefront of the War on Drugs, shaping international guidelines and principles that heavily condemn illicit drug economies.⁷¹ Despite the recent increase in international pressure as previously mentioned, for the majority of the last three decades Myanmar's state has been able to carry out its drug policies in relative autonomy. Contrastingly, Colombia and Afghanistan have been unable to escape the international pressure to address its drug economy. The War on Drugs has influenced the policy community, asserting that drugs are inherently bad and should be eradicated. Policy makers are even willing to compromise on success in other domains, such as security and development, to fight drug cultivation. In Afghanistan, counternarcotic policy hindered counterinsurgent operations by agitating the local population, for instance.⁷² Similarly, the prevailing view within the US government regarding Colombia was that the drug economy sustains and enhances the conflict.⁷³ Consequently, the dominant policy response has been crop eradication in both

⁷⁰ Although one could argue that the use of the right-wing paramilitaries by the Colombian state is rather similar to the situation in Myanmar.

⁷¹ UN, General Assembly (1998).

⁷² V. Felbab-Brown, *No Easy Exit: Drugs and Counternarcotics Policies in Afghanistan*, (Brookings Institute, 2016).

⁷³ A. Guaqueta, 'Change and continuity in US-Colombian relations and the war against drugs,' in *Journal of Drug Issues*, Vol. 35 (2005).

countries.⁷⁴ The national government actively partaking in the illicit drug economy, like in Myanmar, would not be permitted.

Conclusion

The drugs-insurgency nexus is an extremely complicated and sensitive phenomenon. Whilst recognising the empirical and theoretical limitations of Meehan's argument, we should welcome the body of critical literature he is part of. The drugs literature is full of misconceptions, and Meehan's study does highlight the problems inherent in viewing drugs as necessarily bad. Drugs are neither good, nor necessarily bad. The illicit drug economy impacts many, particularly in impoverished areas, and what is good for some can be bad for others. Nevertheless, this article established that illicit drug economies and its connection to crime and rebellion will always limit state consolidation, cautioning for too much optimism. Importantly, even if it successfully reduces violence, the strategy can generate other negative externalities that make the 'peace' undesirable. Moreover, it demonstrated the drug-insurgency nexus is ingrained within local political economies, which limits the applicability of state strategies to other contexts.

In continuing to explore the linkages between illicit drug economies and state capacity, it is crucial to acknowledge the local and context-specific dynamics within drug economies.⁷⁵ One key insight arising from this article is that insurgents are autonomous actors that shape state capacity as much as states do. They are driven by external and internal dynamics, and play a vital part in creating political and economic order. Therefore, engaging with ideas from complementary literature can help our understanding of this issue. Recent work by Cheng, for instance, examines the governance structures extra-legal

⁷⁴ V. Felbab-Brown, 'The coca connection: Conflict and drugs in Colombia and Peru'; V. Felbab-Brown, *No Easy Exit: Drugs and Counternarcotics Policies in Afghanistan*; D. Mansfield, *A State Built on Sand*.)

⁷⁵ V. Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs*.

groups build whilst engaging in resource extraction.⁷⁶ Similarly, broader literature on rebel governance poses crucial questions on how insurgents construct legitimacy, interact with the local population and interact with the state in forms of 'negotiated statehood'.⁷⁷ A political economy approach studying the drugs-insurgency nexus can benefit from the local focus that is central in these approaches.

⁷⁶ C. Cheng, *Extralegal Groups in Post-Conflict Liberia: How Trade Makes the State*, (Oxford University Press, 2018).

⁷⁷ A. Arjona, N. Kasfir & Z. Mampilly, *Rebel governance in civil war* (Cambridge University Press, 2015); P. Staniland, 'States, insurgents, and wartime political orders,' in *Perspectives on politics*, Vol. 10 (2012), pp. 243-264.