

[Home](#)

## Taliban Build Multi-Million Dollar Insurgent Operation, Complicating U.S. Efforts

**Official assessments, analysts' estimates and published reports show that the Taliban are generating up to a half billion dollars or more in annual revenue. They paint a picture of a complex organization that operates not just like a business, but also by turns a political campaign and Mafia-like thugocracy.**

FOXNews.com

Monday, October 19, 2009

[ShareThis](#)

Like any Fortune 500 company, the Taliban are building a financial colossus by raking in revenue from a host of different sources and ventures -- causing problems for U.S. and NATO forces trying to disrupt their bloody campaign in Afghanistan.

Official assessments, analysts' estimates and published reports show that the Taliban, which with Al Qaeda are the top targets for allied forces in the region, are generating up to a half billion dollars or more in annual revenue. They paint a picture of a complex organization that operates not just like a business, but also by turns a political campaign and Mafia-like thugocracy.

The revenue comes from foreign donations, drug money, "protection" money and criminal activity like smuggling and kidnapping.

And as officials note, the money goes a long way.

"The insurgency is a relatively cheap war for the Taliban to fight," an August report out of the Senate Foreign Relations Committee said, noting that money buys "a lot" of rifles, explosives, grenade launchers and foot soldiers known as "\$10 Taliban" since that's their day's pay. The Taliban do have a system for incentive pay, as the soldiers get bonuses -- double or triple pay -- for planting improvised explosive devices.

Malou Innocent, a foreign policy analyst at the Cato Institute, said a "great deal" of money also goes toward propaganda in the form of videos and Web sites.

Officials have a hard time pinning down exactly how big the Taliban revenue stream is. Estimates for annual Taliban revenue from drugs alone range from \$70 million to \$500 million. Part of the reason it's so difficult to interrupt the revenue stream is that, even within the drug trade and other protection schemes, it comes from a multitude of sources.

"They're getting their money from many sources," Frederick Kagan, a resident scholar with the American Enterprise Institute, told the House Committee on Foreign Affairs last week during a hearing on Afghanistan policy, pointing to "local taxation" as a key revenue stream.

The Senate report said Taliban chiefs charge poppy farmers a 10 percent tax on their product. Traders who collect opium paste from the farmers also pay a tax, as do truckers who smuggle the narcotics out of the country. The Taliban get money for protecting the labs where the heroin is produced. And they get the largest chunk of their drug money from payouts by drug trafficking groups, according to the report.

Innocent, who likened Taliban operations to the Mafia, said the group also earns money for protecting legitimate outfits like non-governmental organizations.

The Taliban-led forces, concentrated in the southern and eastern regions of Afghanistan, have grown to 25,000, according to a report last week.

The evolving information about Taliban funding comes as President Obama mulls over a request from Gen. Stanley McChrystal to send thousands more U.S. troops into the battlefield. Obama's inner circle is torn between a strategy that continues using large numbers of troops to battle the Taliban and Al Qaeda and one that focuses more on top Al Qaeda targets in Pakistan.

The drug money does not go in any large part toward Al Qaeda, according to official findings.

The Washington Post reported last month that the CIA estimates Taliban leaders and allies earned \$106 million from foreign donors last year. According to The New York Times, the foreign donations -- more from private donors than foreign governments -- have eclipsed drug money as the biggest source of revenue in recent months.

In his Aug. 30 assessment, McChrystal wrote that the insurgent groups are earning "substantial income" from foreign donors and activity like smuggling and kidnapping for ransom.

"Some insurgent groups 'tax' the local population through check points, demanding protection money and other methods," he wrote. "Eliminating insurgent access to narco-profits -- even if possible, and while disruptive -- would not destroy their ability to operate so long as other funding sources remained intact."

But McChrystal, the commander of U.S. and NATO forces in Afghanistan, said the insurgents have "exploitable shortcomings" and are not "invulnerable."

He wrote that their "excesses" can alienate the population and that their ability to spread beyond the Pashtun areas appears limited. McChrystal advised that allied forces exploit that limited public support.

*Foxnews.com's Judson Berger contributed to this report.*

**ADVERTISEMENTS**

**DO NOT Bleach Teeth**

Learn 1 simple trick, discovered by a mom, that dentists DON'T want you to know.  
[www.consumertiptoday.com](http://www.consumertiptoday.com)

**DON'T Pay For White Teeth**

Learn the trick to turn yellow teeth white for under \$8.  
[USA-Daily-Herald.com](http://USA-Daily-Herald.com)

[Advertise on](#)

[Buy a link here](#)

[FOXNews.com](#), [FOX News Channel](#), and [FOX News Radio](#), Advertising Specifications (PDF)

[Terms of Use](#) [Privacy Statement](#) For [FOXNews.com](#) comments, write to [foxnewsline@foxnews.com](mailto:foxnewsline@foxnews.com); For [FOX News Channel](#) comments, write to [yourcomments@foxnews.com](mailto:yourcomments@foxnews.com)

This material may not be published, broadcast, rewritten, or redistributed. © 2008 FOX News Network, LLC. All rights reserved. All market data delayed 20 minutes.