



**AVATARS OF CHECKBOOK DIPLOMACY:  
FROM THE AFGHAN JIHAD TO THE ARAB SPRING**

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## 1 Introduction

In a talk given at Harvard University's Kennedy School of Government on October 2, 2014, Vice-President Joe Biden complained that "*our allies in the region were our largest problem in Syria. The Turks were great friends – and I have the greatest relationship with Erdogan, which I just spent a lot of time with – the Saudis, the Emiratis, etc. What were they doing? They were so determined to take down Assad and essentially have a proxy Sunni-Shia war, what did they do? They poured hundreds of millions of dollars and tens, thousands of tons of weapons into anyone who would fight against Assad except that the people who were being supplied were Al Nusra and Al Qaeda and the extremist elements of jihadis coming from other parts of the world.*" During the same talk, he expressed his frustration with the absence of a "*moderate middle in Syria (...) because the moderate middle are made up of shopkeepers, not soldiers.*" This came barely two weeks after Congress approved "*\$500 million dollars to train and arm "moderate" Syrian rebels.*"<sup>1</sup>

The Vice-President later apologized to Turkey, Saudi Arabia and the United Arab Emirates, but the "gaffe" drew attention to the brave new world of checkbook diplomacy, where aid seldom goes where it is intended, and unanticipated outcomes are the rule. During the anti-Soviet jihad of the 1980s, a secular Afghan warned American and Saudi officials against cozying up to extremists, telling them, "*For God's sake, you're financing your own assassins.*"<sup>2</sup> The United States and Saudi Arabia were then lavishing money and weapons on unsavory characters, giving little thought to the possibility of a blowback or boomerang effect—that they would in effect be funding and arming their future enemies. It is indeed ironic that the principal bankrollers of the jihad later became the main targets of offshoots of that jihad. By the same token, a non-negligible part of the money and weapons sent by the United States to Iraq, in particular as part of the "Sunni awakening", is now in the hands of extremists.<sup>3</sup>

Yet with the near-exclusive focus on military developments, the financial front of the war on terror is all but ignored.<sup>4</sup> This article traces the evolution of checkbook diplomacy in conflicts involving the Islamic world. Most of the cautionary tales involve the Afghan jihad against the Soviet Union. The article discusses three sets of dynamics which, combined, have produced an explosive mix: the "*good Muslim, bad Muslim*" perspective, the trend towards "*privatization of foreign policy,*" and the "*hedging*" approach.

## 2 Good Muslims, Bad Muslims

The year 1979 marked a turning point, as a series of landmark events transformed the Islamic world. On January 16, after months of turmoil, the Shah of Iran, America's staunch ally and surrogate Persian Gulf policeman, left his country, signaling the victory of revolutionary forces, which would soon be dominated by Muslim clerics. In Pakistan, military dictator Zia-ul-Haq, beset by domestic and international difficulties, announced on October 21 the establishment of a "genuine Islamic order." On November 20, a group of Sunni extremists

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<sup>1</sup>Adam Taylor, "Behind Biden's gaffe lie real concerns about allies' role in rise of the Islamic state," The Washington Post, October 6, 2014

<sup>2</sup>Steve Coll, *Ghost Wars: The Secret History of the CIA, Afghanistan and bin Laden, from the Soviet Invasion to 10 September 2001*, New York: Penguin, 2004, p. 182.

<sup>3</sup>"Two Arab countries fall apart," The Economist, June 4, 2014, <http://www.economist.com/news/middle-east-and-africa/21604230-extreme-islamist-group-seeks-create-caliphate-and-spread-jihad-across>

<sup>4</sup>A topic discussed at length in Ibrahim Warde, *The Price of Fear: The Truth behind the Financial War on Terror*, University of California Press 2008.

seized the Grand Mosque of Mecca, the holiest place of Islam, and called for the overthrow of the House of Saud. It took the intervention of French Special Forces to put an end to the rebellion. . On November 4, 1979, Iranian students stormed the U.S. embassy in Tehran, sacked it and took 49 U.S. diplomats hostage. The crisis, which lasted 444 days, further stirred up passions in both countries. On November 21, as (unsubstantiated) rumors that American and Israeli forces had entered Mecca, the American embassy in Islamabad was burned down by an angry mob. And most dramatically, on December 23, Soviet troops invaded Afghanistan. Each of these developments brought with it other crises. The Mecca events led to anti-American riots in Pakistan and elsewhere. In September 1980, Iraq's army attacked Iran. The Iraq-Iran war, one of the deadliest of the twentieth-century, lasted eight years. During that war, Iraq received financial and military support from a vast and heterogeneous group of countries, ranging from conservative oil-producing neighbors such as Kuwait and Saudi Arabia, to Western powers such as the United States and the United Kingdom. The principal concern of these countries was to contain the expansion of the Iranian brand of Islamic fundamentalism. In the process, they armed and financed an ally who soon turned to implacable enemy.

The Soviet invasion triggered a jihad that would be nurtured by a coalition of the United States, Saudi Arabia and Pakistan, with China, Egypt and the United Kingdom playing lesser roles.<sup>5</sup> Each of these countries was then responding in its own way to all those momentous events. In the United States, the Iranian revolution and the Soviet invasion resulted in significant policy changes. One was the rise of foreign policy hawks, partisans of a hard line against the Soviet Union. President Carter himself, previously quite accommodating toward the Soviet Union, increasingly aligned his positions with those of the hardliners. The Carter doctrine stated that the United States would use military force if necessary to defend its interests in the Persian Gulf.

In the binary world of the cold war, a new distinction was born, separating "good" and "bad" Muslims, represented respectively by Saudi Arabia (and other US allies) and Iran. The former were generously funded, whereas the latter were subjected to wide-ranging financial sanctions.<sup>6</sup> Thus started (or restarted, if we take into account, the earlier and far more limited U.S. attempts to boost the Muslim Brothers in the 1950s and 1960s)<sup>7</sup> the dangerous game of playing politics with religion. The sectarian divide separating Sunnis and Shia kept growing wider.

In a memoir covering that period, Robert Gates, who headed the Central Intelligence Agency between 1991 and 1993, revealed that the secret program to help the Afghan rebels was actually initiated on July 3, 1979, which is six months prior to the Soviet invasion.<sup>8</sup> In a 1998 interview, Zbigniew Brzezinski, Jimmy Carter's National Security Advisor, confirmed the chronology, boasting that playing the "Islamic card" was not simply an ad hoc response to the Soviet invasion. He asserted that he had conceived "*the secret operation which had the effect of drawing the Russians into the Afghan trap*" six months before the entry of Soviet troops.<sup>9</sup> In Pakistan, a mix of motives explains the paradoxical turn of events. Since 1979,

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<sup>5</sup>Milt Bearden and James Risen, *The Main Enemy: The Inside Story of the CIA's Final Showdown with the KGB*, New York: Random House 2003, p. 212-213.

<sup>6</sup>See Mahmood Mamdani, *Good Muslim, Bad Muslim: America, the Cold War and the Roots of Terror*, New York: Random House 2005, and William O. Beeman, *The "Great Satan" vs. the "Mad Mullahs": How the United States and Iran Demonize Each Other*, Westport, CT: Praeger 2005.

<sup>7</sup>Robert Dreyfuss, *Devil's Games: How the United States Helped Unleash Fundamentalist Islam*, New York: Metropolitan Books 2005.

<sup>8</sup>Robert Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War*, New York: Simon and Schuster 1996, p. 143-150.

<sup>9</sup>«Les révélations d'un ancien conseiller de Carter : 'Oui, la CIA est entrée en Afghanistan avant les Russes... '» *Le Nouvel Observateur*, January 15, 1998.

two seemingly contradictory trends fed off each other: a close alliance with the United States and the rise of state-sanctioned Islamic fundamentalism. The Islamicization policies of Pakistani leader Mohammed Zia-ul-Haq, a staunch ally of the United States, were accompanied by the strengthening of the Jamaat e-Islami group, whose student wing had a virulently anti-American outlook. It was in the name of those very policies that the group attacked the American embassy—for which the country’s ruler apologized profusely.<sup>10</sup> It was also during Zia’s rule (1977-88) that a network of *madrastas*, was created. Those *madrastas*, now widely perceived as promoting hate, would only gain international prominence following the September 11 attacks. The Saudis, challenged on many fronts—both the Mecca uprising and the Iranian revolution challenged their religious legitimacy; the Soviet invasion of Afghanistan was perceived as a political and economic threat—became an important participant in the anti-Soviet offensive.

In this alliance of convenience that involved the United States, Saudi Arabia and Pakistan, there was at first a clearly defined division of roles. Pakistan micromanaged the anti-Soviet resistance through its own ISI (Inter-Services Intelligence),<sup>11</sup> while the Saudis handled financing and religious propaganda, and the United States provided strategic guidance, money, weapons and technical assistance.<sup>12</sup> The alliance seemed to work for everyone: Pakistan was achieving national and regional goals by controlling a neighboring country and was generously rewarded for it; the United States had found eager proxies to fight what turned out to be “*the last battle of the cold war*”; and Saudi Arabia had found a cause that would relieve political and religious pressure at home while enhancing the country’s stature throughout the Islamic world.<sup>13</sup>

The aid provided to the Mujahideen, as well the considerable financial, political and military efforts to foster of a pan-Arab jihad, were undoubtedly major factors in the strengthening of Al Qaeda, and paved the way for Islamic terrorism in later years. In that respect, the Frankenstein monster metaphor is particularly apt. Thousands of Afghan Arabs (a misnomer since the category included all non-Afghan mujahideen) graduated from Afghan training camps before leaving for unknown destinations. Following the victory of the Afghan resistance against the Soviet Union, the monster turned against its creators. Hardened, fanaticized warriors became rebels without a cause. To be sure, they latched on to the new battlefields of the 1990s, some of which (Bosnia and Kosovo) had battle lines that were not dissimilar to those of the Afghan jihad. Muslims were victims of ethnic cleansing, and the United States (now in a post-cold war world spearheading international coalitions under the auspices of NATO and the United Nations) was once again allied with other Sunni countries. There were also other “jihad” with their own political dynamics in places such as Chechnya and Kashmir. But simultaneously, new grievances turned those jihadi soldiers against the United States and Saudi Arabia. One was the abandonment of the Mujahideen following the Soviet withdrawal from Afghanistan. Another even more significant grievance was the stationing of American troops on Saudi soil following the first Gulf War.

Cultivating religious extremism seemed to make tactical sense, based on the U.S. assumption-influenced by Pakistani intelligence - “*that only the most radical Islamists could fight with determination.*”<sup>14</sup> Washington’s favored warlord was Gulbuddin Hekmatyar, probably the most fanatical, the most violent—and also the most anti-Western. The conscious decision to

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<sup>10</sup>Coll, *Ghost Wars*, p. 21-52.

<sup>11</sup>Coll, *Ghost Wars*, p. 99.

<sup>12</sup>John Cooley, *Unholy Wars: Afghanistan, America and International Terrorism*, London: Pluto Press 2002, p. 65.

<sup>13</sup>Fawaz A. Gerges, *The Far Enemy: Why Jihad Went Global*, Cambridge University Press 2005, p. 62.

<sup>14</sup>Coll, *Ghost Wars*, p. 182.

instill religious fanaticism among the young would have a long-term impact, and it would prove impossible to reverse. The US Agency for International Development (USAID) spent \$51 million on an educational grant between 1984 and 1994 to the University of Nebraska in Omaha and its Center for Afghanistan Studies. The goal was to produce books in the dominant languages of Dari and Pashtu, which would help stoke anti-Soviet hatred. Those books were filled with violent images and militant Islamic teachings, emphasizing jihad. According to agency officials, children were taught to count with illustrations showing tanks, missiles and land mines.<sup>15</sup>

As in most covert operations, support to the Afghan resistance started with money. The initial infusion of cash was modest (“*somewhat more than half a million dollars*,” according to Gates),<sup>16</sup> though “*key alliances were established with Saudi Arabia and Pakistan, and the first elements of an extraordinary logistics pipeline from suppliers around the world were assembled*.”<sup>17</sup> Of special significance was the Saudi decision to match dollar for dollar U.S. spending in Afghanistan.<sup>18</sup> Spreading money became a central part of the joint effort. Howard Hart, who as CIA representative in the Pakistani capital became the “*quartermaster of the Mujahideen*,” understood his orders as: “*You’re a young man; here’s your bag of money, go raise hell. Don’t fuck it up, just go out there and kill Soviets*.”<sup>19</sup> By the same token, the Saudis’ “*cash dollars*” had been their “*calling card*.”<sup>20</sup>

Between 1979 and 1984, the U.S. share of the funding for the Mujahideen was \$250 million — an amount matched by the Saudis.<sup>21</sup> Since then, as many patrons of the Afghan jihad shifted objectives—from simply “*bleeding the Soviets*” to defeating them — the sums provided to the insurgents escalated accordingly. Or was it the other way around? Either way, political and budgetary constraints crumbled. With the funding surge of October 1984, the very nature of the support to the jihad changed. In the words of Robert Gates, Washington started “*pouring it on*.” “*The United States and its friends — sensing both a Soviet challenge and a Soviet vulnerability — likewise expanded their covert assistance to anticommunist resistance forces all over the world; new money and new weapons cascaded in to them*.”<sup>22</sup> And all with Congressional support, and often in response to congressional pressure.<sup>23</sup> Indeed, a handful of members of Congress had taken up the cause of the Afghan jihad with a passion. One was Texas Congressman Charlie Wilson, who used his seat on the Defense Appropriations Subcommittee to steer considerable amounts of money to the Mujahideen. In one of his encounters with the director of the Central Intelligence Agency (CIA), the Congressman told an incredulous William Casey:

“*Mr. Director, I’m going to drown you in money. You ask for it and I’ll pay for it*.”<sup>24</sup> Charlie Wilson later colluded with the CIA and the Pentagon to “*arrange an annual feat of budgeting gimmickry that siphoned Defense Department money*

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<sup>15</sup>Joe Stephens and David B. Ottaway, “From the U.S., the ABCs of Jihad,” Washington Post, March 23, 2002

<sup>16</sup>Gates, *From the Shadows*, p. 146.

<sup>17</sup>Gates, *From the Shadows*, p. 149.

<sup>18</sup>According to Robert Gates, the agreement was concluded in February 1980 during a trip to Saudi Arabia by National Security Adviser Zbigniew Brzezinski. See Gates, p. 148.

<sup>19</sup>Coll, *Ghost Wars*, p. 55.

<sup>20</sup>Coll, *Ghost Wars*, p. 71-72.

<sup>21</sup>Coll, *Ghost Wars*, p. 102.

<sup>22</sup>According to Steve Coll, William Casey possibly overstepped his bound even trying, without presidential authority, to foment attacks within Muslim areas of the Soviet Union. See Coll, *Ghost Wars*, p. 101-105.

<sup>23</sup>Gates, *From the Shadows*, p. 346.

<sup>24</sup>George Crile, *Charlie Wilson’s War: The Extraordinary Story of the Largest Covert Operation in History*, New York: Atlantic Monthly Press 2003, p. 214.

*to pump up the funds available for Afghan covert action.”<sup>25</sup>*

For fiscal year 1985, the amount appropriated for the Afghan jihad - \$250 million — was equal to that of the five previous years combined. It nearly doubled to \$470 in 1986, and increased again to \$630 million in fiscal 1987.<sup>26</sup> Much of the money came from the defense budget, though the covert operations were undertaken by the Central Intelligence Agency.<sup>27</sup> In the words of Steve Coll, “*even by its own rich standards, the jihad was now swimming in money.*”<sup>28</sup>

### 3 Saudi Arabia and the Privatization of Foreign Policy

Prince Turki bin Faisal, the long-time head of Saudi intelligence (later the ambassador to the United Kingdom and the United States), once told an American intelligence official: “*We don’t do operations. We don’t know how. All we know how to do is write checks.*”<sup>29</sup> That was certainly true of an earlier period. The end of the Vietnam War, the Watergate scandal, and economic turmoil coincided with the unprecedented oil windfall in Saudi Arabia. With Congress, especially following the Church Committee revelations,<sup>30</sup> trying to rein in foreign adventures, the Saudi government started financing, with no questions asked, covert operations in countries such as Angola and Nicaragua.<sup>31</sup>

Over time however, the Saudi role evolved well beyond that of a “*bank teller.*” According to Steve Coll’s account, the prince later became “*an architect of Afghanistan’s destiny — and of American engagements with Islamic radicalize — in the two decades after 1979. He picked winners and losers among Afghan commanders, he funded Islamist revolutionaries across the Middle East, he created alliances among these movements, and he paid large subsidies to the Pakistan intelligence service, aiding in its rise as a kind of shadow government.*”<sup>32</sup> One problem encountered by the Saudis was that of matching American expenditures in a context of declining oil prices. Oil revenues had declined from a high of \$118 billion in 1981 to \$14.5 billion in 1986.<sup>33</sup> The Saudi Treasury was also depleted by the rapid growth of foreign-policy-related expenditures, which included the funding of Saddam Hussein’s war against Iran. Given the general discontent of the population over declining economic standards, there were limits to the Saudi government’s checkbook diplomacy. This is where the private sector and Saudi society were called on to contribute further to the Afghan jihad. Wealthy merchants, some of whom had created their own foundations, responded generously, while people of more modest means took to making anonymous donations in ubiquitous collection boxes. This is how the Islamic charities came to play a central role in the Afghan jihad.<sup>34</sup> From foreign pilgrims in Saudi Arabia to worshippers in foreign mosques, everyone was expected to contribute. Comparable dynamics led other oil-rich states such as Kuwait, the United Arab Emirates, and Qatar (before it upgraded its role as discussed later) to do the same. Islamic NGOs and charities were the logical conduits for all those funds. The all-out

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<sup>25</sup>Coll, *Ghost Wars*, p. 101.

<sup>26</sup>Coll, *Ghost Wars*, p. 151.

<sup>27</sup>Gates, *From the Shadows*, p. 321.

<sup>28</sup>Coll, *Ghost Wars*, p. 151.

<sup>29</sup>Coll, *Ghost Wars*, p. 72.

<sup>30</sup>The Church Committee was a 1975 Senate Committee that examined abuses of law and power by the U.S. intelligence community.

<sup>31</sup>Ibrahim Warde, *The Price of Fear: The Truth behind the Financial War on Terror*, University of California Press 2008, p. 132-134.

<sup>32</sup>Coll, *Ghost Wars*, p. 73.

<sup>33</sup>Tim Nibbuk, *Saudi Arabia: Power, Legitimacy and Survival*, Routledge 2004. p. 70.

<sup>34</sup>Warde, *The Price of Fear*, p. 132-139.

effort to mobilize the Islamic world provided a windfall for the jihad, but came at the cost of a significant loss of control by governments over the origin and destination of funds.<sup>35</sup>

Between 1979 and 1989 over \$3 billion in U.S. taxpayers' money was sent to the mujahideen — an amount matched by the Saudis. Then, on August 2, 1990, the Iraqi invasion of Kuwait touched off the first conflict of the post cold war era. Once again, in a context of low oil prices, Saudi Arabia was called on to make a major financial contribution to the anti-Iraqi coalition. The financial networks set up at the time of the anti-Soviet jihad were kept in place. In Afghanistan, US financial aid slowed to a trickle, and by 1994, it had all but ceased.<sup>36</sup> The Soviet withdrawal from Afghanistan, far from bringing stability, led the country into deeper chaos. In the words of Robert Gates, “*We expected post-Soviet Afghanistan to be ugly, but never considered that it would become a haven for terrorists operating worldwide.*”<sup>37</sup> In 1992, the communist regime in Kabul had fallen, and a civil war, pitting various Mujahideen warlords against one another, ensued. By that time, the United States, now preoccupied by developments in other parts of the world (such as the fall of the Berlin Wall and the disintegration of the Soviet Union) lost interest in Afghanistan. Financial flows were needed again. Islamic charities, some legitimate and other not, played a key role throughout the 1990s. Other networks, incubated during the Afghan jihad, became increasingly active, and new countries got involved.

## 4 Upstarts, Hedgers, and the Financial War on Terror

As Islamic politics grew more complex, the “*privatization of foreign policy*” attracted more players, giving extremism a new lease on life. Indeed, in an early form of “crowdfunding,” some Gulf financiers took to sponsoring extremist organizations either out of conviction, or as a way for malcontents to register their displeasure with their own governments.

In later years, two countries came to play very significant roles. Qatar, under the leadership of Hamad bin Khalifa Al Thani , who ruled between 1995 and 2013, stepped out of the shadow of Saudi Arabia, and came into its own. Eager to “punch above its weight”, it used its significant financial resources, as well as the reach of its media network Al-Jazeera, to win friends and influence people throughout the Islamic world and elsewhere. In Turkey, the rise of the pro-Islamic Justice and Development Party (AKP), in power since 2002 under the leadership of Recep Tayyip Erdogan, led to a renewed interest in the Islamic world. Both countries claimed that their sudden appearance on the regional scene, and the cultivation of a broad range of political parties, was motivated by a desire to maintain peace and stability in the region—a “zero problem” policy, whereas their critics argued that they were simply hedging their bets.

With the advent of the Arab Spring, however, their strategy evolved into one of taking sides. In Egypt, Turkey and Qatar were strong supporters of the Muslim Brothers and the Morsi government, while other regional players, Saudi Arabia in particular, who had opposed the Morsi regime, threw their considerable financial support behind the July 3, 2013 coup. Indeed, soon after the announcement of the destitution of Mohammed Morsi, Saudi Arabia, the United Arab Emirates and Kuwait announced a \$12 billion aid package to Egypt.

The United States reentered the fray following the August 1998 embassy bombings in Kenya

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<sup>35</sup>Warde, *The Price of Fear*, p. 145-150.

<sup>36</sup>Ahmed Rashid, *Taliban: Militant Islam, Oil, and Fundamentalism in Central Asia*, Yale University Press 2000, p. 176.

<sup>37</sup>Gates, *From the Shadows*, p. 349.

and Tanzania, with new covert operations involving the supply and funding of anti-Taliban warlords, and more dramatically after the September 11, 2001 World Trade Center attacks.<sup>38</sup> Indeed, the “war on terror” that followed began with a financial strike when, on September 24, 2001, President George W. Bush, announced the “*launch of a strike on the financial foundation of the global terror network.*” A presidential order blacklisted 27 individuals and groups — “*terrorist organizations, individuals, terrorist leaders, a corporation that serves as a front for terrorism and several nonprofit organizations.*” The presidential statement made it clear that this was just a beginning: in the open-ended war on terror, many more financial attacks would be forthcoming. It was from the outset a global attack. Within days, the international community – through the G7, the United Nations, the European Union, the Financial Action Task Force, etc. - enlisted in the fight to “*disrupt terrorist funding throughout the world.*” Money was said to be the “*oxygen*” of terror and a huge apparatus was put in place to end terror funding, and by implication, terrorism.<sup>39</sup> But the tight control over global banking transactions, in particular through the systematic monitoring of bank transfers through SWIFT (Society for Worldwide Interbank Financial Telecommunications) and the globalization of anti-money laundering and terrorist financing did not put an end to terrorism, which rose five-fold since 2001.<sup>40</sup> The unintended consequence of these measures was that terrorist financing moved to cash and underground activities, and thus became more difficult to detect and combat.<sup>41</sup>

## 5 Conclusion

In the “*final showdown*” of the cold war,<sup>42</sup> little consideration was given to how and to whom money and weapons were handed out. Mistakes made three decades ago kept being repeated, and the current war against the Islamic State (IS, a.k.a. ISIS, the Islamic State in Iraq and Syria, and ISIL, the Islamic State in Iraq and the Levant), provides a good occasion to revisit some of the mistakes in the hope that they will not be repeated again.

One lesson is that financial support can strengthen and even create a potential enemy, and that weapons could be turned against those who supplied them. Examples of these forms of blowback abound. Sophisticated weapons furnished by the United States to Iran’s *ancien régime* brought the forces of revolutionary Iran close to victory during the 1980-1988 war with Iraq. In turn, the fear of an Iranian victory brought Iraq a great deal of unlikely allies, ranging from the United States to conservative Persian Gulf oil monarchies. Yet barely two years after that war ended, Iraq invaded Kuwait, a country whose generous credits to Iraq were a crucial factor in winning the war. One of the Iraqi grievances was that the Emirate had refused to forgive those loans, despite the fact that the Iraqi army had defended it, as well as the entire Persian Gulf, against the threat posed by the Iranian revolution.

How are funds allocated and disbursed? In the case of Afghan jihad, the sheer size of the windfall was bound to magnify the unavoidable waste, fraud and abuse. In a war-torn area where alliances were tangled and political agendas inscrutable, the process was particularly opaque. Every account has documented a bizarre free-for-all. Every warlord was on the take,

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<sup>38</sup>Barton Gellman, “The Covert Hunt for bin Laden: Broad Effort Launched After ’98 Attacks” The Washington Post, December 19, 2001.

<sup>39</sup>Nathan Verdi, “Is al Qaeda Bankrupt?” Forbes, February 11, 2010.

<sup>40</sup>Ewen MacAskill, “Fivefold increase in terrorism fatalities since 9/11, says report,” The Guardian, November 17, 2014.

<sup>41</sup>Warde, *The Price of Fear*, p. 163-195.

<sup>42</sup>Milt Bearden and James Risen, *The Main Enemy: The Inside Story of the CIA’s Final Showdown with the KGB*, New York: Random House 2003.

though the favorite, Gulbuddin Hekmatyar, the most ruthless and fanatical of all, was the recipient of half the arms being supplied by the CIA.<sup>43</sup> As explained by Steve Coll, “*The main intelligence agencies involved (Saudi Arabia’s GID, Pakistan’s ISI, and the CIA) began to ‘compartment’ their work even as all three collaborated with one another through formal liaisons. Working together they purchased and shipped to the Afghan rebels tens of thousands of tons of weapons and ammunition. Separately, they spied on one another and pursued independent political agendas.*”<sup>44</sup> The amounts involved and the breadth of the recipients are mind-boggling: “*The payroll had several tiers. A regional commander might draw an agency retainer of \$20,000 or \$25,000 a month in cash. A somewhat more influential leader might draw \$50,000 a month. A commander with influence over one or more provinces might receive \$100,000, sometimes more.*”<sup>45</sup>

Another important lesson concerns the consequences of indiscriminate bribing. It should have been obvious that while loyalty is often for rent, it is seldom for sale. Michael Scheuer, who served as the chief of the Bin Laden “*virtual station*” at the Central Intelligence Agency from 1996 to 1999, stated it forcefully: “*Afghans can’t be bought off with bribes. Plying them with money usually guarantees that they will do the opposite of what the United States asks. Case in point: Despite offering millions in reward money, not a single Afghan has turned over a ‘high-value’ Taliban or al-Qaida target to U.S. forces.*”<sup>46</sup> Indeed, one of the defining characteristics of many Northern Alliance leaders is that while they were on everyone’s payroll, their loyalty could not be counted on.<sup>47</sup>

Just as in the days of the cold war, each camp provided strategic rents to its allies, and the “war on terror” reopened the floodgates: signing on to that war was enough to claim aid and assistance. Playing the sectarian card and stirring up religious fanaticism may have brought short-term rewards, but it became clearly impossible to put the genie back in the bottle.<sup>48</sup> Before pouring money and weapons, governments would do well to ponder the consequences of shifting alliances and changing circumstances.<sup>49</sup>

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<sup>43</sup>Mary Anne Weaver "Blowback," *The Atlantic Monthly*, May 1996.

<sup>44</sup>Coll, *Ghost Wars*, p. 86.

<sup>45</sup>Coll, *Ghost Wars*, p. 151.

<sup>46</sup>Anonymous, *Imperial Hubris: How the West Is Losing the War on Terror*, Washington, DC: Brassey’s Inc. 2004, p. 49-51.

<sup>47</sup>Bob Woodward, *Bush at War*, New York: Simon and Schuster 2002, p. 53.

<sup>48</sup>Marc Sageman, *Understanding Terror Networks*, University of Pennsylvania Press 2004, p. 56.

<sup>49</sup>Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire*, New York: Henry Holt & Co. 2000, p. 89.