

Hashish as cash in a post-Soviet Kyrgyz village

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Abstract

This paper discusses how hashish produced by the local population of Tyup, Kyrgyzstan became an important source of cash in an agricultural semi-subsistence economy. The paper is based on a research study conducted between 2009 and 2010 that adopted a mixed-method approach to data collection. I gathered 64 semi-structured interviews, 147 structured interviews and made ethnographic observations of the livelihoods of the people of Toolu village in Tyup region. The local population of the region became involved in hashish production due to a cash deficit in both the agricultural economy and wider society from the beginning of the 1990s. Privatization of land as a consequence of the neoliberalization of the economy left many families with small share lands which are insufficient to provide market surplus. Agricultural products, therefore, are mainly consumed by the majority of farmers, turning the economy of the region into a semi-subsistence agricultural economy. In the context of such a cash deficit economy, wild-growing cannabis plants are used not only as a cash crop but are symbolically turned into a form of cash and a source of informal credit. People can pay for goods with hashish as well as obtain advance payments and credits for it. I argue that hashish making assists the agricultural rural economy by allowing people to obtain goods, advance payments and credits to use for the cultivation of land, their everyday needs and maintaining social relationships. I also argue that many local farmers, who do not consider themselves as criminals, were able to become involved in this activity by shifting the meaning of hashish and hashish making from an illegal activity to a culturally valued and justifiable form of economic activity. This allows me to show that the local drug economy in Tyup serves as a lens through which to examine the strategies through which illegal and

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illicit drug production becomes culturally acceptable. Understanding of hashish production in this local context of the semi-subsistence agricultural economy operating in a constant deficit of cash provides rich data for effective evidence-based policy.

Keywords: Hashish, drug production, cash crop, cash deficit economy, gift exchange, drug supply, Kyrgyzstan

Introduction

This paper presents the case of hashish production in the Tyup region of Issyk-Kul oblast in Kyrgyzstan. Based on a mixed method study, I present the context of an agricultural semi-subsistence economy that leaves many farmers in need of extra income-generating activities. Although considered as an immoral activity during the Soviet-era, hashish making became a source of support for farmers following the collapse of the Soviet Union. Hashish has become used as a substitute form of gift exchange, as a form of cash, and as collateral in a cash-deficit economy. However, this paper does not demonstrate the economic importance of hashish making for the local agriculture alone. I argue that many local farmers, who do not consider themselves as criminals, were able to become involved in this activity by shifting the meaning of hashish and hashish making from an illegal to a culturally valued and justifiable form of economic activity. This allows me to argue that the local drug economy in Tyup serves as a lens through which to examine the strategies of illegal and illicit means of drug production and to illustrate how they have emerged as culturally acceptable.

In general, studies on drugs in Kyrgyzstan focus on the trafficking of opium and heroin from Afghanistan in response to security issues, high-level corruption and the involvement of organized crime in politics, and the spread of HIV among the population (Madi, 2004; Marat, 2006a; Marat, 2006b; De Danieli, 2011; Goodhand, 2000; Jackson, 2005). However, little is known about processes of local hashish production. In this respect, my research is among the first ethnographic studies that consider the involvement of farmers in the hashish economy and how the latter is linked to crisis in the legal economy. My research aims to shed light on these

understudied aspects by exploring local hashish production in rural Kyrgyzstan. It consequently provides rich data for development of evidence-based policy making.

Although Kyrgyzstan is not the main source of drug production in the Central Asian region, it has around ten thousand hectares of wild growing cannabis (Jasaitis & Zabransky, 2012). These wild growing cannabis plants are used in the production of hashish and marijuana for consumption within the country (in 2011, 18 per cent of registered drug addicts in Kyrgyzstan used cannabis derivatives) and to be trafficked elsewhere, mainly to other Commonwealth of Independent States (CIS) countries. Hashish and marijuana are manufactured in different parts of the country, but hashish made in the Tyup region of Issyk-Kul oblast was already well-known during Soviet times and transported to other countries in the Soviet Union but did not play an important role in the local economy of the region at that time. Hashish and marijuana were produced by members of the criminal underworld who especially travelled to the Tyup region in summer to make “ruchnik”, literally meaning ‘made by hand’. Ruchnik was one of the commonplace names for hashish during the Soviet times. The situation changed from the beginning of 1990s when hashish making became associated not only with the underworld but with the local population. Since then, hashish has played an important role in the agricultural economy of the region as surrogate money and an important asset to the local people.

Methodology

This paper derives from a mixed-method study based on 64 semi-structured interviews with producers and other concerned parties, ethnographic observations of local families, and 147 questionnaires collected over six months from 2009 to 2010.

While ethnographic research was valuable in acquiring an understanding of the context of hashish making and people's attitudes towards it, a follow-up survey helped to obtain general information on the socio-economic conditions of households in the village.

The study was mainly conducted in one village which I call Toolu (the name of the village has been changed) located in the Tyup region of Issyk-Kul oblast. My choice of location was primarily determined by a set of broader questions. I wanted to explore not an illegal act in isolation but rather how an activity considered as illegal by the state, and also as immoral among local residents in the past, is transformed into an acceptable means of earning extra income for the local community. The choice was also determined by the fact that Issyk-Kul oblast had the largest areas of wild growing cannabis plants found in the region (Zelichenko 2003).

Researchers can enter the field either through being affiliated with an official agency or simply as social scientists (Morales, 1996: 123). Similarly to Edmundo Morales (1996, 123), who carried out an ethnographic research on drug production in Peru and chose not to enter the field with official sponsorship due to hostile attitudes toward the government in the region, I did not want to be affiliated with either the law enforcement or local government due to the illegal nature of hashish making. An official affiliation would have dampened my ability as a researcher to build trust with the local farmers. Instead, I decided to find someone who lived in the region and stayed with the local family for I believed that personal contacts make the access to the research site easier (Reeves 2010: 318). I was fortunate to be given a telephone number of Ainura (the names of all participants have been changed), who lived in the Ak-Suu raion of Issyk-Kul oblast and was eager to help. After two weeks and following some initial interviews in her own and other neighbouring villages, I

decided to stay with her aunt Aikan who lived in Toolu village. I remained there from July until October and made week-long visits in November and December 2009, returning to conduct further fieldwork in July-September 2010.

Having a gate-keeper in an ethnographic study, especially one which focuses on illegal activities that people try to conceal from outsiders, is an important aspect of not only successful entrance to the community but also in building a rapport with participants. Through my main gate-keepers Ainura, Aikan and later Jamilya I was able to stay in the regions where hashish was made and also gain access to their networks of friends and relatives. All three women were in their mid-thirties. Ainura was a teacher in the local school, Aikan had a small business topping-up mobile phones and selling gasoline, whilst Jamilya had no job. Ainura and Aikan were not involved in hashish making but had relatives, friends and acquaintances who were in one way or another implicated in the production of hashish. Among these three, Jamilya was the only woman who made hashish on a regular basis.

Although it was not very difficult to gain access to the villages, developing trust among the people was much harder. The initial phases of the fieldwork were spent trying to develop rapport with people because despite the reassurance from my gate-keepers that I was not a spy and not working for the militia, there were some people who could not believe that I would not report them. When a news report was broadcast on the main national TV channel about hashish production in Issyk-Kul region at the end of August 2009, it was especially difficult to continue fieldwork as some believed that I had tipped-off the journalists. However, good relationships already developed with some of community members were valuable in this case. Despite such rumours, those participants whom I had most contact with defended me and confronted the rumours. Spending more time in the village and

accompanying Aikan to different informal gatherings and participating in social celebrations helped me greatly in becoming accepted by her network of friends and relatives. Acceptance into Aikan's network meant that people would trust me at different gatherings she took me to, since there were many occasions when they discussed hashish making openly without hesitation. Such gatherings served an important role in creating a space for sharing the latest news. Because the militia would be making frequent visits to the villages and fields during the summer, often when women would gather together they would receive warnings of their presence in the village. They would also get information about who was collecting hashish for drug dealers and about how much someone was able to sell hashish for at that moment. During my second spell of fieldwork, spending more time with Jamilya who had made hashish for five years and "going to the fields" with her and her friends, allowed me to gain even more trust among hashish making women.

Contextualizing hashish production

In the 1990s, whole families were said to have gone together to the fields and in recollections of participants there was little differentiation between old and young, women and men. Tolubai, a male in his mid-thirties, whilst recalling hashish making in the 1990s, explained that at that time no one hid and they made hashish openly.

People started to make it [hashish] in 1994-1995, when the Soviet Union collapsed. I think for two years some were making it secretly and in mid 1990s everyone started to make it openly. In those years there was no militia, they never came here. We used to go [to the fields] like to a big celebration. Before, [he meant before the 1990s] no one used to look at it [hashish]. At those times if we saw Russian men we would call them nashakur [hashish taker] and be scared of them.

Although cannabis plants also grow in other parts of Kyrgyzstan, most hashish and marijuana are made in Issyk-Kul oblast. Hashish is also made in other regions of Kyrgyzstan but it remains chiefly an individual activity rather than a collective one. One of the reasons why hashish plays such an important role in the local economy is that the region has larger territories of land where wild cannabis grows. According to a mapping conducted in 1999, three regions - Djети-Oguz, Tyup and Issyk-Kul of Issyk-Kul oblast - had 1931.6 hectares comparatively to 278 hectares in Djalal-Abad and 94 hectares in Talas oblasts. Another reason could be attributed to the fact that hashish produced in Issyk-Kul oblast had already gained a reputation during Soviet times and was trafficked to other countries in the Soviet Union. However, it did not account for significant shares in the local economy of the region at that time. Back then, as mentioned above, it was primarily members of the criminal underworld making the special journey to Tyup region in the summer to make "ruchnik." The situation changed from the 1990s onwards when hashish was transformed into an attractive source of profit not only for underworld gang members, but also local families. Following the *perestroika* period, the eventual dissolution of the Soviet Union and the political and economic turmoil that affected the lives of peripheral local economies in profound ways, hashish has come to play an important role in the agricultural economy of the region. The demand for hashish from the region can be explained by the fact that the cannabis plants had more than 2 per cent of THC (tetrahydrocannabinol), which is considered high for naturally growing plants (Zelichenko 2003). With the developed "brand" as "Tyupskiyi ruchnik" (hashish made in Tyup) and demand from outside the region growing, hashish production entered the local economy as a means of countering the impoverishment of the population in the 1990s.

The composition of hashish makers had changed by the mid-2000s. Although people reported that everyone made it, the scale and type of production was different from the 1990s when whole families, grandparents alongside their children and grandchildren, could be seen in the fields making hashish. It was mostly young men and a small number of young women who went to the fields to make hashish in the 2000s. There were some cases of small peer groups of 16-17 year olds who now went to make hashish. There were rare cases when 12-13 year old children also learned how to make hashish by going to fields with their parents. Men mostly travelled further distances, such as to the mountains, from the village by riding on horseback either individually or in small groups.

Picture 1: Men going to the fields in small groups



Women usually made hashish within the territory of the village or in fields located nearby. Typically, they tried to make hashish on shared land which was not being cultivated that year. In some other cases women preferred to go to the hills.

Picture 2: Women and teenagers making hashish in the fields



Early in the mornings, small groups of two or three people would leave for the hills to make hashish, moving from one field to another trying to find the spots with the most cannabis plants growing. As male interviewees explained, in some cases when they felt threatened by visits from the militia and possible arrests they would start joining bigger groups of horsemen, and explained that a few groups of 20-30 horsemen could be seen on different hills at the same time. Therefore, they would conclude that there would be at least 100 men making hashish in any one day.

According to the local population the militia's presence had been much more visible since the middle of the 2000s. Although this did not prevent people from producing hashish, it made many cautious and altered the dynamics of hashish making, resulting in hashish making becoming a more risky enterprise. However, the risks in most cases were related to paying money either unofficially to the militia representatives or officially to the court.

When hashish was made and packed into the matchboxes that people referred to as “korobochka,” it could be sold for cash or even used as cash. In some other transactions it was used as a source of collateral. Matchboxes of hashish, that could be sold or bartered, became crucial sources of revenue for local inhabitants. Cash and other necessary resources gained through the illicit production and sales of hashish subsidised villagers’ licit farming activities and supplemented their household budgets. These aspects of hashish making, I argue, allowed the trade and agriculture to survive in the rural cash deficit economy and wider society. In other words, it was a substitute to money in a cashless society.

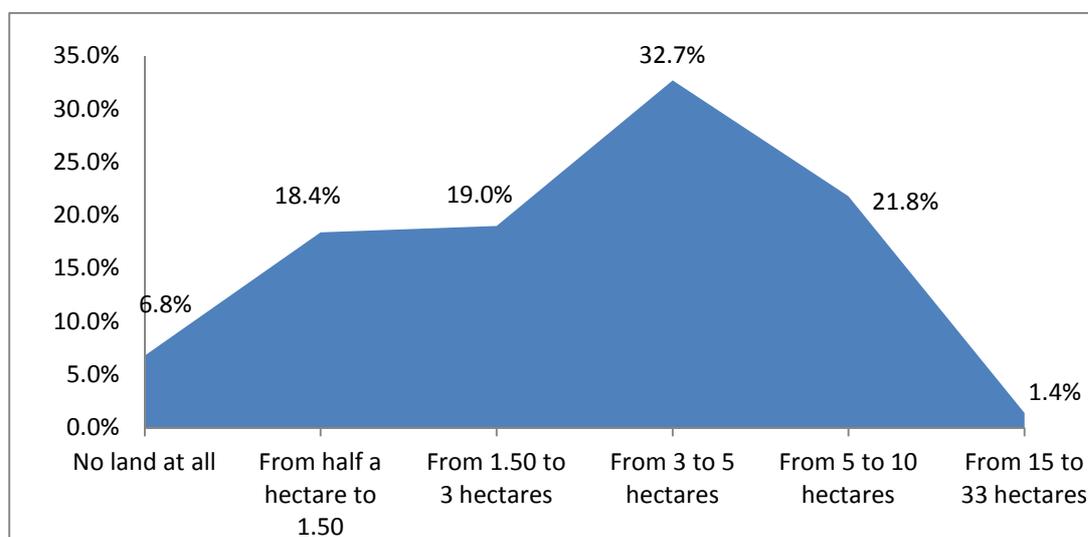
Cash deficit economy

Cash was in deficit in Toolu village throughout most of the year during my study. One of the prominent characteristics of the agricultural economy in Kyrgyzstan from the 1990s on was a permanent shortage of cash. After experiencing hard times and struggling to ensure food consumption in the 1990s, most families in Toolu were able to produce enough wheat and potatoes, as well as having livestock, to ensure basic food consumption in the 2000s. Some families were able to sell part of their harvest to generate cash needed for clothes and other products and services. However, even these families experienced “cash-hunger” (Scott 1977) most of the time during the year. This situation of a cash deficit economy was a direct result of the dissolution of kolkhozes and the privatization of state assets, and can be linked with the neoliberalisation of rural life. In Toolu, as in any other villages located in the agricultural region of Kyrgyzstan, land and many other state assets were privatized in the middle of the 1990s with 576 state and collective farms distributing their arable

land and non-land assets to all farm residents and farm employees (Bloch 2004: 18, Abdurasulov 2009). Despite the expectations of the international donor organizations that the privatization of the agricultural sector would boost the whole economy in a short period of time, land privatization mainly turned agriculture into a semi-subsistence economy due to the small size of land shares that each family received and the low price of their products on the market.

During the privatization, the population of Toolu received 0.78 hectares of share land per person. Children born after 1996 were not entitled to a land share, while farmers needed to have 50 hectares of land to be able to start yielding surplus (Arapova 2000).

Graph 1: How much land does your family own?



Source: Survey of 147 households conducted in Toolu in September 2010.

In the above graph we can observe the distribution of land in Toolu in 2010. A minority of 1.4 per cent of households had a land share of 15 to 33 hectares. Around 22 per cent of families owned from five to 10 hectares and 32 per cent were able to

cultivate from three to five hectares. Around 37 per cent owned between half a hectare and three hectares, while around seven per cent of families lost their ownership. As the results of my survey show, although land was distributed evenly to all the families in the mid-1990s, some families were able to increase their land assets whilst some completely lost any entitlement to land. Some were able to buy land from those that were in great need after 2001 when the land was fully privatised (Bloch 2004: 20).

Many farmers mainly produced agricultural products for their own consumption and only a small surplus for the market, thus, becoming more subsistence-oriented in their agricultural activities (Gleason 2003). The Kyrgyz government responded to this situation much later and started implementing programs of large farm development only in the late 2000s. The program was unfortunately unable to succeed as surplus profit could be made only if the farm was located in one place, which meant that individual owners of small holdings had to agree to combine their land in practice. Individual farmers did not always agree to being part of larger farms (Abdurasulov 2009).

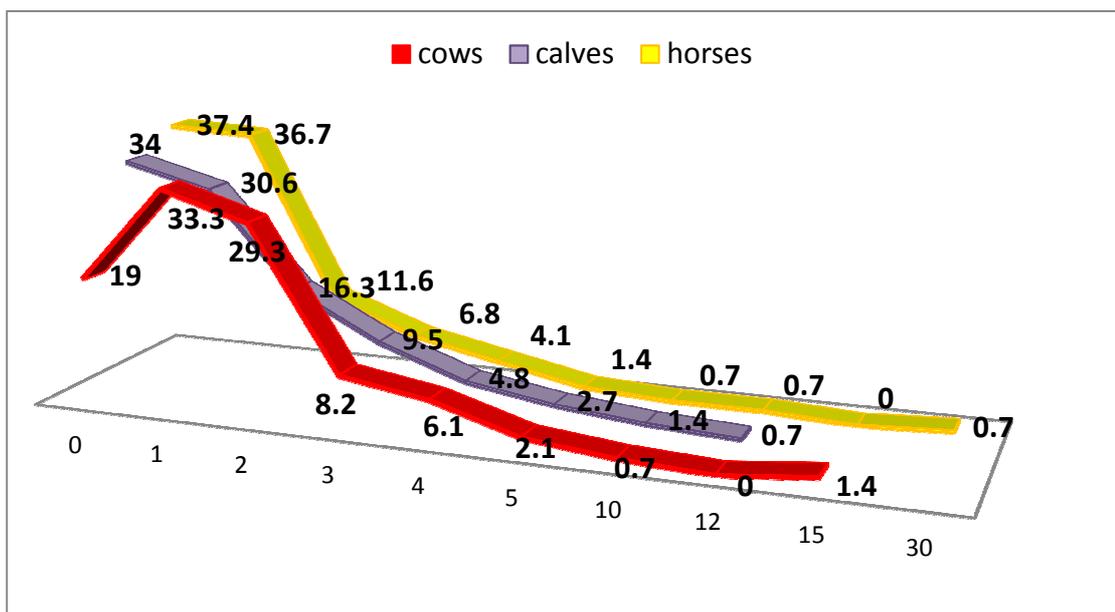
There were further factors that prevented farmers from producing a surplus. Problems with irrigation, fertilization and a shortage of machinery also contributed to low yields. The lack of a constant water supply, combined with harsh weather conditions in the mountainous region located 1600 metres above sea level, also meant that the farmers were prevented from increasing their harvest. In some dry summers, many of the farmers in Toolu were unable to collect any harvest.

However, even in years when the farmers lost no harvest and were able to sell surplus on the market, most could barely return on the expenses they invested in cultivating their lands. Similarly to other agricultural economies facing uneven price

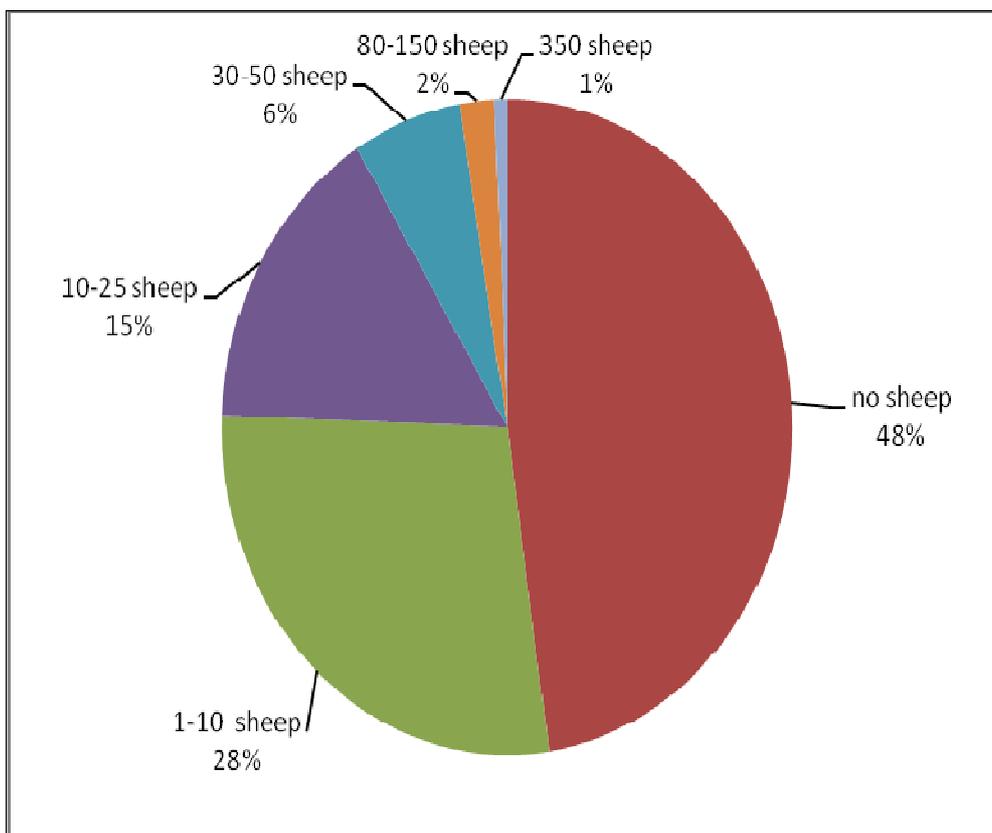
distribution for agricultural inputs and their own products on the market (Perrotta 2002: 177), farmers in Toolu calculated that their products would make very little on the market. After adding the price for cultivation, harvesting and transportation to bring the harvest from the fields, most of the farmers were able to barely cover the expenses of their agricultural inputs. Still farmers tried to cultivate their land at any expense as the harvest would at least be enough for food consumption. Only around 12.3 per cent of farmers in Toolu did not cultivate their land in 2010 with around 80 per cent of farmers citing financial constraints.

At the same time, the prices of other products purchased in the market were constantly high and people would have to seek other ways of earning money. Thus, livestock breeding was another important aspect of the agricultural economy. Families living in Toolu experimented with owning different types of livestock in order to have a source of cash that would secure them from yields lost due to drought and other climatic factors. Livestock was an asset against the non-food expenses that every family encountered in the market oriented economy. At the time of my research, in 2009, the price of one horse varied from 40 000 to 70 000 *som* (£571- £1,000), one cow was in the range of 20 000 to 30 000 *som* (£285- £428), one calf could go up to 11 000 *som* (£157), while one sheep was around 4000 to 7000 *som* (£57- £100).

Graph 2: How much livestock does your family own? (percentage)



Graph 3: How many sheep does your family own?



Source: Survey of 147 households conducted in Toolu in September 2010.

As presented in Graph 2, 19 per cent of families did not own any cows. More than half, 63 per cent of families had 1-2 cows, 14 per cent had 3-4 cows and only a tiny minority, around 5 per cent, had more than 5 cows in the village; 37 per cent did not own horses at all and 48 per cent had one to two horses. According to the data presented in Graph 3, around half of families (48 per cent) did not own any sheep at all, while 28 per cent had 1-10 sheep, 15 per cent had 10-25 sheep, and 6 per cent had 30-50 sheep, 2 per cent owned 80-150 sheep, and only 1 per cent had 350 sheep.

The analysis of the distribution of livestock reveals how farmers employed different strategies in order to adapt to a cash deficit economy. However, not all families were capable of owning enough livestock that could be sold at market whenever they needed. Again, similarly to their agricultural crops, the price of livestock was not always high in comparison to the goods that they were supposed to purchase. The price of one sheep sold in the market would be just enough to supply the clothes of one child in autumn and the families would dedicate more sheep, or a calf for winter clothes for their children. As one of the participants, Tolubai, put it: "I grab a lot of cash and go to the market thinking how much I have got and when I get there it is almost next to nothing." Similarly, many complained about the price for their products and the prices of goods they had to buy in the market. Cholponkul, a 33-year old woman, explained that she took 4000 som to the market, which could be the price of one sheep, and could barely afford the necessary clothes for her three children to go to school.

The majority of families in Toolu tried to have more cows than any other livestock as this allowed them milk for their everyday needs, but more importantly to be able to sell it to dairies. If their harvest was mostly consumed and the surplus was

sold on the market, milk was a small cash commodity. Because sold milk would generate some cash most families would leave only a small amount of milk for themselves and sell the rest. Each litre of milk was sold for around 4 to 5 som (7 pence) during 2009-2010. Most families allocated the money made from milk for buying food and small household items. One of the biggest shops located in the centre of the village also collected milk for one of the factories. People found this very convenient because the shop owner could sell the products in her shop for credit for milk money. The shop owner retained information on how much each family was earning from milk and could sell then her products for credit. Some families did not see cash from milk at all because they would have spent it all before the money would be paid.

As can be seen, most of the farmers could not rely on their land and livestock for generating cash. Due to the shortage of land, harsh climate, fluctuation of price for agricultural products, uneven distribution of price for agricultural and other products in the market, people had to search for additional activities. Hashish production, therefore, mediated between the problems in the local agricultural economy and the continued demand for participation in social life.

Hashish as “kara-koi”

The process of turning hashish into cash was complex and had already started in the 1990s. First, by referring to hashish differently, and therefore locating it in the culturally accepted and highly valued sphere of gift-exchanges, people were able to remove the negative connotation attached to hashish. Subsequently, during my initial research conducted in 2005, I observed hashish being called *kara-koi*, which could

literally be translated as 'black sheep'. It was referred as *kara-koi* because for some time it was used as a substitute for gifts in celebrations at the end of 1990s and beginning of the 2000s. As people explained, sheep or other livestock such as cows and horses were one of the main types of gifts that close relatives exchanged with each other on big celebrations. However, the 1990s were marked by huge transformations coupled with the majority of population mainly concerned with survival. If in the 2000s the majority of farmers were able to secure at least their food consumption, in the 1990s cultivation of land was a big issue for many, the number of livestock also decreased substantially because of the slaughter and sale of meat which at least allowed people to survive (Abdurasulov 2009; Steimann 2011). As a consequence and despite the faltering economy, people continued to maintain their social networks. This can be explained by a number of factors. First of all, gifts were never free and were supposed to be reciprocated (Mauss 1954) and were therefore a source of credit. Gifts given at social celebrations would be returned sometime later. Second, people could not just forget about the received gifts and avoid reciprocation as it was this act that allowed them to retain social ties with other people and obtain social status and prestige (Ibid 1954). Because gifts were exchanged not just between individuals but more between families, an unreciprocated gift would taint the reputation of the whole family.

The usage of hashish as a substitute gift also coincided with the period in which traditional gifts such as livestock began to be replaced with cash. However, the importance of livestock did not deteriorate and therefore people would announce when giving cash: "This is the sheep that I am contributing to your celebration." Decisions on the quantity of money that should be given were based on the calculation of how much one sheep would cost. In order not to violate the social

order and be part of social life those with no livestock and no money at hand started taking hashish to social celebrations. While giving hashish they would whisper: “This is my *kara-koi* as a contribution to your celebration.” By referring to it as *kara-koi* they symbolically renamed it as the conventionally expected and desirable gift.

However, this practice was not widespread and did not last long. By 2009 people stopped referring to hashish as *kara-koi* and no longer brought it to social celebrations. Nonetheless, I believe that such acts played a huge role in making hashish first acceptable to many people in the region. This highly symbolic renaming of hashish to “black sheep” allowed it to enter the sphere of cultural traditions. Named as a “black sheep”, most importantly it allowed the location of an illegal activity among the culturally accepted, shifting from a “black and white” division between legal and illegal and locating it in a “grey zone” (Ledeneva 2006). The grey zone means that it is not always the question of legality that is important to consider, some illegal acts can be considered as ethical and some can be completely legal but unethical (Ibid 2006). In the case of hashish, people knew that it was illegal to make it but they could not simply claim that it was ethical because it did not have any cultural or religious use, as is the case in India, Latin American countries and Africa where coca and opium are locally consumed and/or used as part of local religious rituals (Coomber and South, 2004; Smith and Thongtham, 1992; Allen, 1999). Therefore, they did not just make a link between hashish and the culturally highly valued *kara-koi*, but rather transformed it symbolically into *kara-koi* and hence blurred the lines between illegal and legal, illicit and licit.

This interplay between the law and social norms is paramount in understanding how the “grey zone” functions and involves people who do not consider themselves as criminals. Considering the fact that during the 1990s almost

half of economic activities took place in the shadow economy (Ledeneva 2006), so turning hashish into a substitute for a gift and then into a surrogate money was not a difficult process. If *kara-koi* could be used in cultural celebrations, then it could also be used in paying for goods. The scheme of calculating the price of each matchbox, and using that cash to match a certain good was already set up. People just needed to transfer this scheme not only to social celebrations but to the economic transactions they encountered in the market.

Hashish as cash

The process of using hashish as a substitute to the gift continued by using it as cash in economic transactions. This allowed hashish to be used as surrogate money in the local economy and provide support to some families by assuming a role of collateral for informal credit.

The process of turning hashish into surrogate money began by placing it into a matchbox [korobochka], which could contain around 20 grams. Through this, people were able to calculate how much they had made and, most importantly, how much money they can expect to earn on it. In the summer of 2010, one matchbox could be bought for 350-450 som (£5 - £6.40 p) from hashish makers. The price increased up to 800 som (£11.40 p) in the winter, and increased to 1500 som (£21.40 p) in the spring of 2011. The retail price was recorded at 2000-2500 som (£28.5 - £35.7 p) per matchbox for the same period (Jasaitis & Zabransky, 2012, p. 85).

Picture 3: Hashish in the matchbox



I refer to hashish as surrogate money because, although the matchbox frame for hashish provided its easier calculation and allowed people to know how much it could cost, hashish did not become a conventional means of exchange in every transaction (Anderson 2000, Seabright 2000). People needed to consider whom they were giving 'hashish' money to and if they had trustworthy relationships with them. Furthermore, people could not openly go and spend their 'hashish' money in all the shops or sell to anybody in the village.

Some shops and individual sellers took hashish in *korobochkas* as a payment for goods. For instance, in September 2010 Zamira told me that her husband was trying to make enough hashish to buy a horse for 50 matchboxes from somebody who was willing to accept hashish as payment. That year, if each matchbox was sold for 450 som (£6.4) in autumn, 50 matchboxes would make 22 500 som (£321). The price would almost double in winter to 40 000 som (£571) and triple in spring to 75 000 som (£1071) hitting the highest price for the horse that a seller can get. Zamira's husband had already made 36 matchboxes by the end of August. He wanted to buy

the horse as he usually rented one for one *korobochka* for every three days in order to go to the fields.

Diana, one of the shop owners told me that she did not normally get involved in the practice of payment by hashish in her shop. However, in some cases when some of the buyers had not been repaying a debt for a long time, they would come to the shop claiming that they could not sell a particular box of hashish and persuade the shop owner to take hashish instead of cash. Diana explained that she had no other opportunity to get her money back from these buyers if she did not take hashish and that was why she would accept *korobochka*. The following case shows in detail how this takes place.

I was talking to Meerim and at that moment her daughter came and told "Apa [mum], there is someone who came for you, there is a woman who is looking for you." When Meerim asked her "Who is that?" the woman said loudly "It's me!" When Meerim looked out to see who it was, the woman said "Why do I need to run after you like this" and entered the house. "I don't have the cash, the buyers [drug dealers] are not coming [to the village]," said Meerim. "Give me in korobka [matchbox] then. I will take like that," said the woman. Meerim came back from the entrance room to the second room of the house where I was sitting and walked to the mattresses and duvets piled at the further end of the room and tried to find something in between the duvets. She took out one matchbox. At that time the lady entered the room, saw me and quickly left. She started speaking with a lower voice. After that Meerim came back to the room and told me that the lady had got a bit scared because of me as she had seen me writing something down. Anyway, the lady took the matchbox from Meerim and left. Meerim also explained to me after that she had bought a jumper and a skirt a year ago from that lady. However, Meerim did not have money and did not

pay back for her purchase for almost a year. So, the lady had to accept hashish instead of cash.

As the above example illustrates, the deficit of cash created a context where the traders were supposed to be flexible and accept the payment in “hashish money” if they wanted to continue their trading business.

Some residents, who were more entrepreneurial and had “protection” provided by certain militiamen, used the situation of “cash-hunger” to make much higher profits. Hashish allowed some traders to make businesses even in cash deficit times when people would have difficulty in obtaining cash for food and cultivation. There were schemes aimed at providing advance payments when someone could obtain cash for future harvests. The price would be set by the creditor and the debtor would return the credit in collected harvest. Although both sides benefited from such a scheme, where farmers were able to purchase goods, buy oil and seeds for the cultivation of their land, or obtain goods that they needed during the spring time, money lenders were able to earn much more cash by paying much lower prices for the future ‘harvests’. This scheme was also practiced by some shop owners who wanted to boost their sales in spring and summer time when sales for non-food products would go down due to scarcity of cash.

Hashish was one of the agricultural products that some money lenders would give advance payments for. Jamilya explained that there were a few people in the village who made advance payments in winter/spring for the future harvest of hashish. “I bought a mobile phone in spring and took money from someone for the 10 *korobochkas* to be collected by Autumn. They said that would take one matchbox of hashish for 250 som (£3.60 p). So, I need to make 10 matchboxes to be able to return my debt.” As with other products, the price for the future harvest of hashish

was far below the market price so that the creditors could make their profit on it. This scheme was similar to how the opium economy operated in Afghanistan, where many poor households received credits for opium (Buddenberg and Byrd 2006).

The importance of hashish production and its place within the legal economy can also be seen in the example of hashish production being used as collateral for informal credit. Although social networks of support remained for some families, there were others that had become excluded from them, or had limited access due to their inability to reciprocate overly expensive gifts. Although, informal money lenders did not ask for a formal source of collateral, as banks and credit organizations did, they also needed some sort of assurance that the money lent would be returned. For those families with literally no agricultural assets such as land and livestock, hashish has become an asset that they could use in borrowing cash. People were eager to give some products for credit knowing that these people make hashish and can sell them. Creditors were also aware that if hashish is not sold they can at least take hashish as a form of payment. Although this was more risky than simply getting paid in cash, it allowed them to have better revenues. Some of the more entrepreneurial ones could even make extra profit by selling hashish at a higher price after the harvest season. It was precarious because although hashish was used as surrogate money in the region, drug production was never legal and someone caught in possession would have to either pay a bribe to the representatives of law enforcement or be arrested.

Summer and early autumn, when hashish is made, was the time when traders and creditors return the informal credits and boost the sales in shops. It was not unusual for shop owners, credit givers or one-off traders, to go around the village asking people to repay their debts. In early autumn of 2009, my hostess Aikan went

around the village requesting that people repaid their debt for gasoline that she had sold them in the summer. She explained that she needs to make the most of the moment when people have cash as she started getting paid in big notes of 1000 som (£14) for topping up phones and for a couple of litres of gas priced at 34 som (50 p) per litre. This, she explained to me, is hashish money.

The analysis of the shift from hashish as a substitute to gift to surrogate money reveals the changes that occurred in the socio-economic relationships between local people. In a gift economy individuals could receive “credit” in forms of gifts but never had timeframes when they were supposed to be reciprocated. However, some asset- and cash-poor people were unable to enter such gift-exchange relationships due to the long-term nature of such “contracts.” They needed cash or goods at that moment. At the same time, gifts were usually given under certain conditions when someone was celebrating a certain occasion, or commemorating deceased relatives. Moreover, those who could not reciprocate and therefore lost their membership of social networks (Keuhnast and Dudwick 2004) could not obtain “gift credit.” Therefore, more formal contracts with specific timeframes and certain amounts of money began to be introduced. This situation led to the development of a specific system wherein goods could be paid for by hashish money.

Hashish as Kumtor

With the changes in society and the economy, the way people referred to hashish also changed. While doing my fieldwork in 2009-2010, I discovered that the young generation of hashish makers started referring to the fields where they made hashish

as “Kumtor”. “Kumtor Gold Company” was owned by the Canadian Centerra gold mining company, which had started working in Kyrgyzstan after December 30, 1996. The mine was located in the Issyk-Kul oblast and contributed up to 10 percent of Kyrgyzstan’s gross domestic product before 2011 (Kronenberg 2012). As Cholponkul, put it: “If people make money and are walking on money, they would call it Kumtor.” Although not all people who made hashish were able to make a lot of money, referring to fields as Kumtor created a symbolic association with gold, wealth and suggested that people desired material success. The symbolic association of cannabis fields with gold mines again locates hashish, in the imagination of local residents, not in the illegal sphere but in the culturally accepted and desirable context that many are unable to reach.

Recent events around the mining can add more to understanding the links between the cannabis fields and “Kumtor”. Some people in Issyk-Kul oblast were organizing picketing and riots that started in 2012 and continued until summer 2013. They had different demands. Some started as complaints at the corrupt nature of the hiring process and the fact that not many local people were given jobs in the company, but continued with demands to provide economic and social support to the villages located in the Issyk-Kul region. Protests were finalised in demands to nationalise the company as the state owned only 33 per cent of the share as the result of corruption in the previous government in 2003. The picketers closed the roads leading to the mine, cut off the electricity and there were incidents of violent opposition with the militia. The agreement between Centerra Gold Inc and the government had been already been a topic of heated discussion by parliament and government since 2012. These discussions were centred on the loss in shares in Kumtor from 67 to 33 per cent by the Kyrgyz government in 2003 due to alleged

corruption during the previous ousted government, ecological concerns around glaciers located close to the mining. However, at the time of writing this article, at the end of November 2013, the parliament has made no decision and is involved in heated debates about the possibilities for nationalization or of gaining a 50 per cent share. Although the demands that people put forward could lead to different administrative, financial and political results, and rioting involved varied parties with different interests in escalating the conflict, in general they can explain why the local people in agricultural areas become involved. They demand their share in natural resources that they do not, at present, have access to due to the corrupt nature of the previous governments who made unfavourable agreements with Centerra Gold Inc. In relation to the cannabis fields, the recent events around Kumtor, also suggest that the “grey zone” is identified not only as something ethically, culturally acceptable but at the same time illegal. The fact that the government lost its share from 67 to 33 per cent in the 2003 agreement, questioned the legitimacy of the state itself, adding a new dimension to the “grey zone.” If the government itself participates in corrupt agreements how can it therefore regulate other cases that are considered illegal? This analysis of cannabis fields being referred to as Kumtor demonstrates that the area defined as a “grey zone” was extended from the cultural to the legal sphere.

Conclusion

My study on hashish production in the Tuyp region of Issyk-Kul oblast in Kyrgyzstan provides insights to how hashish was incorporated in local economic and social transactions. Based on a case-study of one community involved in hashish production, it presents findings on how economic conditions in rural agriculture can

be considered important factors in understanding drug production in supply countries.

The agricultural economy of Toolu relied on hashish to survive in cash deficit times. In spite of the illegality of hashish production, local people still used it as “surrogate money” due to its stable demand and price. Furthermore, embedded in the already existing networks of trust among villagers, hashish was also used as a mechanism of informal credits among local stores and their customers. Someone without cash, much land and livestock assets could use hashish as credit collateral. A regular producer of hashish was trusted in his or her ability to repay the debt. If people did not return the cash, money lenders could sell or barter matchboxes filled with hashish themselves. Hashish never lost its price and was not devalued regardless of the storage period, quite the contrary – the longer it was stored, the higher its price became. Hashish production also needed no capital investment from the farmers. Cannabis plants which grew wild in the mountains were not cultivated by any of the farmers. Hence, unlike their regular land shares used for farming grain and vegetables, cannabis fields did not require any physical and monetary investments from their side.

This context of a drug economy operating in and for the agricultural economy has important implications for drug control policies. First of all, hashish acquired a status of ‘legitimate’ gift and “surrogate money” in a society where cash was in deficit. Using hashish, even deprived families could still participate in customary celebrations and other traditional forms of gift-exchange that maintained their social networks. This allowed such families to obtain informal credits. This practice then facilitated the removal of the criminal label from hashish production and its shift to the sphere of legitimate economic transactions. Moreover, by referring to cannabis

fields as Kumtor, local people were able to not only make claims on the material sources they were deprived of but also question the legitimacy of the government in defining the borders of legality and illegality. These findings shed light on the understudied aspects of drug production and lead us to ask different types of questions about the effects of criminalising hashish, given its links to local agricultural economies and the complex process of acceptance by the local population.

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