

Afghan, Central Asian Development on Agenda

by Rachel Douglas

March 16—Victor Ivanov, head of Russia's Federal Narcotics Control Service, and a long-time associate of Prime Minister and President-elect Vladimir Putin, has proposed two new initiatives to promote massive economic development of Afghanistan and the former Soviet Central Asian republics. In the broader one of the two interrelated measures, Ivanov told the UN Commission on Narcotics, meeting in Vienna March 12, that the time has come to dump neoliberal economics altogether, since globalized finance is the real market for the dope trade. Thus, he reiterated the call he made in Washington last November to get rid of the drug-addicted global bubble economy, stressing this time that he has the backing of Putin on this perspective.

On March 7, the daily *Kommersant* reported that Putin has instructed the Russian Foreign Ministry, Finance Ministry, and Economics Ministry to study proposals submitted by Ivanov in January, and to state their opinions by April 10. Ivanov, according to *Kommersant* (which did not state its sources), has proposed “to create a Russian Corporation for Cooperation with the Countries of Central Asia.” He reportedly wants Russia to allocate 2 billion rubles (about \$70 million) to support the undertaking. It would aim to acquire shares in Central Asian hydroelectric power plants; promote the poultry industry; and develop “high-tech” assembly plants in Central Asia, competing with China.

Ivanov reportedly envisions the new firm as a “development corporation,” similar to the North Caucasus Development Corporation, which is a subsidiary of VEB bank. It would operate through public-private partnerships (PPPs) to promote development in the region “to protect Russian national interests.”

Kommersant wrote that Ivanov has the support of Foreign Minister Sergei Lavrov for this idea. His memoranda reportedly list a slew of Russian state corporations which should help set the new one up, including Rosneft, RusHydro, VTB, Gazprom, UES, Russian



UN/Evan Schneider

Russia's anti-drug chief Victor Ivanov proposed that Russia allocate \$70 million for economic development of Central Asia, while condemning the “humanitarian narco-catastrophe” that has overwhelmed the region.

Railways, VEB, Sberbank, and Rosatom, as well as the private Alfa Group (banking) and Sistema (IT). Foreign partners from Central Asia could be involved. One of the aims would be to get control over two hydroelectric dams, the Kambaratinsk in Kyrgyzstan, and the Rogun in Tajikistan.

The draft includes a water-energy-food program for the region, with restoration of Soviet-era energy supply lines, construction of a Central Asian nuclear power plant, and a South Siberia-Fergana Valley water pipeline, originating in Tobol. Another aspect would be a “protein security” program, involving poultry.

The Stunning Scope of the Drug Economy

In his speech to the UN Commission, titled “On approaches to a comprehensive and balanced anti-narcotics policy based on infrastructure development in the context of the challenge of eliminating the planetary center of narcotics production in Afghanistan,” Ivanov situated the Russian proposal in light of “NATO’s planned withdrawal of foreign troops from Afghanistan,” which he said would “create a fundamentally new and extraordinary situation” there by 2014. He then outlined the stunning scope of the drug economy in Afghanistan, with Afghan heroin having killed 1 million people in the past decade, in a “humanitarian narco-catastrophe” afflicting Afghanistan itself, and all Eurasia.

FIGURE 1



Victor Ivanov

“An extraordinary situation requires extraordinary measures,” said Ivanov, “to be implemented with full responsibility by the international community in accordance with the Charter, the law and the spirit of the United Nations.” He cited existing international commitments to an anti-drug policy. One of them is “the now classic method of alternative development, which is an important component of the anti-drug fight in the UN system.” Too often, however, this is implemented as merely an afterthought, and goes no farther than crop substitution.

An example is American and NATO soldiers handing out bags of wheat in exchange for promises from farmers to stop growing poppy. The Afghan peasants take the wheat, and continue growing their lucrative poppy crop. This is a travesty of “alternative development.” The November 2012 International Conference on Alternative Development, to be held in Lima, needs to be a watershed, he said.

“Full-fledged alternative development is what Afghanistan needs most of all today,” Ivanov continued, “What does this mean in practice? It means organizing the industrialization and electrification of long-suffering Afghanistan, so that new technologies and infrastructure become the main source and locomotive of public wealth creation. I am convinced that the way to solve the problem of drug production is precisely to organize a socioeconomic upsurge through creating next-genera-

tion infrastructure, capable of providing access to a modern world-level quality of life for the majority of the population of the countries involved. It is the construction of a new generation of infrastructure, not for limited access, but for general use, that provides a substantial solution to the planetary challenge of drug production.

“Essentially, the world today faces the necessity of abandoning sick neoliberal economics, which breeds inequality and makes the Earth a narcotics zone, and of shifting to a new socioeconomic development model, which would realize the UN-recognized right to development and social progress. The viewpoint I have stated here coincides with the position of Prime Minister, now the President-elect of Russia, Vladimir Putin.”

To illustrate the point, Ivanov displayed his graphic of the financial bubble crushing the real economy (**Figure 1**), which is simultaneously milked for criminal drug money flows. This was the illustration he introduced in his November Washington speech, in which he invoked “the logic of Glass-Steagall,” as what the world should follow.

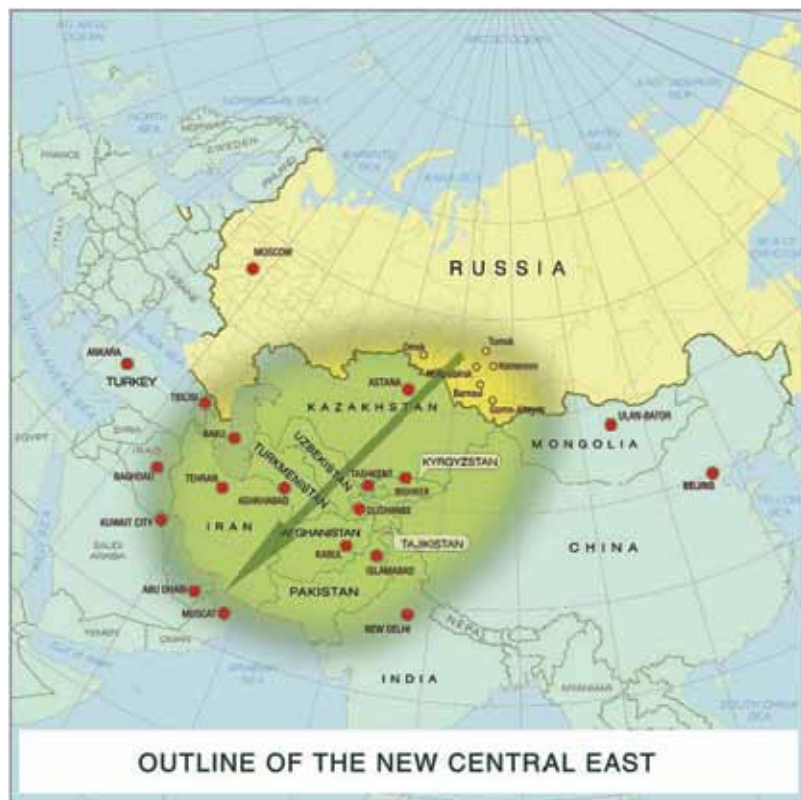
The Global Economy: Addicted to Drug Money

Returning to this polemic, Ivanov said, “I would like briefly to show how the situation in Afghanistan today is absolutely a consequence of the global economy, which has a critical need for any money it can get, including dirty drug money, to cover its gigantic liquidity deficit. The [diagram] shows that cultivation of the drug economy is a mandatory condition for the very existence of the current global economy. That means that by developing Afghanistan, we work for the benefit of the whole world.”

Ivanov then proposed five points to concretize his earlier Rainbow-2 anti-drug plan for Afghanistan:

- an international operations staff to assist Afghanistan in achieving the goals of industrialization and elimination of narcotics production;
- an international ad hoc commission or agency, something like an “Afghanistan Development Corporation,” to function as an intergovernmental operator for these tasks;
- “Elaboration of development projects for Afghanistan. In particular, transit pipeline projects should be

FIGURE 2



Institute of Demography, Migration, and Regional Development, Moscow

stepped up. Intensifying the geo-economics of pipelines will serve as a powerful incentive for integrating the region and pushing drug production out of Afghanistan's economic life. Russia is prepared to participate in a product to build the Turkmenistan—Afghanistan—Pakistan—India (TAPI) gas pipeline, as well as to support the Iran—Pakistan—India (IPI) one, insofar as this will make it possible to uplift the economy of provinces where Baluchis live. I would like to note that Russia in the recent period has developed good relations with countries in the region, such as serious progress in anti-drug cooperation with Pakistan and Iran, and creation of the anti-drug quarter with Pakistan, Tajikistan, and Afghanistan”;

- an ad hoc group of experts to analyze the planetary impact of drug production on the global economy;
- an interactive map showing progress in the elimination of drug production in Afghanistan, in tandem with the country's industrialization and electrification.

Several Russian press commentaries on the two Ivanov plans noted their similarity to the “New Central East” economic development program, published by

the Institute for Demography, Migration, and Regional Development (IDMRD) in 2009, and quoted by Ivanov in his first anti-drug proposals for Afghanistan (see *EIR*, Feb. 27, 2009 for excerpts). The full pamphlet, titled “The Path to Peace and Concord in Afghanistan Will Be Determined by the Position Russia Takes,” is available in English,¹ and includes a map of the New Central East development zone concept (**Figure 2**), extending from the Persian Gulf up through Iran, Afghanistan, and Central Asia, and including the important Siberian centers of science and industry, Novosibirsk and Tomsk.

The online publication Nakanune.ru backed up its report of the *Kommersant* story March 7 by interviewing Yuri Krupnov, head of the IDMRD. He called the twin proposals “the only realistic idea for seriously stopping drug trafficking out of Afghanistan. Without a radical uplifting of the economy in Central Asia, it will be impossible to break this planetary center of narcotics production.” At the same time, he added, “creating a system of this type will be the first step in providing a firm economic and ideological basis for the Eurasian Union.”

Among other things, the proposal calls for Russian participation in creation of a new university for 50,000 students in Central Asia. Asked about the geopolitical impact of the plan, Krupnov said, “This will be a radical transformation of the entire geometry of today's world politics. As I understand it, Vladimir Putin, who has been elected with an overwhelming majority, wants in this way to prepare a tool for implementing the objectives of building the Eurasian Union, i.e., the construction on the ruins of the USSR of a new civilizational unit, while preserving the sovereignty of the nations involved.”

Krupnov emphasized the inclusion of Pakistan, Afghanistan, Iran, and Turkey in the development plans, noting that, on a recent trip to Iran, he had met business circles who “are offering dozens of simply stunningly beneficial projects for Russia.” This region has been too much of a “blind spot” for Russian corporations and diplomacy, he said, but in the context of the global financial crisis, Russia should not miss the boat.

1. Available at http://afghan.idmrr.ru/afghan.idmrr.ru_eng.pdf