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TRANSCRIPT

Babel: Translating the Middle East
“Mohanad Hage Ali: Hezbollah and the Captagon Trade”

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FEATURING

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Jon Alterman: You just wrote a paper about Captagon smuggling through Lebanon. How much Captagon is smuggled through Lebanon, as far as you can tell?

Mohanad Hage Ali: The assumption is that you have about one third of the output smuggled through Lebanon. Another two thirds are smuggled through Turkey and Jordan. It's a three-way street, or it used to be a three-way street, at least from Syria, while Syria was the center of production during that phase. I'd say that's a rough estimate.

Jon Alterman: That's about a billion dollars in value? What would you judge the value to be?

Mohanad Hage Ali: Yes, the value was seen to be about two to three billion.

Jon Alterman: The street value?

Mohanad Hage Ali: The street value, exactly.

Jon Alterman: Lebanon has a history of drug smuggling, as you talk about in your paper. How is the Captagon smuggling network different from the hashish networks—the cannabis networks—that have been based in Lebanon for many, many years?

Mohanad Hage Ali: Traditional hashish dealings basically started with the peasant base—the peasants who produced the crop. Then, from there, you had the dealers in the region and the interlocutors who took the hashish and distributed it either locally and/or on the regional, international markets.

You had a chain of different people who were dealing with different parts of the business and thus making money. Of course, the peasants and those who were involved in farming the crop received very little of the end price, and the profits were distributed elsewhere. It wasn't as concentrated as what we see now with the Captagon business. One reason for that is because this is a synthetic drug that's put together from different ingredients and is produced locally. The fact that there's a drug baron who controls different parts of the business and

accumulates more capital than what we've seen during the hashish phase means that that drug baron has more capacity to influence politics, state institutions, et cetera.

We've seen law enforcement officers who are in the counter-narcotics sections of various Lebanese security services struggling with how to deal with a different type of drug dealer than the one that we've dealt with in the past, who had clan connections and could be dealt with in a certain way.

Jon Alterman: How would the authorities try to deal with clan-based drug networks? How did the government deal with those kinds of networks, and how does it try to deal with these money-intensive, labor-extensive Captagon networks?

Mohanad Hage Ali: The conditions were different in the past in the sense that, one, these clan-based networks had less capital and less ability to influence state institutions and politicians. Also, they were restricted by clan politics. They were involved in inter-clan clashes and inter-clan rivalries and old vengeance. Also, they had to respond to the leadership of the clan. The leadership of the clan decides when it's time to collaborate and cooperate with the authorities. They have to respond to that.

For the Lebanese authorities, it was a confined problem. It was a border problem in the Beqaa Valley—a marginalized region. They actually had a name for it, which was basically al-zira'at gheyr al-manzoora, which means “overlooked agriculture.”

They taught it in schools. Students in Lebanon in the '70s and '80s would study that there's this part of agriculture that the government overlooks. Annually, to respond to U.S. and international pressure, the Lebanese government sent law enforcement and military members to destroy the crops across Beqaa Valley and put it on TV and say, "This is what we're doing. Annually, we try and do that to bring down production." Of course, parts of it still went through, and it was distributed in the market, et cetera. That was a controllable headache. You have a set number of arrests—a quota of arrests and a quota of destroyed crops.

With the Captagon business, there are differences. The first is the fact that this comes at a time of transition. The Captagon business boomed during the Syrian Civil War, when the Lebanese state institutions were already strained and polarization and politics was really at a very high level. The border region was all to be overlooked because of Hezbollah's involvement in the Syrian conflict. Hezbollah, through its influence on Lebanese institutions, wanted the state to forget about its borders with Syria.

The first action was to stop the annual crop destruction of the hashish business. The hashish business recovered and reassumed its full capacity. It was ongoing while the Captagon business started picking up during the years of the civil war. The type of actors that grew in these border regions were accumulating capital, building networks among Lebanese politicians. You can see the two barons that I speak about in the paper—Mohammed Rashaq and Hassan Daqqou—they have photos with almost everyone.

You're pretty familiar, Jon, with Lebanese politics and the polarization in Lebanese politics, specifically during the years of the Syrian civil war, when you had two main camps: the pro-Assad camp and the anti-Assad camp, or the pro-Hezbollah camp and the anti-Hezbollah camp. These drug barons had photos with politicians from both sides. They were able to navigate Lebanese politics, build networks, and build connections on both ends, which tells you a lot about their capability to navigate difficult politics and buy their way through Lebanese institutions.

Of course, what happened next was the financial and economic crisis, which paralyzed state institutions. The salary of a Lebanese policeman, which was \$800, went down to \$50 and \$100. In a time of inflation, it's quite difficult to make a living with that. The Lebanese security forces were told by their superiors that you can find a second job. It was normalized that being in the army or being in the police—specifically in the police—is a side job.

That really had a great impact on the morale of the security forces. We saw big scandals in which a drug dealer would be arrested and then walk out of prison after buying everyone in prison—dozens of

policemen and their superiors. The former head of counter-narcotics was also arrested in a corruption scandal. A number of policemen and military officers were arrested in cars as they were helping the smugglers go through the checkpoints.

It seemed to be a very difficult problem to tackle internally. Thus, came the role of regional powers. As Saudi Arabia cracked down on Captagon networks on their end, they pressured the Lebanese state to take more action. There was a diplomatic boycott of Lebanon. Ambassadors were withdrawn. Imports from Lebanon were banned, and they're still banned. That pressure was used to force the Lebanese state to go in and arrest these drug barons. That's what happened at a later stage. It became part of the public domain, granting the ability to write that paper because of the interrogations that happened due to the external pressure.

Jon Alterman: It does feel, as I read your paper, that there is something about Captagon and Hezbollah that was different and empowered the group in its broader set of issues contesting space within the Lebanese state.

Mohanad Hage Ali: Hezbollah wanted the border region to be totally overlooked. The clans had a historical problem with the state. They wanted less of a coercive state in relation to their main source of income, which was hashish production and opium production. Thus, Hezbollah was part of the camp that was vouching for a narco-amnesty, providing amnesty for all of those involved in the drug dealings, and also wanted the border to be open. They had a special relationship with the Syrian regime, and the Syrian regime became a drug dealer.

On one side of the border, they were representing clans that wanted less state rule and had a historical role in hashish and opium production. On the other hand, their allies that they were supporting were the major Captagon producers and smugglers. Hezbollah was at a crossroads, and they facilitated—they played the politics of overlooking these dealings. Some centers in Hezbollah's sphere were accused of actually playing a direct role in the production of the Captagon drug.

At the same time, it wasn't Hezbollah only in the sense that the dealers had connections to everyone. Given the mixed control over Syria, the

divisions within Syria, a Captagon baron had to have relations with the opposition—and not only one opposition group.

They had to navigate all these different groups and deal with Hezbollah as well as the Lebanese politicians, port officials, and anyone who could be part of that smuggling ring. And they maintained great transnational connections that drug enforcement officials hadn't seen in the hashish and the opium networks, because that was divided more horizontally and not concentrated within a slew of actors as in the case of Captagon.

Hezbollah's role was vital. It created the space that undermined the Lebanese state and created the space for the growth of these actors, and I think there were different layers. The representation of the clans, and then you had the relationship with the Syrian regime and the various actors that connected that chain from Syria—the hub of production—to Saudi Arabia and other states which were on the recipient end. Demand is another story, and it's an interesting one.

Jon Alterman: It sounds like the Captagon trade increased the challenges to the sovereignty of the central state, because it had these permeable borders with Syria and a lot of money coming through there. Hezbollah arguably was strengthened, and Hezbollah already had sovereignty over much of the south. How has the state been able to reassert its sovereignty over its borders? Is it a priority, or is it something that the state is trying to defer because it doesn't feel strong enough to win right now?

Mohanad Hage Ali: This is something that has featured in the statement by the new Lebanese president, who was voted in in January this year. In his inauguration speech, he said that now is time to establish state control over the border regions and to stop both the drug business and the money laundering business, which are basically interconnected. This is a priority for the Lebanese state, and specifically the Lebanese state which took shape following the defeat of Hezbollah in the last war against Israel. The weakening of Hezbollah created an opening for the Lebanese state.

There are new actors which took control in January, and then in February with the birth of the new government in Lebanon. They're all committed to having the state control its borders. What we've seen in the past weeks is really remarkable. For the first time, the Lebanese state took control of the airport, the port—actually clearing out some of

the Hezbollah-affiliated employees—and also reaching a point where flights back and forth from Iran were cancelled.

Lebanon has no direct flights to Iran anymore, and that's related to the Hezbollah weapons.

The same applies to the border region. Once HTS took control of the border regions, there were clashes with the Lebanese side in the past months. At the Lebanese state, the president ordered the army to respond to any attacks from the Syrian side, so as not to allow Hezbollah to become the sole provider of security for the people of the border regions. That has happened. Also, in the past, the UK has helped the Lebanese army establish observation posts and utilize new technologies in controlling the border region. They're trying to apply that.

Jon Alterman: This is in the Beqaa in the east, or it's also in the south?

Mohanad Hage Ali: Where it becomes more securitized is in the Beqaa in the east. This has become more of a securitized border region between Lebanon and Syria. Lebanese citizens who lived historically on the other side of the border in Syria, because they're Shia and they're affiliated with the clans which support Hezbollah, have been ethnically cleansed from the Syrian side into the Lebanese side, so we saw that many thousands moved from that side.

We've seen also an increase in smuggling of Captagon from other places of the border—not the Shia side of the borders—but also the Sunni and Christian towns on the border regions up in the north. The Captagon trade persists. In Jordan, we've seen a good number of busts and clashes on the border between Jordan and Syria following the fall of the Syrian regime, and it has picked up in Lebanon. There have been busts of millions of pills from the north, basically smuggled from Syria and into Syria.

But there's another problem for the Lebanese government, and it's a problem also that the Syrian government faces. It's the model—the economic model. You have a financial and economic collapse. The economic model doesn't work. There are no jobs. There's no funding. There's a big gap between the salaries offered on the market and the

living standards—the minimum living conditions—that people need to attain in these regions. Captagon provides an alternative economic model.

In the past, you had a rentier regional setup in which Saudi Arabia generously bailed out a number of these failed states in the region. That has stopped with the advent of MBS, and also the structural decrease in oil prices that we've seen, with the exception of the last two years. That, for the Lebanese authorities and for the Syrian authorities, is a big challenge. What kind of economic model is needed, and how long does it need to work properly and replace the Captagon business?

At the end of the day, this is a strong network, and it has political connections, and it has transnational connections, and it is operating in a country where the security services don't make enough to live and are being told by their bosses to find alternative means to make a living. How can you replace that with a different model that works in such conditions and such regional challenges? This is going to be a very serious challenge for both authorities in Syria and also in Lebanon.

Jon Alterman: When we come to the broader issue of Lebanon and the sovereignty of the state, it certainly feels that the way Israel has weakened Hezbollah and undermined Hezbollah's economic model means that, while the state is relatively weak, Hezbollah seems proportionally much weaker than it had been. This is an opportunity for the state to genuinely establish control over more territory within the border—certainly south of the Litani River, where the state has been unable to establish control. Maybe it's still a leap, but it's a smaller leap than it may have been six months ago, because while the Captagon dealers may have power, Hezbollah as an independent actor is much weaker than it had been over the summer.

Mohanad Hage Ali: Definitely, Jon. There's a big change from what we've seen in the past years and what we see now in terms of the opening for the state to rebuild itself and rebuild its capacity. At the same time, the Israeli violence is ongoing, and now the pressure is on the Lebanese state to deliver when it comes to disarming Hezbollah—not only in the south, which it has done successfully in the past few months—but also in the north. In the north of the Litani River, the Israeli occupation persists in the south, and there are ongoing attacks.

I don't think Israel is calibrating its military moves and tactics in a way that will allow the Lebanese state to take control of the situation. You can see that in the way the Lebanese president, who is an ally of the United States, is making statements and calls saying, "We need to do this gradually, otherwise the whole thing will burst and we will find much more challenges than we have now."

Jon Alterman: Do you see a likelihood that Hezbollah institutions or Hezbollah members are going to be integrated effectively into national institutions? Is that really a priority of the state, and do you see it likely being successful?

Mohanad Hage Ali: Certainly. The Lebanese president, who was the LAF commander, gave a recent interview—the full version was released yesterday—in which he discussed in detail his plans on how to disarm Hezbollah and integrate it within Lebanese institutions. He laid his vision of how this could happen. He spoke about the experience of the Lebanese army in the aftermath of the civil war, how militias were integrated, in the sense that they were not left to be independent groups, but individuals who are qualified were taken into the army after an integration or reintegration training.

He spoke about the setup of a dialogue with Hezbollah—a direct dialogue—to set the timeline and how this is to be done. He said the decision has been taken, and the Lebanese state cannot go on like this. The year 2025 is the year of ending the state of militias and military actors across Lebanon—not only Hezbollah, but you also have the Palestinian factions who are now active in Lebanese camps.

For the first time in recent history, we see the Lebanese army arresting Hamas members on Lebanese soil for their involvement in carrying arms and their activity against Israel from southern Lebanon. We see action in the sense that this has been quick. We were talking about the president and the prime minister, who were voted in in the past months this year, basically. So much has been done, and I think there's space for more in the next phase. This is all dependent on what comes next and what is the level of violence that the Israeli state is thinking of. This obsession with buffer zones might really ruin everything in the region. I think this is where the U.S. role comes in—to calibrate between different sides.

Jon Alterman: As you reminded me before we started recording, we spoke 20 years ago about Iraq, which was in a very different place 20 years ago than it is now. What lessons do you think the Lebanese government should be taking from the Iraqi experience? What lessons do you think other parties should be taking from the Iraqi experience? We still have militias. We still have limited government sovereignty. What is there to learn from Iraqi successes and failures in creating a single national authority?

Mohanad Hage Ali: A lot, I'd say. Iraq is the centerpiece of Lebanese policymaking today. It is. Looking at the Iraq lessons is major. Actually, this caused a diplomatic problem with the Iraqi state recently because the Lebanese president said that, "we don't want to repeat the PMF experience in Lebanon. We don't want that. We want a different experience in which members of Hezbollah, who are qualified, and since they are Lebanese, can apply as Lebanese citizens to join these institutions. We can integrate them, but they will be part of the larger institution under its banner and integrated within the institution, and not the other way around." He mentioned the PMF and Iraq. That caused diplomatic tensions with Iraq.

Jon Alterman: These are the Popular Mobilization Forces, Shi'a, of various stripes. Some were closely related to Iran and some less closely related to Iran, but certainly under limited authority of the central state. Of course, Iraq also has the Peshmerga, which is Kurdish forces, which are another phenomenon in the country.

Mohanad Hage Ali: The Peshmerga relates to the northern region. For the Iraqi state, the PMF remains an independent force. It's institutionally under the armed forces, but in reality, each group has its own military power, has its own set of regional relations, and connections to Iran. These are really impacting the security situation and also the politics of Iraq in ways that Lebanon is seeking to avoid. Lebanon, in the past decades, had the resistance. Although Israeli occupation ended in the year 2000, Hezbollah always found alibis to keep its weapons. Lebanon was already in the Iraq situation somehow. They had Hezbollah, the independent force, and they had the LAF.

Jon Alterman: These are Lebanese Armed Forces.

Mohanad Hage Ali: The Lebanese Armed Forces are a very popular institution in Lebanon. Unlike in the Arab region, where the army was involved in politics, in

Lebanon, the army is seen as independent, as generally decent. The only institution that carries the national identity project, which believes in the nation of Lebanon and has the respect of, I would say, most Lebanese citizens. It's why the current pick for president, Joseph Aoun, being the commander of the Lebanese Armed Forces, has the respect of a wide array of groups within Lebanese society.

This helps him in undertaking this huge challenge of disarming Hezbollah, dealing with these drug networks, dealing with the big Captagon problem, and also rebuilding relations with Syria, which is another major challenge. It's a more difficult challenge for the Lebanese authorities to deal with Syria on the demarcation front than to deal with Israel on that level.

Jon Alterman: My experience has been there has always been a Syrian role as an arbiter of Lebanese disputes that many Lebanese want Syria to have. Creating an appropriate balance is difficult. I guess that's the final question. It's almost a philosophical one. How do you think Lebanon needs to think about the balance between local and centralized national control? It has been a very decentralized place, not only with the different sectarian and ethnic groups, but geographically. Does Lebanon need to think about it differently than it's thought about it in the past? What's the pathway towards success in this regard?

Mohanad Hage Ali: The Lebanese, following the civil war, had a new constitution based on the Taif agreement. Part of the Taif agreement was applied, but the other part was not. The one that was not was related to two parallel trajectories. One trajectory was basically institutionalizing the decentralized model, in which each district would vote in its own government or council. These districts would have some sort of autonomy in running their own affairs.

That would relieve, specifically, minorities who are scared of the demographic reality which is taking shape in Lebanon—the Muslims increasing in number while the Christians are decreasing in terms of the size—which would impact the Lebanese power-sharing model. The Lebanese power-sharing model after the civil war is based on a 50/50 distribution of seats between Christians and Muslims. That doesn't really fit with the demographic reality. Christians are nearly a third of the population, and Muslims are two-thirds or even more in certain statistics. This has to be altered somehow.

The second track is basically ending this sectarian division, or this power-sharing according to confessional setup, but that needs to be a step-by-step process. It has to be a gradual and slow process taking shape. Specifically, the fear is of the rise of groups which are affiliated with political Islam, whether on the Sunni side or on the Shi'a side. Although they're significantly weakened given the recent events, they still constitute a major concern.

Jon Alterman: And the general fate of political Islam in the Middle East, which seems to be very much on the back foot.

Mohanad Hage Ali: Yes. The hope is, with the axis led by Iran retreating, and with the rise of MBS-style politics in the Sunni world, and also the defeat of political Islam on different levels—whether Salafi jihadists in Syria and others, the ISIS defeat in Syria and Iraq, and also the Hamas model in the way it's seen now in the region after the war in Gaza—this might have an impact, but it remains a threat long-term.

Specifically within Lebanon, now that the HTS leader is on the rise in Damascus, there's definitely an influence. The HTS leader in Damascus is speaking about reviving the Umayyad positioning of Syria being a central piece which spreads Islamic civilization across the region. That's something that reverberates and creates fears in Lebanon and in other places, but specifically in the Lebanese context, there's a fear about the rise of political Islam on the Sunni side alongside the Shi'a existing trends with the Hezbollah movement, which is backed by Iran at the moment.

Jon Alterman: There's a dilemma in having a strong decentralized state that almost feels a little bit like a contradiction, that Lebanon has so much diversity within its borders and so many local power centers, so many local leaders like the clan leaders who are involved in the hashish trade. That giving space to that kind of political power arguably would diminish the control of the central state. Finding a way to have a strong central state, but also have strong leadership is in some ways—I don't know if it's a tension, a contradiction—is there a model you can think of that Lebanese should be thinking of as we go toward that goal?

Mohanad Hage Ali: I think in facing the different stages that we have now, the focus is on retaining or establishing state control over the border regions, bringing back the monopoly over violence and monopoly over weapons, as they call it internally in Lebanese debates. This needs a central role. I think

the Lebanese president is centralizing, specifically on the security and military level, powers within his hands in ways that we haven't seen since the pre-civil war era. This is a president with exceptionally wide powers, unprecedented in the post-war history.

This is a phase that requires such powers, but also, as he tries to navigate out of this reality and after Hezbollah's weapons and influence diminish, I think there's a Lebanese consensus over implementing that part of the Lebanese Taif Agreement which ended the civil war. Decentralizing is part of the needed political steps, specifically for minorities.

Given all that happened in the Levant in recent history, I think this is a step that will help the Christian population in Lebanon feel more secure in an extremely volatile region. Because for Lebanon, this is an existential question. Syria is losing now its Christian population, or what's left of it. Iraq has lost its Christian population. For Lebanon, this is a country that was established with a strong Christian role in the lead.

Jon Alterman: That was the reason for the separation of Lebanon from Syria—was French protection of the Christian community.

Mohanad Hage Ali: Very much so, and it became part of the fabric—the national fabric—and the national identity of the country. Even for Muslims, they do identify with this diversity. A decentralized state is a need to preserve this diversity in the next phase. With it, of course, the other part of the constitution, which relates to establishing a House or Senate that would represent different sects in the country equally—similar to what you have in the United States, with the 50 states being represented in the Senate with two members each—and also a parliament which has no confessional voters.

That would be a big shift from where we are now, but I think a step-by-step movement towards that goal is going to be the way. This is the style of the current administration. We'll slowly get there, but surely so. Specifically, on constitutional issues, these things take a long time in a place like Lebanon.

Jon Alterman: Mohanad Hage Ali, thank you very much for joining us on Babel.

Mohanad Hage Ali: Thank you, Jon. Great to connect to you again as well.

(END.)