

Chapter 1

Introduction



The fight against organized crime and especially the drug mafia is surprisingly reminiscent of Hercules' fight with the Lernaean Hydra in the old Greek mythology. The Hydra was a poisonous monster living in Lake Lerna in the Peloponnes, described as a water-snake-like creature with

nine heads. If one head was cut off, two new heads immediately emerged from the fresh wound. This ancient story seems to describe rather well the unsuccessful worldwide efforts of fighting the criminal drug gangs with policing methods and the available legal instruments. But the Greek mythology also had a positive ending for the fight. Hercules, the super-hero of antiquity, eventually managed to defeat the Hydra with the help of his nephew Iolaus, who cauterized the hydra's wounds with a torch and thus prevented the growth of new heads to eventually kill the monster.

Southeast Asia, after being drawn by outsiders into opium consumption and trafficking, is by now the leading producer and exporter of methamphetamines. The trade value of methamphetamines in the Mekong sub-region is estimated at over 40 billion USD a year, and the amphetamines have a similar trade volume of between 30 and 60 billion USD according to the United Nations Office on Drugs and Crime (UNODC). The regional syndicates are cooperating with transnational criminal organizations like the Japanese Yakuza, Vietnamese and Nigerian gangs, and Colombian cartels to market the drugs worldwide.¹ This present state of calamity has long historical roots. Southeast Asia has been flooded with opium since the beginning of the 19th century and later developed the opium production in the Golden Triangle. Putting this development into a historical, economic, and political perspective is the aim of this book.

After all which is known about the dangers of narcotics, addiction, and abuse, including the hundreds of thousands of users killed by an overdose every year, the international community has tried to cooperate in an effort to reduce or even ban illicit drugs altogether. On 21 February 1971, seventy-one UN members, including Burma, China, and Thailand, signed the Convention on Psychotropic Substances, a treaty to control psychoactive drugs, such as amphetamine-type stimulants, barbiturates, benzodiazepines, and psychedelics. In addition, the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, signed in 1988 by 191 nations, regulates the trade with precursor chemicals and contains provisions against money laundering and other drug-related crimes. As mentioned above, despite all these efforts, the criminal narcotics industry has continued to grow and prosper, and the number of drug users and addicts has multiplied exponentially.

On a cautiously more optimistic note, the recent successful detentions of top kingpins may show the direction where the international police

¹ *Channel NewsAsia* (CNA), 9 February 2021.

efforts might prevail. The International Criminal Police Organization (ICPO), commonly known as Interpol, with its headquarters in Lyon, France, has branches in Bangkok and Singapore, and the cooperation with Europol and national police organizations in the region works well. Insofar, the 22nd of January 2021 may be a turning point in the 200-year long history of drug production, drug trading, drug abuse, drug smuggling, and hunt for traders and smugglers in Southeast Asia. But it may as well remain a mere episode in this endless cat-and-mouse game between all sorts of criminals, from petty traders to the biggest type of organized crime organization, huge international drug syndicates and their networks. On that day in January at Amsterdam's Schiphol Airport, the Dutch police caught and detained the biggest "fish" in decades, one of the most-wanted international criminals, the alleged kingpin of a drug empire which made an estimated profit of between 8 and 17 billion USD a year as of 2018. Some estimates even go up to 70 billion USD per year. The manhunt took years and the concerted effort of about twenty police and anti-drug agencies in a dozen countries. The man's name is Tse Chi Lop and his empire is called "Sam Gor" or simply "The Company". Tse was born in Guangzhou in 1963, emigrated to Toronto, Canada, in 1988, acquired Canadian citizenship there, and soon joined the "Big Circle Boys" gang, a triad which originated in the 1970s in Hongkong. After serving 9 years in prison for smuggling heroin into the USA, from about 2010, he quickly rose up the ranks due to a number of new business methods and by forging a huge network of criminal organizations which turned the production and distribution of methamphetamines into an efficient industry. Members of the Sam Gor network, a real crime super-syndicate, are more traditional triads from Hongkong and Macau like the 14K, the Bamboo Union, the Big Circle Boys, the Sun Yee On, and the Wo Shing Wo. Affiliated partners are the Japanese Yakuza, the Lebanese Mafia, the Comanchero Motorcycle Club in Australia, and the Hells Angels in the USA, Canada, and a number of European countries. Sam Gor, supposed to control between 40 and 70 percent of the Asia-Pacific amphetamine market plus the heroin, ketamine, and precursor chemicals trade, is active in Cambodia, Laos, Myanmar, Thailand, New Zealand, Australia, Korea, Japan, China, Taiwan, and Vietnam. Sam Gor is one of Tse's nicknames or aliases, meaning "brother Nr. 3" in Cantonese. He was finally caught by the police after years of international preparations because he must have felt untouchable, living the high life in Canada, Hongkong, and Taiwan, relaxing with his business partners in a billionaire club

atmosphere and occasionally gambling away millions in one night in the high-roller casinos in Asia. Preceding Tse's arrest, the Thai police, in October 2020, had already managed to detain his supposed number two and former cell mate, Lee Chung Chak from Hongkong. Both are requested for extradition by Australia.

In the last few decades, Southeast Asia has become a world centre for the production and the trade, as well as the consumption, of synthetic drugs. Extrapolated from the rising amounts of drug seizures by police and customs in the region, the United Nations Office on Drugs and Crime locates the manufacturing hotspots in parts of the Golden Triangle as well as in Cambodia and Vietnam. Methamphetamines and other synthetic drugs have changed the production and distribution patterns of the narcotics industry for a number of understandable reasons. The drug bosses are flexible and certainly not stupid. Though heroin is still in worldwide demand and continues to be produced, the number of users in Southeast Asia has not much growth potential anymore, while many kill themselves with overdoses anyway. On top of that, the increased heroin production in Afghanistan has changed the trade patterns in the region and worldwide. Opium, the raw material for heroin, is dependent on limited highland areas for cultivation, the seasonal harvest cycles, and the weather conditions. The opium farmers are under the threat of being harassed by national and international drug busters and their crops might be destroyed because they are easily detectable from the air. In contrast to this somewhat shrinking market, the production requirements for methamphetamines and similar drugs have decisive advantages. Obviously, the precursor chemicals are easily available from producers who do not care too much to whom they sell. The main precursor for methamphetamines is ephedrine, originally extracted from a widespread shrub called ephedra which has long been known in traditional Chinese medicine. As a versatile medication, it is in use worldwide since the 1920s and it appears on the list of essential medicines of the World Health Organization, mainly marketed as a fat-burner by the huge slimming industry in the rich countries. Its synthetic production has made ephedrine cheap and available for the narcotics industry, while these precursor chemicals are available from India and China and difficult to control by customs checks. The rising purchasing power across the region and more and more women among the consumers have considerably boosted the illicit business with methamphetamines. And the markets with even higher purchasing power, Japan, Korea, Australia, and New Zealand are close by (UNODC, 2020).

Another worrying development is the increasing availability of the much more dangerous fentanyl in Southeast Asia, a synthetic opioid and strong pain killer. Its prolific abuse in the USA during the last decades had triggered the “opioid crisis” there with about 140 Americans dying per day on overdoses of fentanyl-based medication. In May 2021, San Francisco counted more deaths by drugs than by COVID-19. Since the USA have recently imposed stronger restrictions, the drug has started to flood into Asia, despite the warnings of the UNODC. Sam Gor had obviously increased or even doubled its turnover during the COVID epidemic because the “colleagues” in Latin America could not deliver as much as before, and because China, where methamphetamines had been produced before, has banned them except for strictly controlled medicinal purposes, leaving the huge and ever-growing market to the Sam Gor network. These newest episodes in the complex and diverse drug market in Southeast Asia and beyond ask for answers to the question why all this happens here, and whether there are limitations to the law enforcement and crime prevention as practiced until today. The region is known for some of the harshest anti-drug laws and zero-tolerance attitudes in the world, running a multitude of rehabilitation centres, preventive education programmes, and information campaigns, and yet the organized crime prevails.

This book starts by tracing how Southeast Asia, about 200 years ago, became victimized as a centre for the production, distribution, and marketing of opium and later its derivatives. The increasing control by European colonial powers in the 18th and 19th centuries paved the way for the opium production and trade to be lifted to an industrial level, first organized by the British East India Company, also known as EIC. With the two opium wars, Britain started China’s “century of humiliation”, and swamped the country with opium. Later on, all colonial powers, Britain in Burma and Malaya, France in Indochina, the Netherlands in Indonesia, as well as Spain and the USA in the Philippines, funded substantial parts of their colonial budgets by “opium farming”, a euphemism for the tightly controlled distribution of opium through local subcontractors who profited from the retail business. Despite the international efforts in the early 1900s to ban opium altogether, this exploitation of Southeast Asia continued through the colonial era which ended only in the 1950s and continued to affect the following nation building after independence.

The 1949 Communist takeover in China triggered a new lease of life for the historical opium industry of the 18th and 19th centuries. While the Chinese communists managed to eradicate the opium business at home in

a short time, production and trade continued to flourish in the part of Asia which was considered essential by the USA to help contain Communism. Under the cold war era's domino theory and the strong USA support for the nationalist regime of general Chiang Kai Shek in Taiwan, covert airlines flew opium and heroin from the Golden Triangle to other regional capitals for worldwide distribution. At the same time, the French colonial opium know-how helped the Corsican mafia to establish heroin laboratories around the Mediterranean port city of Marseille. This "French Connection" helped the European and American underworld to develop the enormously profitable world-wide heroin business. Victimized were mainly the uncontrollable remote areas of Southeast Asia, especially in the Golden Triangle, an area of about 950,000 square kilometres, nearly four times the surface of Britain and still lacking a sufficient road infrastructure today.

The economic and political price for these excesses was considerable. The consolidation of the fledgling nation states in Southeast Asia suffered at the hands of the corrupt networks which were created and perpetuated by the drug traders. The recent heist of huge amounts of opium-related drug products in Myanmar in May 2020 is only another proof of the ongoing vitality of the drug business in the region. The book describes the history and the detrimental impact of the opium industry on the political economy and the development of most Southeast Asian countries. Another lasting damage can be traced in the political structures like secretive links between army or police organizations and organized crime, international interference by secret services, the efforts and failings of the international war-on-drugs institutions, diplomatic channels, in short, the traditional "arcana imperii" or state secrets, and the suppression of whistle blowing.

Two hundred years of drug consumption or its monstrous expansion induced by the colonial powers, nearly a 100 years of opium production and of sophisticated homegrown smuggling and distribution networks, all have laid the foundations for the drug industry to survive until today and continue to grow. With the longer historical perspective, this book tries to deliver a new assessment of the inflicted damages and their ongoing impact on the nation building and politics in Southeast Asia.