# THE NEEDLE AND THE DAMAGE DONE: HOW DOES CHINESE STATE PARTICIPATION IN ILLICIT GLOBAL MARKETS AFFECT DOMESTIC SECURITY?



Ketamine

Users

30,000

32,000

49,000

63,000

Marijuana

Users

大麻

n/a

n/a (but state

the number is

increasing)

24,000

24,000

## RESPONSES TO ILLICIT GLOBAL MARKETS AS SEEN IN THE LITERATURE:

- Repress
  - Securitization
    - Framing an entity as a threat to state security, legitimizing the use of unconventional means for its eradication.
    - 1971 War on Drugs
    - Militarized policing
- Ignore
  - Feather Quilt Strategy

    - Former President Obrador of Mexico
- Coopt
  - Illicit Principal Agent Theory
    - Maintaining high monitoring levels amongst agents involved in illicit activity, while maintaining plausible deniability.
    - State participation (cooption) refers to the actors providing these illegal goods are working for the state, state institutions are enabling and/or benefitting from the activity, or the state is protecting the market from foreign regulatory elements.



LINKEDIN PAGES ADVERTISING THE SALE OF FENTANYL AND **SYTHETIC MARIJUANA** 

#### (Down 17.5) million 1,801,000 3 million

2019

Deflect responsibility for an issue while
trying to preserve state legitimacy

# OUTCOME-BASED PROCESS TRACING METHODOLOGY

RECORDED DRUG ABUSE IN CHINA 2018-2023

Users

海洛因

305,000

416,000

556,000

807,000

889,000

n/a

Meth

Users

455,000

588,000

793,000

million

1.35 million

Total Drug | Heroin

Seized

55.49

65.1

67.9

Users who

relapsed in

4.7 million

3.403

2.533

n/a

million

4.79 million 21.9

the past 3

have not

Number of

896,000

20.3%)

(Down

24.3%)

(Down

16.1%)

10.6%)

(Down

5.8%)

2,148,000

2,404,000

Source: 中国禁毒网

1,124,000

1,486,000

Cause	Causal Mechanism	Outcome
Fentanyl production within	Chinese state's dual use of	Chemical manufacturers
China	cooption and repression	within China are more likely
	strategies	to ship narcotic-related
		products abroad
Fentanyl production within	Chinese state's dual use of	Lack of fentanyl-related
China	cooption and repression	deaths and threats to security
	strategies	caused by drugs

### IF CHINA IS A CASE OF USING COOPTION AND REPRESSION STRATEGIES I EXPECTED TO FIND:

- There should be very little manufacture of fentanyl for recreational domestic use
- Companies manufacturing fentanyl should be more likely to ship products abroad
- There should be very few fentanyl-related deaths caused by recreational use
- Government incentives for these companies to sell their products abroad, coupled with overt attempts to suppress narcotic production within China

### VAT EXPORT REBATES APPLIED TO NARCOTIC-RELATED CHEMICALS:

Listed Chemical	English name:	VAT Export	CAS #:	Tax Rate:
Name:		Rebate Rate:	(Used to identify	
			specific	
			chemical	
			substances)	
啊芬太尼	Alfentanil	13%	29333300	13%
芬太尼	Fentanyl	13%	29333300	13%
4-苯氨基-N-苯	ANPP/4-ANPP	13%	29333600	13%
乙基哌啶	(Fentanyl			
(ANPP)	Precursor)			
1-戊基-3-(1-	Synthetic	13%	2933990055	13%
萘甲酰基) 吲	Marijuana			
<b>哚</b>				
二亚甲基双氧	MDMA	13%	2932999053	13%
安非他明及其				
盐				
_ <del></del> 麻黄碱及其盐	Ephedrine	13%	29394100	13%
<del>/// // // // // // // // // // // // //</del>	Pseudoephedrine	13%	29394200	13%
	1 seudoephedrine	13/0	29394200	13/0
立 歌	A4: -	120/	20152400	120/
乙酸酐(醋酸	Anhydrida	13%	29152400	13%
酐)	Anhydride	00/	20001500	100/
苯环己哌啶	PCP	0%	29081600	13%
N-苯乙基-4-哌	NPP (Fentanyl	13%	293370	13%
啶酮(NPP)	Precursor)			
1-(1,3-苯并二	P2P (Meth)	13%	29329200	13%
噁茂-5-基)丙				
烷-2-酮(即				
3,4-亚甲基二氧				
苯基-2-丙酮)				
其他芬太尼以	Other Fentanyl	13%	29349200	13%
及它们的衍生	and their			
物	derivatives		1	

Source: 国家税务总局

#### WHAT I FOUND:

- Chinese unique sociohistorical contexts play a key role in understanding how fentanyl as an issue is treated
- Rather than viewing chemical companies manufacturing fentanyl and NPS as a security threat, they are instead treated as an outlet for guaranteeing China's economic and security interests
- Because of China's monopoly over the global value chain for the chemical industry and its contribution to China's GDP, chemical manufacturing companies play a key role in China's economic development
- In light of the pandemic, expansion in biotech has great implications for human security
- Through the draconian suppression of drug use on the Chinese mainland, China has created conditions where, if fentanyl and domestically manufactured NPS were to become a problem, severe crackdowns would occur, limiting the future growth of the chemical manufacturing industry
- Therefore, instead, by incentivizing the sale of fentanyl to be shipped abroad, the central government has created a 'side gig' to support an industry with irrevocable importance to China's future
- Therefore, I allege that by co-opting the sale of fentanyl internationally and suppressing the use of narcotics domestically, China has pacified the relationship between drugs and the state.

