

- The under-regulated zones that host many open markets also host marginalised populations prone to substance abuse, including runaways, people with mental health problems, and sex workers; closing the market would break this important spatial connection.
- Open drug markets allow virtually anyone to show up and buy; closing them should slow the expansion of the user base beyond the affected area.
- Closing open markets removes the territorial element on which so much drug related violence is based.
- Removal of the territorial element may take drug markets out of the hands of street gangs.

In terms of violence, one of the worst things that can happen in a drug market is for it to fall into the hands of street gangs. Street gangs appear to have evolved independently in many parts of the world, while missing in other areas entirely. They hold in common an ethos of opposition to the law, however, so interventions designed to deter most people may, perversely, encourage illegal activity in gang members. While there is considerable heterogeneity, most gangs are defined by their association with a particular territory (“turf”) and their capacity for violence, whether or not they deal drugs.

Drugs may increase the incentives and occasions for violence, but much of the violence of drug-dealing gangs is related to issues of “respect”, and is often committed contrary to their market interests.⁴² There is evidence that street gang members are among the lowest-paid actors in the entire distribution chain.⁴³ They sell drugs because that is what street gang members do, because it is a job that can be done while standing on a street corner, and because it is perceived as affording greater dignity than fast-food work, not because it pays well. But given limited alternative forms of employment for uneducated young men with criminal records, it may be the only job on offer. And the prospect of possible future riches may be enough to justify continued participation despite relentless evidence that their efforts are fruitless.

Removing drugs as an income stream may decrease the attractions of gang membership and result in long-term violence reduction. And the surest way of taking drugs out of the hands of gangs is to close spatially-linked drug markets.

Disrupt information networks

In addition to open markets, drugs are dealt through personal networks. These markets rely on trust – new participants are only introduced through the endorsement of existing members. This slows their growth and leaves them fragile. An inherent weakness of black markets is that most of the participants are untrustworthy. Removal of key links, the use of informants, and sting operations (or the rumour of sting operations) can cause extended networks to collapse, and reconstitution may be difficult.⁴⁴

Similar principles apply further up the trafficking chain, at the wholesale level. People who broker drug deals have only their connections to sell, and therefore take great pains to ensure their suppliers never meet their customers.⁴⁵ If the brokers are removed, they are not always easily replaced. This weakness was recently exploited to disrupt the heroin markets in Australia, with very positive consequences.

The causes of the “heroin drought” have been debated,⁴⁶ and it is highly likely that a number of factors played a role, but the balance of the evidence suggests that law enforcement action was important. Australian authorities had determined that heroin trafficking was proceeding in very large shipment through a limited number of nodal points (“brokers”) who had connections to both Southeast Asian suppliers and a vast network of street retailers. Evidence suggests that coordinated, international-level law enforcement operations over a number of years may have progressively removed some of these key brokers, disrupting large-scale shipment to the country, reducing the quantity and quality of heroin available to street-level dealers. In the interim, many addicts went into withdrawal, and some appear not to have resumed heroin use; the market remains smaller to this day. By the time connections were resurrected, the market was not nearly as large. The smaller market attracted fewer new users. Violence, drug-related crime, overdoses, and overall use declined dramatically.⁴⁷

2.3 Create flow-specific drug strategies

In addition to refining local enforcement techniques, there is a broader need to approach the drug problem strategically. Drug strategies are usually devised at a national level, but this is not always the most useful frame of analysis. The most important manifestations of the problem are highly local, and not every area is equally affected. Coming to terms with “the world drug problem” can be overwhelming when the issues are not described with sufficient specificity. When broken down into specific flows affecting specific areas in different ways, the problem becomes more manageable.

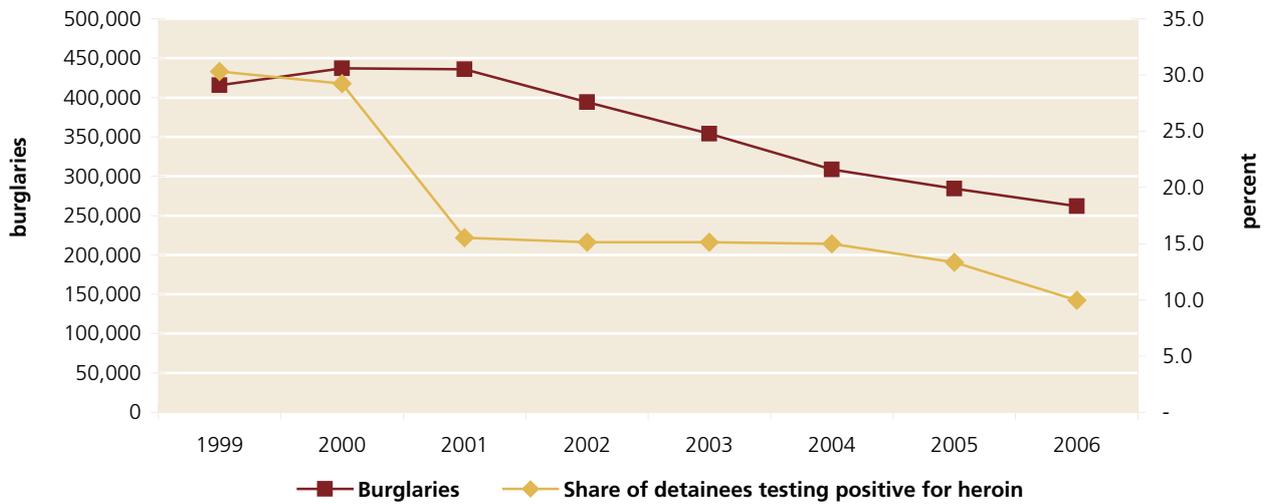
At the same time, local issues are deeply connected to what is going on internationally. As is discussed below, the particularities of each situation are tremendously important in designing interventions, but these interventions can only be effective if they are coordinated across borders. Failure to coordinate local initiatives reduces the impact and results in displacement, an effect that has become a recurrent theme in global drug control.

Develop a truly “balanced approach”

The incompatibility of the problem and the primary tools used to engage it has long been recognised, and a “balanced approach” between supply-side (enforcement)

Fig. 12: Number of burglaries and the share of inmates testing positive to heroin in Australia

Source: Australian Institute of Criminology, *Drug Use Monitoring in Australia* and *Australian Crime Facts & Figures*.



and demand-side (prevention and treatment) interventions has become a commonplace of best international practice. The Conventions, however, are rooted in supply reduction: transnational trafficking is an international issue, whereas efforts to address demand are largely domestic. Coordinated action on supply has a 70 or 80-year head start on demand-side work. As was observed in this Report some 12 years ago, countries are frequently criticised for failing to hold up their end in cooperative supply control efforts, but rarely is a nation taken to task for doing too little in prevention and treatment. Partly as a result, in most countries, far more resources have been assigned to supply reduction than to demand reduction.

The situation is even more pronounced in developing countries. International assistance in fighting drug supply has been eagerly accepted, since it often takes the form of military hardware, technology, and training. These tools can be used to shore up shaky administrations and combat political opponents. Law enforcement assistance can also further the foreign policy interests of the donor. In comparison, the promotion of treatment centres or prevention campaigns is relatively unattractive.

Aside from resource distribution, the concept of a “balanced approach” suggests that someone is weighing the alternatives, assessing drug problems and designing coordinated interventions as part of an integrated strategy. It suggests that actors working on both sides of the drug problem are in communication with one another about current developments.

Unfortunately, in these respects, a truly balanced approach is rarely realised. Institutional barriers discourage cooperation between government sectors. More often, departments of law enforcement, education, and public health fight each other for resources in what is

seen as a zero-sum game. Even when oversight or strategic offices are established, they seldom have the authority to overcome this insular bureaucratic tendency.

Different markets call for different interventions at different times. Resource allocations need to be similarly dynamic and problem-specific. Further, these resources and the programmes they fund should not be limited to those departments who have traditionally dominated anti-drug efforts. Criminal justice agencies lack the tools to take on all aspects of the drug trade, and many do not make full use of the tools they have. Police and prosecutors must continue their work, keeping drugs illegal, but more dramatic change requires a mandate and a skills set not generally found among criminal justice actors. It may be that drug markets are deeply tied to issues in housing, or foreign affairs, or land use, or transportation, or immigration, or urban development. Until the full range of governmental powers is available to the drug control effort, it is likely that the same agencies will continue to do the same work in very much the same way.

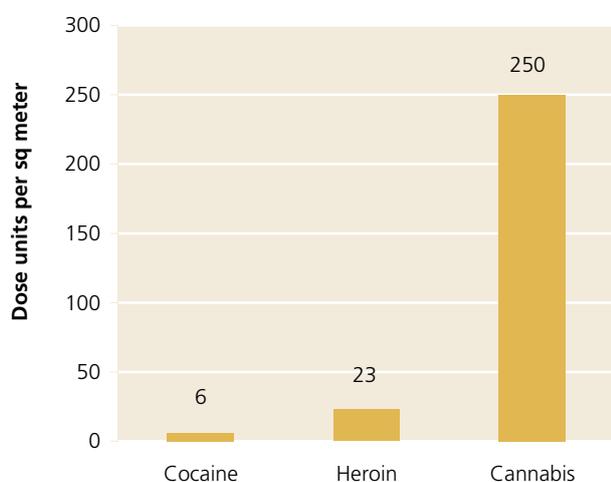
Moving beyond the capacities of any particular government, international action should also include those involved in development work and peace building. This point is discussed further below.

Target specific drug problems

There is also a common tendency to treat the galaxy of illicit substances as an undifferentiated mass. Different drugs come from different places, attract different consumers, and are associated with different problems, but they are rarely the subject of distinct strategies. Drug policy is too often “one size fits all”, when what is needed are interventions tailored to deal with each substance and the unique issues it raises in each location it touches.

Fig. 13: Drug yield in dose units per square meter of illicit crops

Source: UNODC yield studies

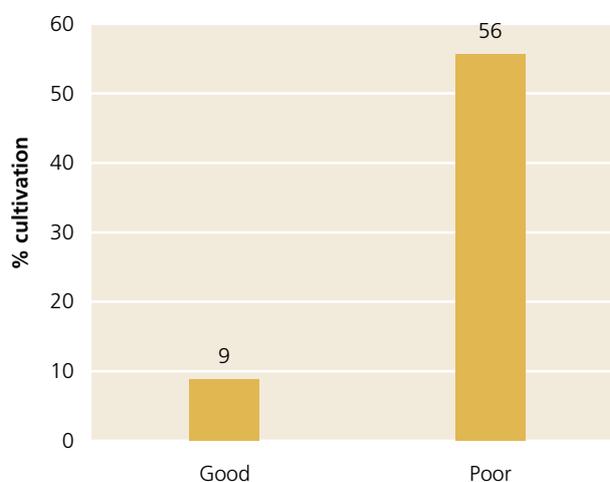


Cultivation

Different drugs pose different issues from the point of cultivation onward. For example, cannabis is grown in at least 176 countries around the world. It can be grown indoors or outdoors, and is often cultivated in small plots by the users themselves. Because cannabis produces high yields and requires no chemical processing before use, it is the only common illicit drug (except maybe opium) where users can comfortably generate their own supply.⁴⁸ Since it requires relatively little maintenance, it is often grown on vacant land in developing countries, by small scale farmers also cultivating other crops. As little is invested, eradication does not provide much disincentive to trying again. Law enforcement can discourage large-scale plantations, which are clearly maintained by well-resourced farmers with a great deal to lose, but the point of diminishing returns is quickly reached in ferreting out smaller grows. The eradication of feral cannabis (“ditchweed”) can actually aid illicit cultivators, as it reduces pollination by lower potency strains and, if carried out vigorously enough, allows outdoor cultivation of sinsemilla.⁴⁹

Synthetic drugs pose similar challenges as cannabis, in that they can be manufactured anywhere the necessary chemicals are available. Unlike cannabis, however, for most synthetic drugs the skills needed to access and process the needed chemicals are not widely spread,⁵⁰ and, consequently, the market tends to favour more organised groups. Global precursors control is clearly key in disabling this market.

In contrast, most of the cultivation of drug crops like coca and opium poppy is confined to small areas within two or three countries. Most of the world’s heroin supply is produced on a land area about the size of Greater London (170,000 ha). This area is by no means the only

Fig. 14: Share of villages cultivating poppy with good and poor securitySource: *Opium Winter Rapid Assessment 2009*⁵¹

part of the world where opium poppy could grow; its range is actually quite wide. The world’s heroin supply comes from this region because it is controlled by insurgents. Most of the world’s most dangerous substances come from areas with serious governance problems, because large-scale cultivation requires swathes of territory which are effectively outside the control of the national government. Since insurgent groups typically tax cultivation in the areas under their control, the two issues become inextricably intertwined. Reducing cultivation in these areas is contingent upon establishing political stability and the rule of law. This can be seen in Afghanistan, one of the areas where insurgency and drug production are most clearly symbiotic. The 2009 Winter Opium Poppy Assessment found a strong relationship between poppy cultivation villages and poor security.

Trafficking

Differences on the production end also affect the way the different drugs are trafficked. Since cannabis can be produced virtually anywhere by anyone, it need not be trafficked internationally. Surveys in a number of countries indicate that most users get their cannabis for free at least part of the time, and low-end cannabis is relatively cheap in most markets. This reduces the attraction of the drug for organised crime groups in many parts of the world, particularly where drug law enforcement is low, including much of the developing world. There are obvious exceptions (over 1000 tons of low-grade herbal cannabis is confiscated annually on the southwest border of the United States), and transnational organised crime is most prevalent today in two markets: hashish and the “new” cannabis (buds of sinsemilla, bred for high potency, usually produced indoors, often hydroponically).

In contrast, ecstasy production is a more complicated matter than growing cannabis, so transnational traffick-

ing is more commonly involved. Ecstasy distribution is also generally more structured and hierarchical. Although social network distribution is common, consumption of ecstasy is often tied to particular events or dance clubs, and control of these venues means control of the drug market. This control is exercised by club or event security, who have the power to authorise particular dealers or products, often in complicity with the club owners or event organisers.

Consumption

Cocaine is often consumed in “binges”, whereas heroin addicts need a predictable supply to avoid withdrawal. These differences shape the market and its consequences. Heroin addicts have the time and disposition to plan and execute property crime, such as burglaries. Users in the midst of a crack binge operate on a much shorter time schedule, and are more likely to take property by force in a robbery.⁵² Heroin addicts do trade sex for drugs but crack is much better suited for sex work, since it boosts energy, alertness, and confidence – all assets when negotiating delicate transactions on the streets.

These differences are real and have implications for control strategies, but they should not be mistaken for inherent properties of the drug. The same drug can have very different sorts of impacts in different social contexts.⁵³ The classic example is alcohol, which is associated with violence and sexual aggression in some societies, but not in others. Cannabis is also associated with violence in some societies, a fact that Western consumers may find difficult to believe.⁵⁴ Cocaine use among the affluent has very different implications than cocaine use among the dispossessed. Any drug-specific strategy should take local context into account.

Drug problems, and the appropriate response to them, also vary over time. The ratio between all drug users and the number of addicts depends on where the given market is in the epidemiological cycle of the drug. In the early days of an epidemic, strong law enforcement is often successful; later, when a large body of addicts have become entrenched, treatment tends to provide the best return on investment.⁵⁵

Focus on markets, not individuals

It is often difficult for law enforcement agencies to participate in strategic approaches to crime problems because the case-specific nature of their work. In the past several decades, international law enforcement has struggled to come to grips with the phenomenon of transnational criminality generally. Penal law is matter of national legislation and custom, and, historically, has dealt with matters of primarily local interest. The global rise in prominence of “organised crime” prompted the creation of a United Nations convention: the 2000 *United Nations Convention against Transnational Organized Crime*.

But this agreement itself highlights the difficulties of coming to consensus on the nature of the problem. Remarkably, the convention nowhere defines “organised crime”.⁵⁶ Instead, the Convention settles for a rather broad description of “organized criminal group”, comprising the following elements:

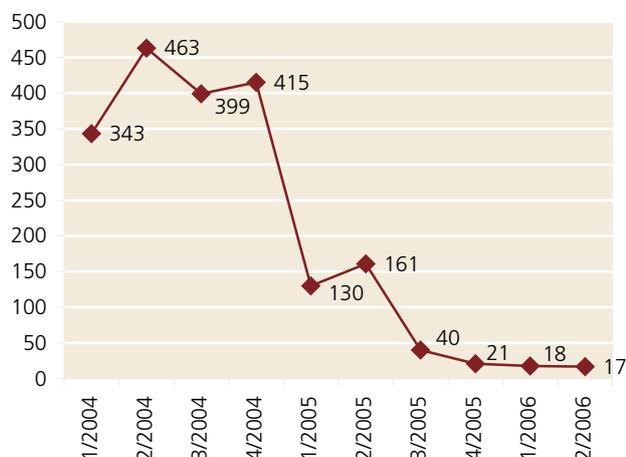
- a group of three or more persons that was not randomly formed;
- existing for a period of time;
- acting in concert with the aim of committing at least one crime punishable by at least four years incarceration;
- in order to obtain, directly or indirectly, a financial or other material benefit.

Since most “groups” of any sort usually involve three or more people working in concert for a period of time, the defining characteristic of organised crime under the Convention is its seriousness and profit-driven nature. The Convention does not require that the groups operate transnationally, and so the definition encompasses strictly local forms of crime-for-profit.⁵⁷ Beyond the fact that money must be made, the range of relevant criminal activities is theoretically unbounded. In practice, however, the backbone of global organised crime has long been transnational trafficking, in particular the illicit trade in drugs.

The focus in the Convention on the group, rather than the activities of that group, is not unique to the Convention. It is a manifestation of a recurring perceptual problem in law enforcement. Police officers, investigators, and prosecutors are employed to make cases against individuals and groups of individuals. They lack the authority and the tools to take on an entire trafficking flow. As a result, they tend to conceptualise organised crime as the activities of a collection of particular people, rather than a market with a dynamism of its own.

Today, organised crime is less a matter of a group of individuals who are involved in a range of illicit activities, and more a matter of a group of illicit activities in which some individuals are presently involved. If these individuals are arrested and incarcerated, the activities continue, because the market, and the incentives it generates, remain.

Sometimes, taking action against the market may mean forgoing action against individuals. It is important that the deterrent message reaches those who actually making the key decisions, rather than the undeterrable masses who often make up the face of drug trafficking. The decision makers are generally rational and profit-oriented, as opposed to their front-line employees, whose behaviour may have more to do with issues of livelihood, identity and emotion. Sending negative economic

Fig. 15: Couriers Detected Arriving at Schiphol from Curacao, by QuarterSource: World Bank and UNODC, *Crime, violence, and development*⁵⁸

feedback can be more effective than endless low-level enforcement.

For example, since 2000, the authorities at Schipol Airport in the Netherlands were faced with a tide of cocaine coming in on commercial flights from the Netherlands Antilles. Over 6000 couriers were arrested in less than three years. The couriers were largely body packers, each carrying about a kilogram of cocaine in their intestines. For the traffickers behind these couriers, the difference in the price of a kilogram of cocaine in Curacao and a kilogram of cocaine in Amsterdam was sufficient to cover the cost of the flight, the fee for the courier, and quite a few losses. The couriers themselves were disposable, cheap, and inexhaustible, like cardboard boxes. Losing a few was of no consequence if enough drugs got through to turn a healthy profit.

Dutch airport security was constrained by the same issues that constrain law enforcement agents everywhere. Processing a subject through the criminal justice system takes a tremendous amount of time. In addition to intake, the arresting officer may be called upon to testify at trial, and may be compelled to appear multiple times before actually taking the stand. As a result, there are limits on the number of suspects who can be arrested on any given flight. Traffickers know this, and “shotgun” multiple couriers on a single flight. In the case of the Antilles, this could be 30 couriers on a flight or more, overwhelming the system.

Under these circumstances, arresting individual couriers was futile. It sent no message back to those who were making the decisions, since not enough couriers could be arrested to impact on the bottom line. Rather than focusing on the couriers, the emphasis shifted to the drugs. A system called “100% control” was implemented, with scanners and profiling on both ends of the

flight. Europol described the mechanics of the policy in this way:

Crews, passengers, their luggage, the cargo and the planes are systematically searched. Couriers with amounts of less than 3 kg of cocaine are not detained, unless they are arrested for the second time or another criminal offense is involved. Instead, the drugs are confiscated and the smugglers are sent back. Couriers who have been identified are registered on a blacklist, which is provided to KLM, Dutch Caribbean Airlines and Suriname Airways.⁵⁹

While it would be extremely difficult to process 30 suspects per flight through the criminal justice system, it was a relatively simple matter to hold them all and wait for the drugs to pass. When the level of seizures reached a point that trafficking through the airport was no longer profitable, the flow of couriers stopped. The responsible parties had finally received the message.

Of course, despite the undeniable success of the 100% control strategy, cocaine continued to flow into Europe. The drug supply had not been stopped, but it had been guided. The ability of government to shape drug markets is not without value, however, and can be used to limit the unintended consequences of enforcement.

Guide the market

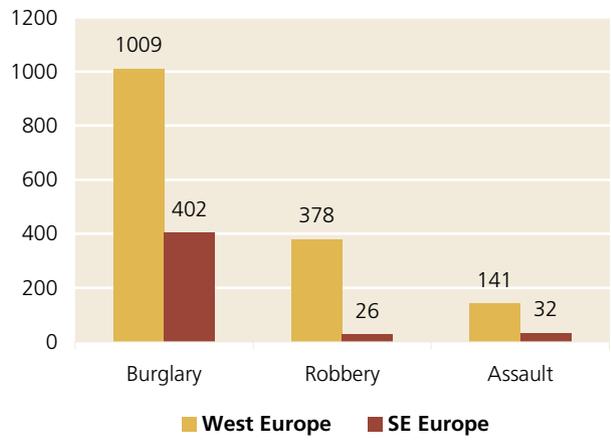
Law enforcement has not succeeded in stopping the flow of drugs from their origins to their destinations, but this does not mean it has had no impact on drug markets. As mentioned above, the production costs of drugs comprise only a tiny fraction of their retail cost, and this fact is entirely attributable to their illegality. In addition to affecting the amount of drugs getting through, there are other ways that interdiction work affects the drug markets. The impact of law enforcement should be used to guide the market in ways that maximise positive side effects and minimise negative ones.

For example, the phenomenon of “displacement” is often used to criticise drug control efforts. Crackdowns in one country or region cause cultivators and traffickers to move operations to another. This ability of enforcement to displace production and trafficking from one area of the world to another is a valuable tool if wielded with some foresight. In particular, it is important not to displace trafficking into areas where the social impact is likely to be particularly devastating.

Drug flows do not impact all that they touch in the same way. For example, over decades tons of heroin have transited the Balkans on their way from Afghanistan to Western Europe. The present estimate is that about 80 tons of heroin transits this region each year. It apparently does so with surprisingly little impact on the countries through which it passes. The available data suggest rates of drug use, murder, and other forms of crime in

Fig. 16: Total recorded robbery and assault victimisation rates per 100,000 adjusted for under-reporting

Source: UNODC, *Crime and its impact on the Balkans*⁶⁰

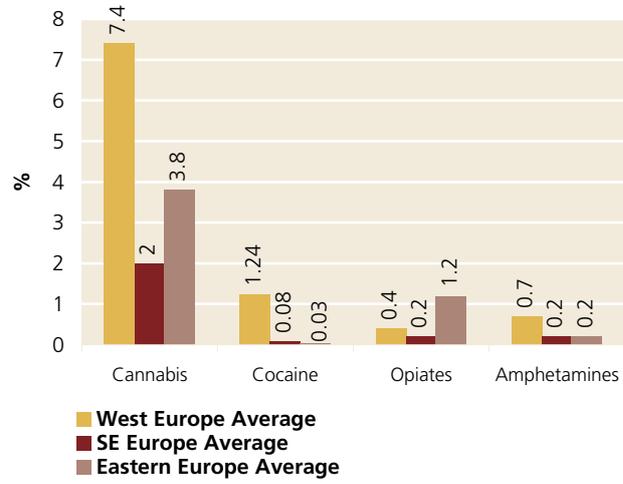


the Balkans are lower than in West Europe. This may be because the flow through these countries is highly organised, reliant on high-level corruption, and close to the destination markets.⁶¹

In contrast, the flow of cocaine through Central America and the Caribbean appears to be directly related to the violence afflicting those regions. For example, in 2004 the murder rate in the rural and largely indigenous Gua-

Fig. 18: Average annual drug use prevalence, 2005 estimate

Source: UNODC, *Crime and its impact on the Balkans*⁶³



temalan province of Petén, close to the Mexico border, was higher than that in Guatemala City. The most remarkable thing about this otherwise pacific province is its notorious role in drug trafficking. Petén has less than half a million people and saw its first paved road in 1982, but has long been the site of clandestine landing strips for traffickers who proceed by land across the Mexican border.⁶⁴

Fig. 17: Guatemalan murder rates per 100,000 by province in 2004

Source: UNODC, *Crime and Development in Central America*⁶²

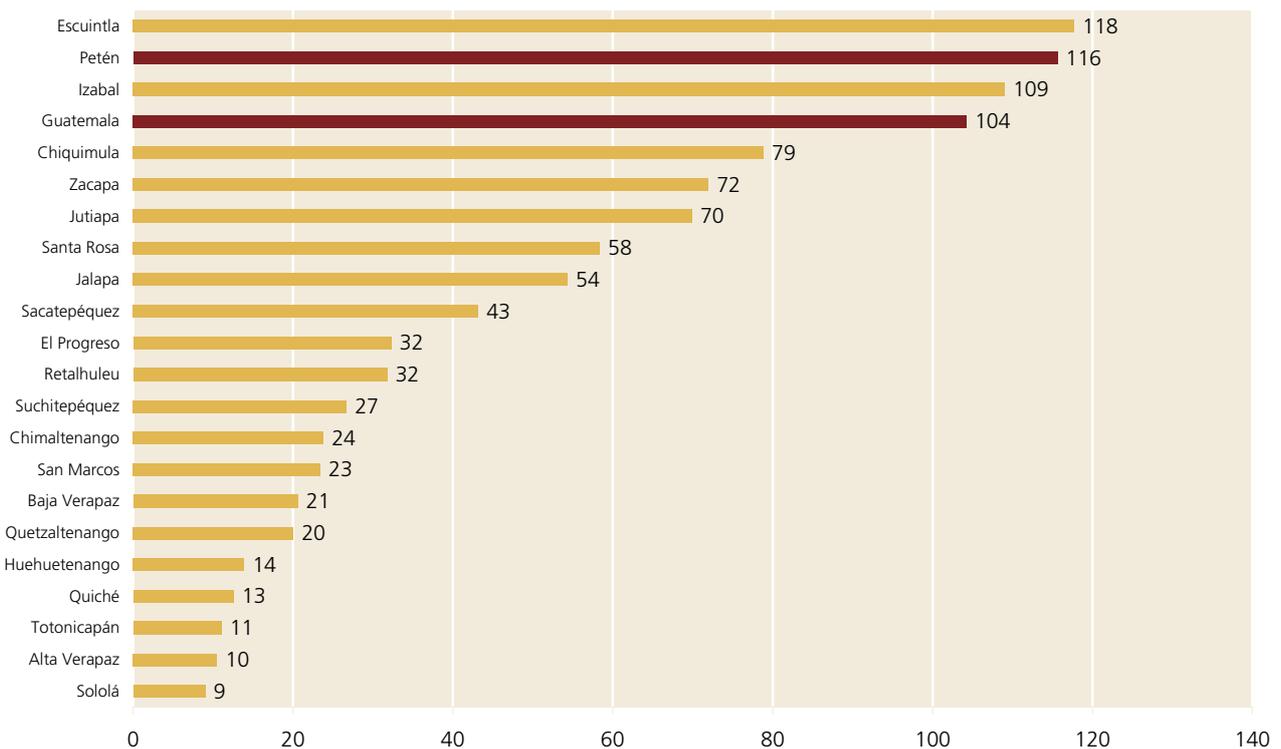
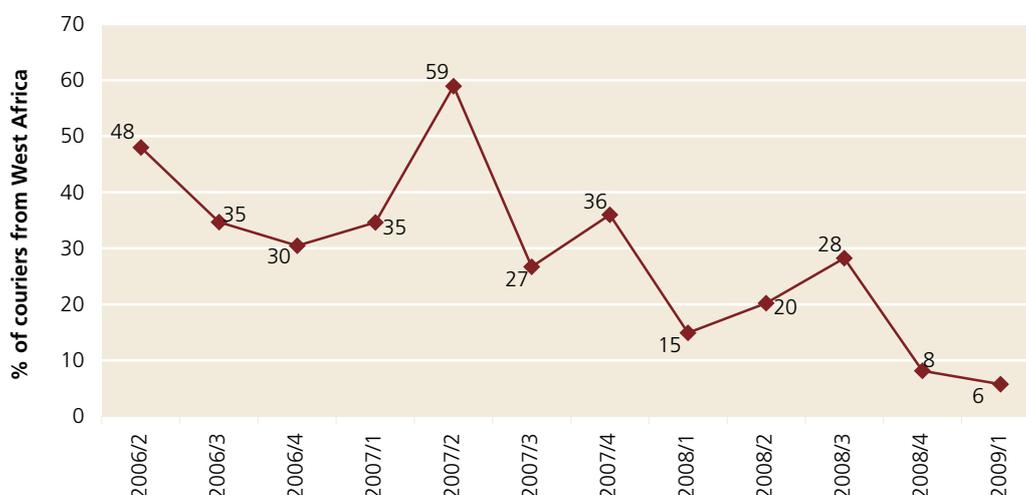


Fig. 19: Share of detected cocaine couriers whose flight originated in West AfricaSource: UNODC, *Transnational trafficking in West Africa: A threat assessment*⁶⁵

Recently, another highly vulnerable area became part of a major cocaine trafficking flow for the first time: West Africa, one of the poorest and least stable areas of the world. From sometime around 2004, Colombian traffickers increasingly made use of West African countries as a transit area for their cocaine shipments to Europe. Between 2004 and 2008, at least 46 tons of cocaine were seized in the region and approximately 3.4 tons of cocaine were seized in Europe from some 1400 couriers on commercial air flights from West Africa.

The impact on the region was immediate and devastating. Drug traffickers used their financial leverage to corrupt top political, military, and law enforcement officials in several countries in the region. There were many incidents in which drug seizures disappeared or traffickers escaped inexplicably. In Guinea-Bissau, there was a stand-off between the police and the military over the search of a plane later determined to have contained cocaine. In Sierra Leone, the minister of transport stepped down after his brother was implicated in a large air shipment. Reports began to circulate, including in the affidavits of trafficking suspects, that trafficking through Guinea was controlled by the son of the president who had ruled that country since 1984, Lansana Conté. After Conté's death at the end of 2008, his son was arrested and confessed to his participation on national TV, alongside the former president's brother-in-law, head of intelligence, and head of the national drug squad.

Around 2006, cocaine trafficking through West Africa began to attract international attention, including that of the United Nations Security Council. A wide range of players began to offer emergency assistance, including resources for law enforcement, intelligence, and direct interdiction. Air flights from the region began to receive special scrutiny. In short, the region was put under a

spotlight, presenting less than optimal conditions for drug traffickers.

By 2008, seizure volumes were in sharp decline, and as of May 2009, there have been no multi-ton seizures reported. The number of air couriers detected in European airports has plummeted. According to the database of one network of European airports, of all cocaine couriers detected, the share coming from West Africa dropped from 59% in the second quarter of 2007 to 6% in the first quarter of 2009.

While many of the vulnerabilities that made West Africa attractive to cocaine traffickers remain in place, the increase in international attention appears to have been sufficient to persuade them to find paths of less resistance. It is possible, if not likely, that they would return should international attention falter. But for now, West Africa has been spared the corrupting influence of a cocaine flow valued at more than the GDPs of some countries in the region.

Cocaine continues to find its way to Europe, of course, and there are no indications that the loss of this route significantly curtailed supply. There are few regions of the world as vulnerable as West Africa, however, and international attention has apparently given this poor region a reprieve. The threat was addressed early enough that the impact need not be long-lasting. On the whole, this was a very positive result.

This example shows that while international cooperative efforts have not plugged every hole, they can present significant disincentives, guiding markets. Aside from guiding flows, there are many other ways enforcement could be used strategically to reduce violence, corruption, and other unintended consequences. For example, the decision to target violent drug traffickers has the

effect of advantaging non-violent offenders. The size of the drug market may remain the same, but the state has provided an economic incentive to avoid violence.⁶⁶ With some practice, these sorts of interventions could also be used as part of a broader plan to significantly undermine specific trafficking organisations or even whole markets.

2.4 Strengthen international resistance to drug markets

In addition to creating viable international and local strategies for dealing with drug problems, it is important that the actors themselves be strengthened. The weak link in drug control has long been those parts of the world where the rule of law is absent. Building institutional strength and capacity in these countries is key to the mission of supporting democracy, economic growth, and human rights.

It is also important that the bedrock of international cooperation be strengthened, through enhanced use of the United Nations Conventions. In addition to the drugs Conventions, those on Transnational Organised Crime and Corruption present great opportunities for reducing the size of drug markets and associated problems.

Spread the rule of law

As mentioned above, large-scale illicit crop cultivation seems to require political instability because accountable governments can be compelled to take action against drug production in areas under their control. It is no coincidence that most of the world's cocaine and heroin supplies come from countries with insurgency problems. Almost all of the world's cocaine supply comes from three countries and almost all the world's heroin supply comes from two. This is not because coca and opium poppy could not be cultivated in other areas – in the past, most of the world's supply of these drugs came from countries not presently leading illicit production. All of these countries have problems with the rule of law in the cultivation areas.

But while cultivators may enjoy zones of chaos, some traffickers may prefer authoritarian regimes. Areas too fraught by conflict lack the infrastructure and the predictability to be good commercial nodes, whether the trade is licit or illicit. In contrast, areas under control of an absolute, and absolutely corrupt, leadership allow what would normally be clandestine activities to be conducted openly, greatly increasing efficiency. Rather than risk the unpredictable cost of interdiction, traffickers may opt for the more predictable costs of corruption.

In the end, the two phenomena go hand in hand. Absolutist governments are often formed (and tolerated) in response to the threat of instability. This threat typically

exists because some portion of the population is poor and marginalised, and the state is either unwilling or unable to meet its needs. As a result, dealing with drug cultivation countries and transit countries often boils down to the same thing. The rule of law must be strengthened in all its aspects, including promoting democracy, increasing the capacity for law enforcement, and ensuring the protection of human rights, as well as promoting economic development.

Economic development is also key in promoting political stability. Civil war has been linked to both low income and low growth.⁶⁷ Unfortunately, political stability is also key to economic growth. As one authority points out “Civil war is development in reverse.”⁶⁸ To break out of this cycle, measures taken to establish civil order can establish the foundation for investment and growth. In this way, all aspects of international cooperation are related. Development assistance, post-conflict planning, and crime prevention must be coordinated, for any weakness in the chain can lead to the collapse of the whole.