

2.0 Confronting unintended consequences: Drug control and the criminal black market

Last year's *World Drug Report* reviewed 100 years of drug control efforts, documenting the development of one of the first international cooperative ventures designed to deal with a global challenge. This pioneering work brought together nations with very different political and cultural perspectives to agree on a topic of considerable sensitivity: the issue of substance abuse and addiction. Despite wars, economic crises, and other cataclysmic events of state, the global drug control movement has chugged steadily forward, culminating in a framework of agreements and joint interventions with few precedents or peers in international law.

Today, a number of substances are prohibited in the domestic legislation of almost every country. As discussed below, this unanimity has created a bulwark shielding millions from the effects of drug abuse and addiction. In the past, many of these substances were legally produced and, in some cases, aggressively marketed, to devastating effect. The collective nations of the world have agreed that this state of affairs was unacceptable, and have created an international control system that allows crops such as opium poppy to be produced for medical use, with very little diversion to the illicit market.

Despite this achievement, drug control efforts have rarely proceeded according to plan. There have been reversals and set-backs, surprising developments and unintended consequences. Traffickers have proven to be resilient and innovative opponents and cultivators difficult to deter. The number, nature, and sources of controlled substances have changed dramatically over the years. None of this could have been predicted at the outset.

But then, very little has been simple or smooth about developments in international affairs over the last century. Other international problems – including poverty, war, weapons proliferation and infectious disease – have defied early projections of a swift resolution. Some efforts have been more successful than others, but, in all cases, the learning process could be described as “challenging”. Today, the enterprise of global coordination and cooperation remains a work in progress. Tremendous gains have been made, however, and the need for collaborative solutions to the problems facing us all is greater than ever before.

2.1 Why illicit drugs must remain illicit

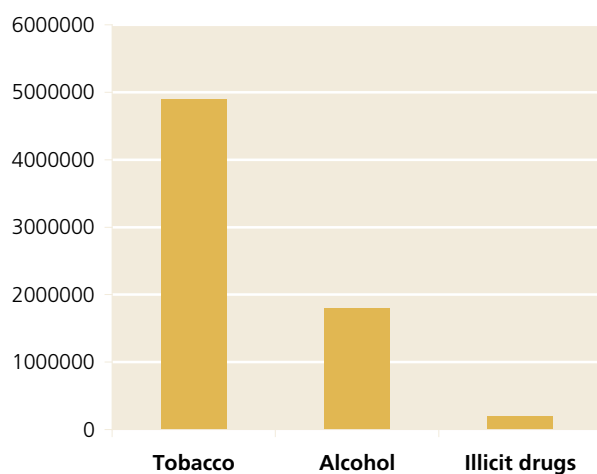
Oddly, of all areas of international cooperation, drug control is uniquely subject to calls that the struggle should be abandoned. Despite equally mixed results in international interventions,¹ no one advocates accepting poverty or war as inevitable. Not so with drugs, where a range of unintended consequences have led some to conclude that the only solution is to legalise and tax substances like cannabis, cocaine, ecstasy, methamphetamine, and heroin.

The strongest case against the current system of drug control is not the financial costs of the system, or even its effectiveness in reducing the availability of drugs.² The strongest case against drug control is the violence and corruption associated with the black market. The main problem is not that drug control efforts have failed to eliminate drug use, an aspirational goal akin to the elimination of war and poverty. It is that in attempting to do so, they have indirectly enriched dangerous criminals, who kill and bribe their way from the countries where drugs are produced to the countries where drugs are consumed.

Of course, the member states of the United Nations created the drug conventions, and they can modify or annul them at will. But the Conventions would have to be undone the way they were done: by global consensus. And to date, they are very few international issues on which there has been so much positive consensus as drug control. Drug control was the subject of broad-based international agreements in 1912, 1925, 1931, 1936, 1946, 1948, and 1953, before the creation of the standing United Nations Conventions in 1961, 1971, and 1988. Nearly every nation in the world has signed on to these Conventions.³

Nonetheless, there remains a serious and concerned group of academics and civil society organisations who feel the present system causes more harm than good. Plans for drug “legalisation” are diverse, and often fuzzy on the details, but one of the most popular alternative models involves taxation and control in a manner similar to tobacco and alcohol.⁴ This approach has appeal of ideological consistency, since all these addictive substances are treated in the same way.

The practice of banning certain addictive substances

Fig. 1: Global deaths related to substance use in 2002Source: World Health Organisation⁷

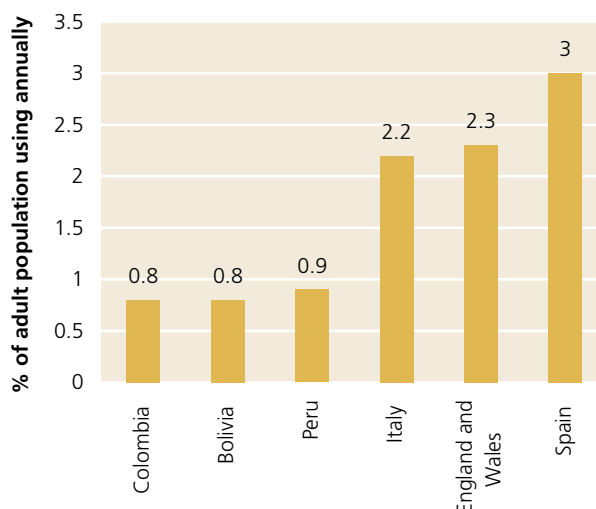
while permitting and taxing others is indeed difficult to defend based on the relative harmfulness of the substances themselves. Legal addictive substances kill far more people every year than illegal ones – an estimated 500 million people alive today will die due to tobacco.⁵ But this greater death toll is not a result of the licit substances being pharmacologically more hazardous than the illicit ones.⁶ This greater death toll is a direct result of their being legal, and consequently more available. Use rates of illicit drugs are a fraction as high as for legal addictive drugs, including among those who access the legal drugs illegally (i.e. young people). If currently illegal substances were made legal, their popularity would surely increase, perhaps reaching the levels of licit addictive substances, increasing the related morbidity and mortality.

Is the choice simply one of drug-related deaths or drug-market-related deaths? Some palliative measures would be available under a system of legalisation that are not available today. If drugs were taxed, these revenues could be used to fund public health programmes aimed at reducing the impact of the increase in use. Addicts might also be more accessible if their behaviour were decriminalised. With bans on advertising and increasingly restrictive regulation, it is possible that drug use could be incrementally reduced, as tobacco use is currently declining in most of the developed world.

Unfortunately, most of this thinking has indeed been restricted to the developed world, where both treatment and capacity to collect taxes are relatively plentiful. It ignores the role that global drug control plays in protecting developing countries from addictive drugs. Without consistent global policy banning these substances, developing countries would likely be afflicted by street drugs the way they are currently afflicted by growing tobacco and alcohol problems.

Fig. 2: Annual cocaine prevalence

Source: 2009 World Drug Report



In most developing countries, street drugs are too scarce and expensive for most consumers. They are scarce and expensive because they are illegal. Today, traffickers concentrate on getting almost all of the cocaine and heroin produced to high-value destinations, placing the burden of addiction on those well suited to shoulder it, at least financially. If these pressures were removed, lower value markets would also be cultivated with market-specific pricing, as they presently are for most consumer goods.

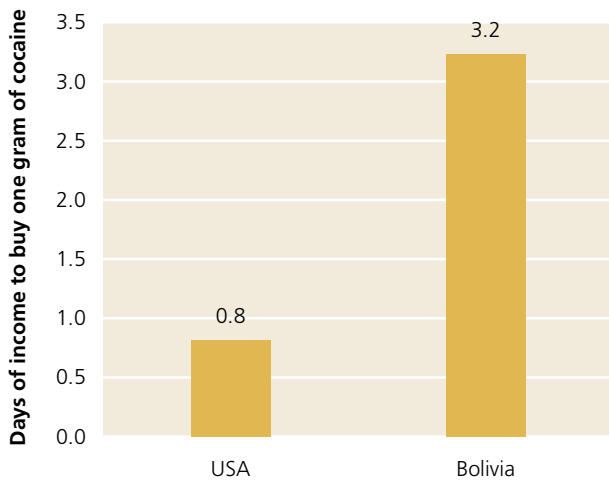
For example, cocaine use in the countries where cocaine is actually produced is less than half as high as in many European countries or the United States. This could easily change. Bolivia is a poor country where 42% of the population lives on less than US\$2 per day⁸ and which produces about 10% of the global cocaine supply. According to reported figures, cocaine in Bolivia was US\$9 per gram in 2005, about 10% of the price in the United States. But GDP per capita was 42 times higher in the US than in Bolivia, so the price was effectively four times higher in Bolivia.⁹

In contrast, 27% of the adult population of Bolivia smokes cigarettes daily.¹⁰ A pack of cigarettes was priced at just US\$0.62 at official exchange rates in 2006, so even the poor find an imported addictive substance more affordable than the locally-produced one.¹¹ Bolivia is not unique in this respect: in many poor countries, more than 10% of household expenditure is for tobacco.¹²

Indeed, the spread of tobacco to the developing world gives a hint of what could happen if other addictive substances were made legal. Many transition countries have much higher tobacco use prevalence than the richer ones, and Africa's tobacco market is presently growing by 3.5% per year, the fastest rate in the world.¹³ By 2030, more than 80% of the world's tobacco deaths will

Fig. 3: Price of a gram of cocaine as a share of daily GDP per capita in 2005

Source: 2008 WDR, Human Development Report 2007/2008



occur in developing countries.¹⁴ These countries can ill-afford this burden of disease. They are even less capable of giving up a share of their productive work force to more immediately debilitating forms of addiction.

“Vice taxes” are also used to control the spread of legal addictive drugs, making them more expensive and thus reducing demand. But again, capacity to enforce these taxes is less in developing countries, and high taxes generate large shadow markets, as illustrated by tobacco markets today. Recent estimates suggest 10% or more of global tobacco consumption is untaxed, and that the illicit share of the market is particularly pronounced in Africa (15%) and Latin America (20%). An estimated 600 billion cigarettes are smuggled each year.¹⁵ If these were priced at just a dollar a pack, this would represent a global market worth US\$30 billion, comparable to the

Fig. 4: Cigarette consumption in developing countries, 1970-1992

Source: UN FAO¹⁶

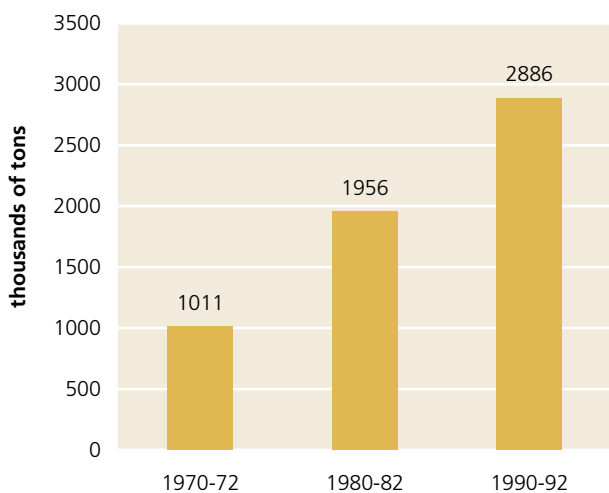
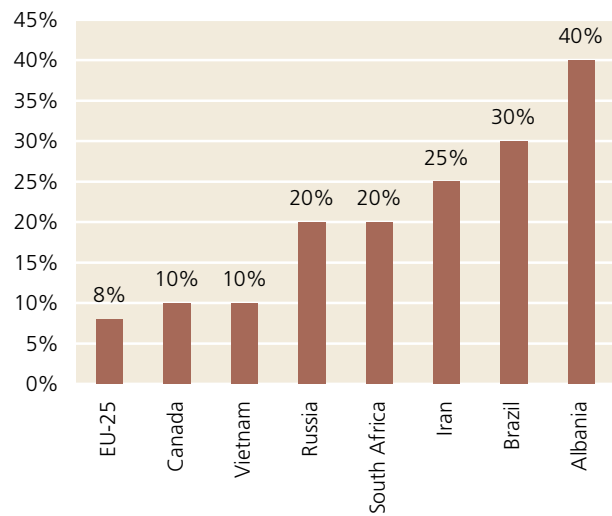


Fig. 5: Share of national tobacco markets that are illicit (recent low end estimates)

Source: Framework Convention Alliance, 2007¹⁷



US\$65 billion market for illicit opiates and US\$71 billion market for cocaine.¹⁸ As with illicit drugs, illicit tobacco has been used to fund violence in places as diverse as the Balkans¹⁹ and West Africa.²⁰

The universal ban on illicit drugs thus provides a great deal of protection to developing countries, and must be maintained. At the same time, the violence and corruption associated with drug markets is very real, and must be addressed. Fortunately, there is no reason why both drug control and crime prevention cannot be accomplished with existing resources, if the matter is approached in a strategic and coordinated manner.

Control drugs while preventing crime

Drug addiction represents a large social cost, a cost we seek to contain through the system of international drug control. But this system itself has its costs, and these are not limited to the expenditure of public funds. International drug control has produced several unintended consequences, the most formidable of which is the creation of a lucrative black market for controlled substances, and the violence and corruption it generates.

Drug control generates scarcity, boosting prices out of proportion to production costs. Combined with the barriers of illegality and prevention efforts, scarcity and high prices have helped contain the spread of illicit drugs. This has kept drugs out of the hands of an untold number of potential addicts. At the same time, however, high prices allow transnational traffickers to generate obscene profits, simply for being willing to shoulder the risk of defying the law.

Given the money involved, competition for the opportunity to sell is often fierce, resulting in small wars on the streets of marginalised areas in the developed and the

developing world alike. Profits are ploughed back into increasing the capacity for violence and into corrupting public officials. Together, violence and corruption can drive away investment and undermine governance to the point that the rule of law itself becomes questionable.

As a result, some have argued that the costs of controlling illicit drugs outweigh the benefits – in effect, that the side effects are so severe that the treatment is worse than the disease. But this is a false dilemma. It is incumbent on the international community to achieve both objectives: to control illicit drugs and to limit the costs associated with this control. More creative thinking is needed on ways of reducing the violence and corruption associated with containing the drug trade. Progress must be made toward simultaneously achieving the twin goals of drug control and crime prevention.

To do this, there are several ways present efforts could be improved and expanded. First, it is possible for law enforcement to do what it does much better:

- High volume arrests are the norm in many parts of the world, but their efficacy is questionable – to conserve resources, prison space should be reserved primarily for traffickers, particularly violent ones.
- Drug addicts provide the bulk of drug demand; treating this problem is one of the best ways of shrinking the market.
- The links between drug users and drug dealers also need to be severed, closing open drug markets and disrupting information networks using the techniques of problem-oriented policing and situational crime prevention.

Second, both local and international efforts need to be strategically coordinated to address the particularities of specific drug problems:

- The right “balance” between supply-side and demand-side interventions depends very much on the particularities of the situation, and may require resources and expertise beyond those found in agencies traditionally involved in prevention, treatment, and law enforcement.
- At all points in the market (production, trafficking, consumption), strategies should be based on the specific characteristics of the drug involved and the context in which it has become problematic.
- Focus should be placed on shrinking the markets, not just disabling specific individuals or groups.
- Where drug flows cannot be stopped, they should be guided by enforcement and other interventions so that they produce the least possible damage.

Finally, the international community must rally together to assist more vulnerable members in resisting the incursion of drugs:

- Post-conflict reconstruction and development aid should be integrated with crime prevention efforts.
- Better use should be made of the Conventions, particularly toward international action on precursor control, money laundering, asset forfeiture, organised crime, and corruption.
- Information systems need to be improved so that problems can be tracked and interventions evaluated.

2.2 Move beyond reactive law enforcement

Drug possession and sale are illegal in most countries of the world, and, as a result, the drug problem was long seen as primarily a criminal justice issue. Those who take the “drug war” metaphor literally may feel this effort is best advanced by people in uniform with guns. Law enforcement must continue to play a key role, of course, keeping drugs illegal and scarce, but much can be done to make the criminal justice response more effective and efficient.

In the end, the criminal justice system is a very blunt instrument for dealing with drug markets. As necessary as the deterrent threat remains, the arrest, prosecution, and incarceration of individuals is an extremely slow, expensive, and labour intensive process. The key to disrupting drug markets and the associated violence and corruption must lie in making the business of drug dealing more complicated, making it more difficult for buyers and sellers to connect. To do this, the techniques of situational crime prevention and problem-oriented policing should be employed.

Stop jailing petty offenders

Current street enforcement actions could be divided into two categories:

- Opportunistic enforcement, usually against those found in possession of drugs when stopped for an unrelated reason.
- Pro-active enforcement, including buy-and-bust actions against dealers at open markets; searches of suspect premises or persons; and more sophisticated long-term investigations.

All of these actions are justified under the law, but all absorb scarce criminal justice resources. The decision to perform any given form of enforcement has opportunity costs for other approaches. It is important, then, to weigh the impact of any given action both in terms of its efficacy in reducing the size of the black market and any potential side-effects it might have.

“Selective enforcement” evokes a whole range of justified concerns, but the fact remains that, in all areas of law enforcement, the application of the sanctions of arrest and prosecution is a matter of discretion. The number of cases that go to trial is everywhere a small fraction of those brought to the attention of the police. Cases unlikely to produce the desired outcome (generally, a conviction) are abandoned at various stages of the process in favour of those more likely to be successful. These cases should be weighed not just according to their viability, but also with regard to their strategic and social impact.

Unfortunately, the quantitative performance management systems used in civil service worldwide do not encourage this sort of thinking. If the primary performance indicator of the police is volumes of arrests and seizures, little thought will be given to the impact of these arrests and seizures. Not surprisingly, these arrests and seizures are unlikely to have much positive impact. Research indicates that more enforcement is not necessarily better.²¹ Conservation of resources requires that police commanders carefully gauge the amount of enforcement required to produce the desired effect.

As is discussed further below, there is much to be gained by targeting high profile, high volume, and violent criminals, be they users or dealers. Resources that could have been focused on these individuals are often wasted on the opportunistic arrest and incarceration of large volumes of petty offenders. In the case of casual users, the sanction of imprisonment is excessive; since many are more mainstream than marginal, considerably less expensive options exist for deterring casual use behaviour, such as the measures currently taken when underage drinking and smoking are encountered. Evidence-based treatment is the appropriate response to addiction.

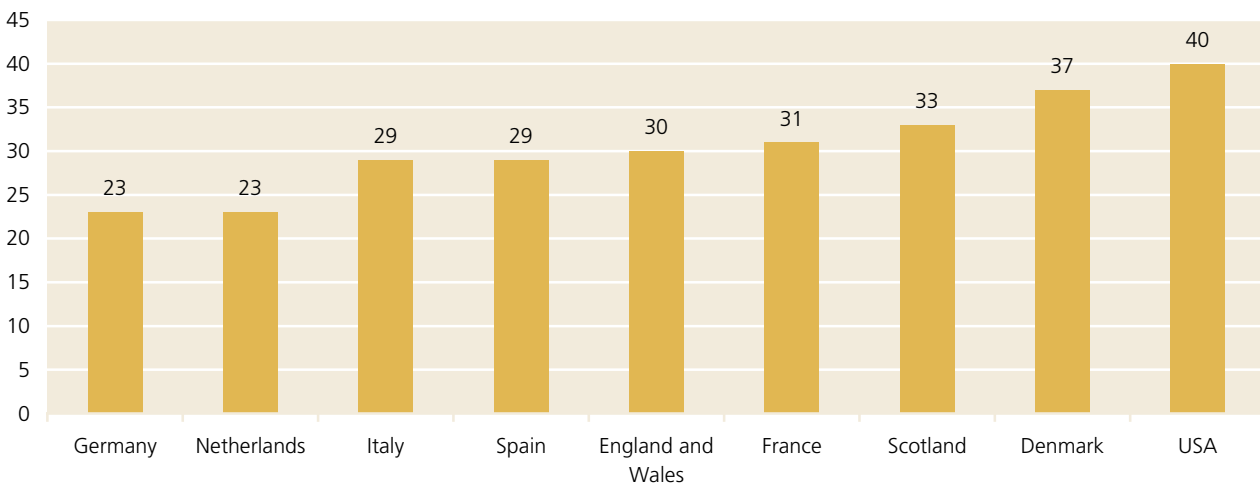
For low-level dealers and other drug market functionaries, these offenders often come from population groups

that are too large to incapacitate and nearly impossible to intimidate. Incapacitation of individuals is fruitless when social conditions generate whole classes of people with strong incentives to offend. When these incentives are strong enough and alternatives scarce, all deterrence fails. Those willing to risk death by ingesting a kilogram of condom-wrapped cocaine bullets are unlikely to be put off by the possibility of a jail sentence. Drug addicts and sex workers are equally hard to scare into good behaviour. While the threat of arrest must remain in place to dissuade those who value their future, those who have given up hope are not so easily frightened. Arrest drives focusing on rounding up large numbers of these “undeterrables” result in a net loss in enforcement effectiveness.

To avoid these losses, police need alternative avenues of response, particularly when confronted with non-priority cases of drug possession. In the opinion of the International Narcotics Control Board, the 1988 Convention requires that illicit possession of controlled substances must be prohibited, but it does not require criminal prosecution for small quantities.²³ At times, drug possession can serve as a pretext to detain an otherwise dangerous or suspect individual, but otherwise, the law must allow for non-custodial alternatives when a police officer stumbles upon small amounts of drugs. It is important that the incident be documented and the opportunity availed to direct the user to treatment if required, but it is rarely beneficial to expend limited prison space on such offenders. According to surveys, between a quarter and a half of the population of many countries in Europe and North America has been in possession of illicit drugs at one time or another in their lives. Most remained productive citizens. In only a small share of these cases would arrest, and the lifelong stigma it brings, have been appropriate.

Fig. 6: Percentage of adult population reporting lifetime cannabis use, 2005 or 2006

Source: EMCDDA; NSDUH²²



Portugal is an example of a country that recently decided not to put drug users in jail. According to the International Narcotics Control Board, Portugal's "decriminalisation" of drug usage in 2001 falls within the Convention parameters: drug possession is still prohibited, but the sanctions fall under the administrative law, not the criminal law.²⁴ Those in possession of a small amount of drugs for personal use are issued with a summons rather than arrested. The drugs are confiscated and the suspect must appear before a commission. The suspect's drug consumption patterns are reviewed, and users may be fined, diverted to treatment, or subjected to probation. Cases of drug trafficking continue to be prosecuted, and the number of drug trafficking offences detected in Portugal is close to the European average.

These conditions keep drugs out of the hands of those who would avoid them under a system of full prohibition, while encouraging treatment, rather than incarceration, for users. Among those who would not welcome a summons from a police officer are tourists, and, as a result, Portugal's policy has reportedly not led to an increase in drug tourism.²⁵ It also appears that a number of drug-related problems have decreased.²⁶

The approach is not uncontroversial. Portugal did experience an increase in drug use after this policy was implemented, but so did many European countries during this period. Cannabis use increased only moderately, but cocaine and amphetamine use rates apparently doubled off a low base. More alarmingly, cocaine seizures increased seven-fold between 2001 and 2006. While cocaine seizures in a number of European countries increased sharply during that period, in 2006, Portugal suddenly had the sixth-highest cocaine seizure total in the world. The number of murders increased 40% during this same period of time,²⁷ a fact that might be related to the trafficking activity. Although the rate remains low and Lisbon is one of Europe's safest cities, Portugal was the only European country to show a significant increase in murder during this period.

This rapid increase in trafficking was probably related to the use of Guinea-Bissau and Cape Verde, former colonies, as transit countries. Most of the traffickers arrested in Portugal in 2007 were of West African origin. As international awareness of the problem increased, cocaine seizures fell in a number of European countries, but France and Portugal, two countries with former colonies in the region, showed the most pronounced decreases.

Creative approaches of this sort seem to have been reserved for the parties on the extreme ends of the trafficking chain: the farmers and the users. Because these two groups have been seen, in effect, as victims, a variety of social solutions have been explored as alternatives to harsh law enforcement, including alternative develop-

Fig. 7: Annual prevalence for adult (15-64) drug use in Portugal, 2001 and 2007

Source: EMCDDA²⁸

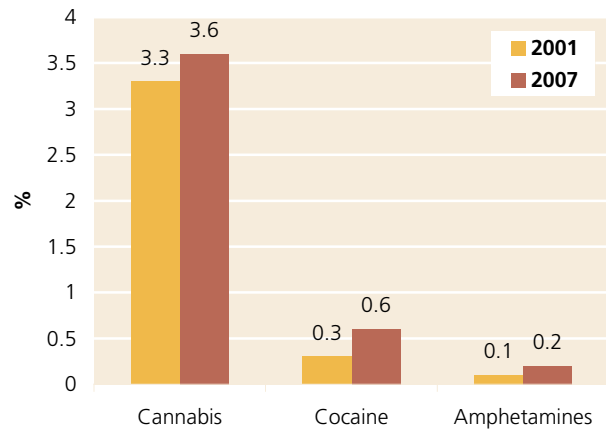


Fig. 8: Kilograms of cocaine seized in Portugal, 2001-2007

Source: UNODC ARQ

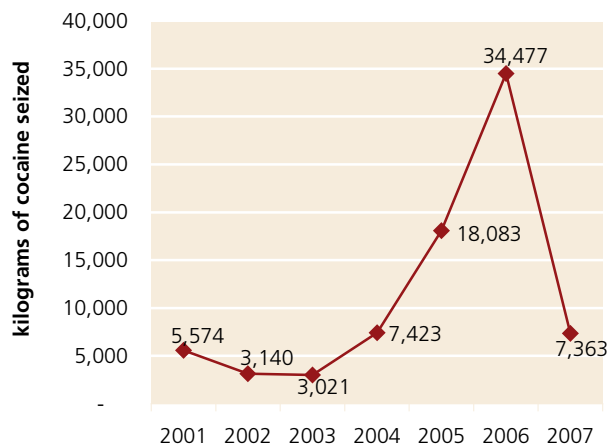


Fig. 9: Citizenship of those arrested in Portugal for cocaine trafficking in 2007 (top eight foreign drug trafficking national groups)

Source: UNODC, *Drug trafficking as a security threat in West Africa*²⁹

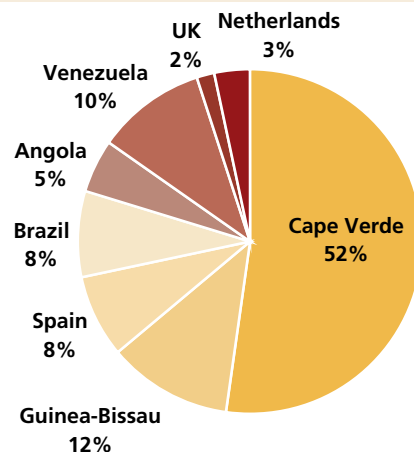
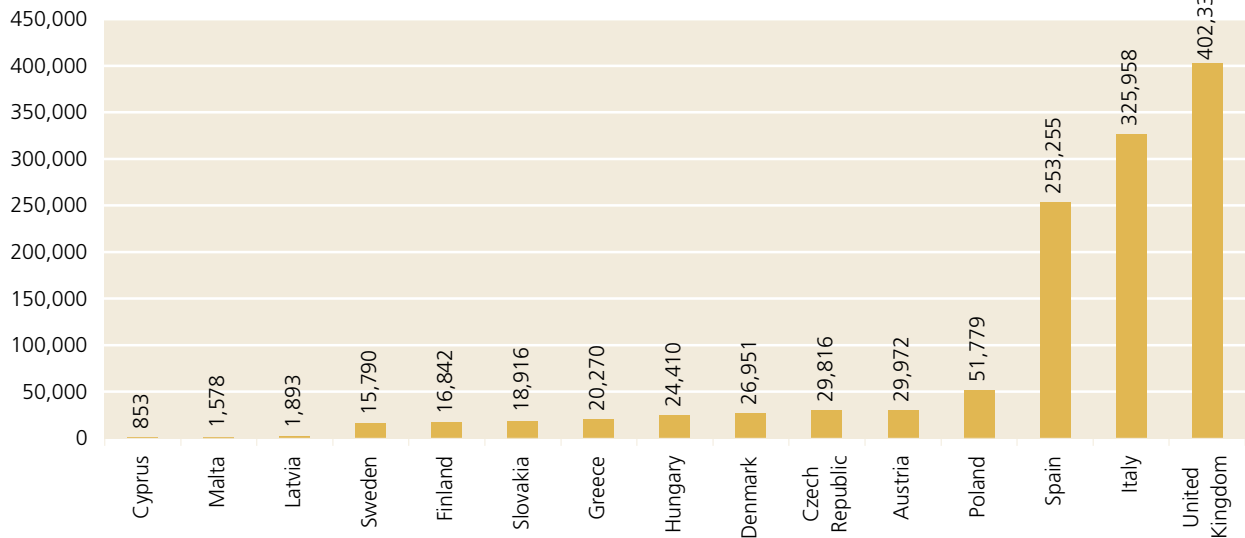


Fig. 10: Estimated number of “problem drug users” in some European countries various years 2002-2006

Source: EMCDDA; UN Population Division



ment and a range of prevention and rehabilitation schemes. Drug traffickers do not elicit similar amounts of sympathy. Seen as actors driven by raw profit, they are held responsible for most of the violence and corruption associated with the drug trade, and the response has been to hit them hard, arresting as many offenders and seizing as many drugs as possible. In some parts of the world, drug enforcement has been used as a pretext to wage war on marginalised communities, resulting in serious human rights violations.³⁰ Some countries even impose the death penalty for drug offences, contrary to Article 3 of the Universal Declaration of Human Rights.

But even when it comes to notorious and dangerous dealers, there may be alternatives to incarceration. One technique has been piloted in a number of locations in the United States. Investigators compiled detailed dossiers on all known dealers in their jurisdiction, with enough evidence to ensure a likely conviction. These dossiers were simultaneously presented to all the suspects with a warning: desist or face prosecution. Support services and networks were mobilised to make the option of desisting feasible. The idea is to get a large share of the participants to withdraw at the same time, causing the market to collapse. When confronted in this way, it appears that many opt out of drug markets.³¹ The threat of drug arrest has also been used to deter violent offenders.³² While these interventions are labour intensive, they are less costly than processing a similar number of offenders through the criminal justice system.

While incarceration will continue to be the main response to detected traffickers, it should only be applied in exceptional cases to users. All this is not to say that drug use should be ignored; it must be addressed. Drug

flows, and their devastating consequences for producer and transit countries, would not exist if it were not for demand in the wealthier nations. While “demand reduction” is not generally associated with law enforcement, there are ways the criminal justice system can contribute. Demand-side interventions have the advantage of taking business away from traffickers without violent confrontation, unlike police operations aimed at taking the traffickers away from the business.

Mainstream the half-a-percent

One of the most efficient ways to deter traffickers would be to undermine their user base. Annual prevalence statistics make it sound like drug users comprise a significant share of the global adult population, but, in fact, a small part of this group consumes the vast bulk of the imported drugs: the addicts. While around 5% of the adult population used some illicit drug in the last year (140-250 million users), only about 18-38 million could be classified as “problem drug users”.³³ While definitions of “problem drug use” vary, the European Monitoring Centre for Drugs and Drug Addiction provides estimates for the rates of problem drug use in the adult populations of a number of European countries. The size of these populations range from less than a thousand in Cyprus to some 400,000 in the United Kingdom. Taking the extreme example, it is estimated that about one quarter of the UK’s problem drug users reside in London, about 74,000 users, just under 1% of the city’s population.³⁴

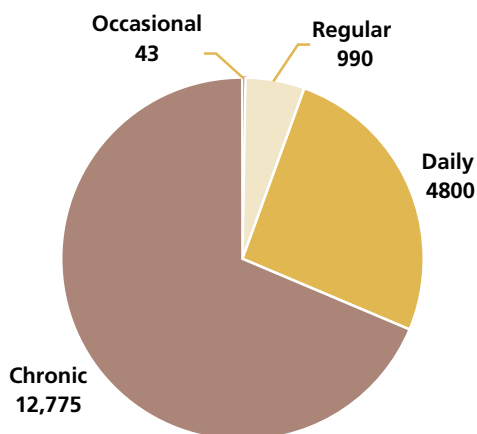
Those who are continuously intoxicated or regularly binge are the real source of demand on which traffickers rely. Removing a significant portion of this source of demand, even temporarily, would rip the heart out of

any drug market. Cannabis provides a good example of this phenomenon. Cannabis is generally consumed communally – surveys across countries show most users consume with other people most of the time. Often this involves passing around a common joint or pipe. With fairly good quality cannabis, only a few deep inhalations are needed to produce the desired effect among those who don't use frequently enough to have developed a tolerance. The volume of cannabis consumed by any given user in such a session is trivial, a fraction of a gram, and many casual users only experience one or a few such sessions each year.

In contrast, about 9% of those who consume cannabis will, at some point in their lives, go through a period of heavy daily use and develop a tolerance.³⁵ For those whose situations allow, they may be continuously intoxicated. Estimates of the amounts consumed by heavy users vary, but are on the order of several grams per day. In this way, daily or continuous users smoke the vast bulk of the cannabis consumed. The same is generally true in most other drug markets – a small share of the user population appears to consume the bulk of the drug supply.³⁶

Fig. 11: Tons of cannabis consumed globally by frequency of use in 2006

Source: 2006 World Drug Report



There are a number of ways this share could be removed from a drug market, but, due to the nature of addiction, they are unlikely to go willingly. Drug use arrestees should not be incarcerated, but rather diverted to evidence-based treatment or conditional release. Remaining drug-free as a condition for release has been found to be successful where random but regular drug testing results in quick (but not necessarily lengthy) jail time for those who fail to pass.³⁷ In a city like London, removing the addicts would be a mammoth task, but, as of 2005, Her Majesty's Prison Service already had some 12,000 drug offenders in custody in England and Wales alone.³⁸ In less problematic and less populated areas, a far smaller

body of addicts would need to be removed to substantially reduce the profitability of the market.

Unlike cannabis, those who are addicted to less ubiquitous drugs tend to congregate around open drug markets. This gives them continuous access, the company of those similarly situated, a competitive market for their business, and access to criminal employment activities. The ecology of an open drug market is premised on particular conditions, however, the most prominent of which is the neglect of the state. Disrupting this ecology is a matter of bringing some kind of order to these under-regulated zones.

Close open drug markets

Arresting individuals and seizing their drugs is a technique akin to manually pulling weeds. But there are ways of making the environment less receptive to drug markets, effectively making the ground less fertile. These interventions are rooted in the thinking of situational crime prevention, going beyond arrests and seizures to address the social conditions on which drug markets are reliant.

In crime prevention theory, a false dichotomy is often presented between solutions involving law enforcement, which are viewed as short-term correctives, and so-called "social crime prevention", which is usually portrayed as a long term project. In the world of short political time horizons, the latter often gets neglected in favour of the former. But there is a third way: interventions aimed at changing social conditions quickly, to impact the conditions under which drug markets thrive.³⁹ This sort of thinking is found in the practices of situational crime prevention.

While law enforcement personnel are not typically adept at manipulating social circumstances, they can also play a key role. With training, they can work with addicts in a way that helps them move beyond their destructive behaviour without necessarily using the sanction of arrest. The techniques of problem oriented policing can also help them to recognise and disable the mechanics of drug markets.

For example, drug dealers pay a price for remaining underground. They cannot advertise without exposing themselves to law enforcement. Users generally find vendors in one of two ways. One is an open drug market, a specific geographic area or location where anyone can show up and buy drugs. The second is through a network of social or information connections. Both are vulnerable to disruption.

Many open drug retail markets are found in neglected urban spaces, which also harbour fugitives, sex workers, runaways, and illegal immigrants, and anyone else who wants to avoid the law. These areas are growing in a rapidly urbanising world, especially in developing countries.

Unable to accommodate the rapid inflow of people, these cities are at risk of acquiring slums and informal settlements beyond the capacity of the state to control, where the norms and informal social controls of the countryside are lost, where anonymity and transience allow drug markets to germinate. In some parts of the world, there are whole regions where drugs and other contraband are available for those in the know, including some free-trade areas, breakaway states, and conflict zones.

What these areas have in common is the absence of the rule of law. This does not mean these areas are completely unregulated; a closer look generally reveals the presence of a different kind of authority, an authority with an interest in the appearance of chaos. If these authorities could be called to account, these areas could be reclaimed, with serious consequences for the drug markets.

For example, traditional law enforcement has a hard time operating in slum areas. Drug addicts, like the poor farmers on the other end of the market chain, can be extremely difficult to deter. Street dealers also represent a formidably hard target. Often they are gang members, whose whole ethos revolves around conflict with the police. Prison is an expected part of their life cycle, and death a price they are willing to pay for posthumous respect. Many deal drugs for very low wages, so non-financial motives are foremost among the reasons for their continued participation in the market. In this world, arrests and seizures don't seem to have lasting impact.

But street drug markets do not exist in a vacuum. The drama is played out on a very particular kind of a stage, and it is the stage manager, not the actors, that must be addressed. The property in these areas is owned by someone, someone whose neglect of their property allows illicit activity to continue. Unlike the street addicts and gang members, this someone has something of value to lose – their property. Surprisingly, run-down urban properties are often highly prized among slum lords for the incomes they generate, since marginal people will pay a premium to avoid excessive attention, or because they simply have no choice.⁴⁰

Legislation that requires that owners take responsibility for what goes on in their establishments could go a long way toward restoring order. Those who fail to comply would face an escalating series of fines, ultimately resulting in forfeiture of the property. As actions under the civil law, a lower standard of proof would be required than under the criminal law, and procedures could be streamlined to reduce delays due to litigation. Either through voluntary compliance or by literally taking ownership of the situation, the state could once again reassert control over these neglected areas. Ownership could be transferred to law-abiding citizens within and from outside the marginal area, and these residents

would have a personal stake in assuring their property remains crime-free.⁴¹

Not every drug market is so tightly associated with a particular piece of property, of course, but the general principle behind this sort of intervention still applies: it makes little sense to try to deter those with nothing to lose. Many are drug users themselves, and may not be rationally planning their actions in accordance with their own best interests. They are generally not the ones making the important market decisions in any case. If these people are moved toward the mainstream, drawn in instead of pushed down, the market loses its most important foot soldiers.

Instead, punitive measure should be taken against those who are making real profit from the state of affairs. Some of these players are simply negligent, others are complicit. In either case, they are participating in drug markets because they make money doing so. Threats to that money can be expected to produce results.

These types of interventions need not have great resource implications. Some forms of regulation are essentially self-enforcing. For example, laws limiting tobacco smoking in public places would be a failure if they relied on the state for enforcement – there are simply too many smokers to control. Instead, anti-smoking laws rely on two non-state sources for compliance. One is the owners of the public establishments themselves, who comply because, as property owners, they are motivated to remain in compliance with the law.

The second is non-smokers, who, by virtue of the law, are given a chop moral basis to object to public smoking. The paradigm shift in the anti-tobacco campaign came when the issue ceased to be framed as a matter of personal choice and began to be seen as an issue of public health. Drug markets are no less hazardous for those involuntarily exposed to their “second hand smoke”. Similar vehicles must be designed to empower the majority of people who want no part of drug markets in their communities. Partnerships between local community-based or faith-based organisations and state agencies charged with addressing the drug issue could provide both information and networks for uprooting open drug markets.

Of course, closing an open retail drug market does not mean the problem has been solved. Addicts need their drugs, and will continue to source them through information networks. But closing open drug markets can have several benefits:

- Open drug markets have a devastating effect on the marginal neighbourhoods that host them; removing them can allow these communities to heal and become reintegrated.

- 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.

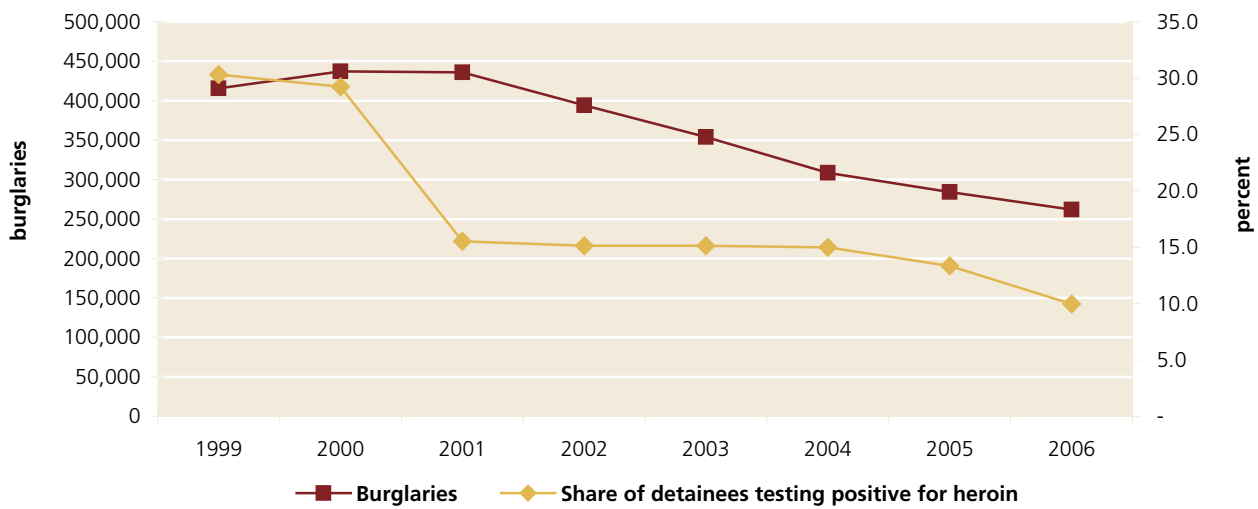
At the same time, local issues are deeply connected to what is going on internationally. As is discussed below, the particularities of each situation are tremendously important in designing interventions, but these interventions can only be effective if they are coordinated across borders. Failure to 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.

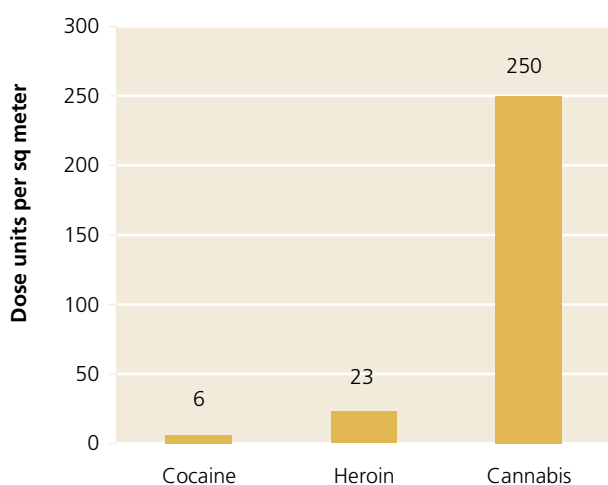
Moving beyond the capacities of any particular government, international action should also include those involved in development work and peace building. This point is discussed further below.

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

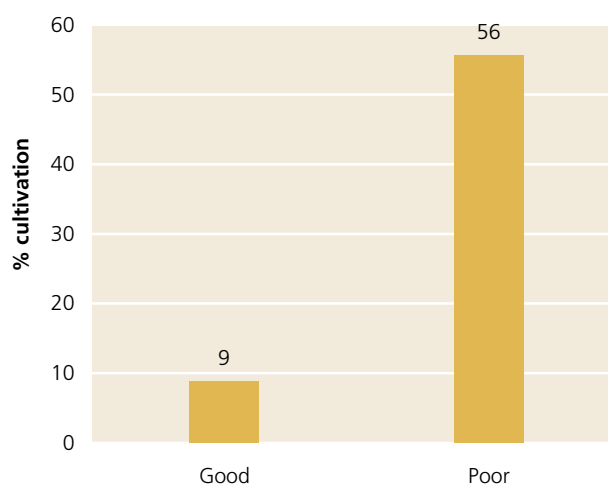


Cultivation

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:

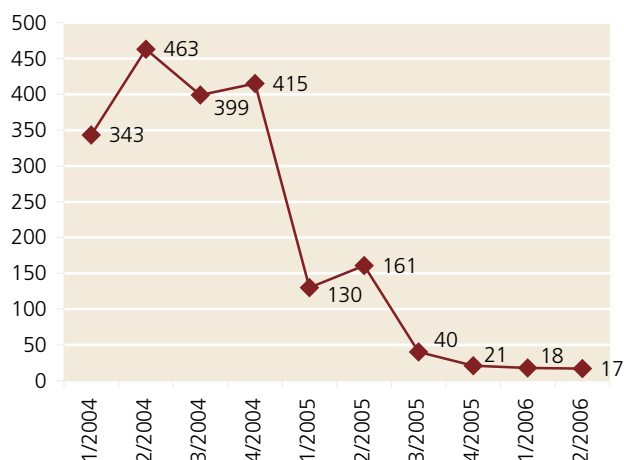
- a group of three or more persons that was not randomly formed;
- existing for a period of time;
- acting in concert with the aim of committing at least one crime punishable by at least four years incarceration;
- in order to obtain, directly or indirectly, a financial or other material benefit.

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

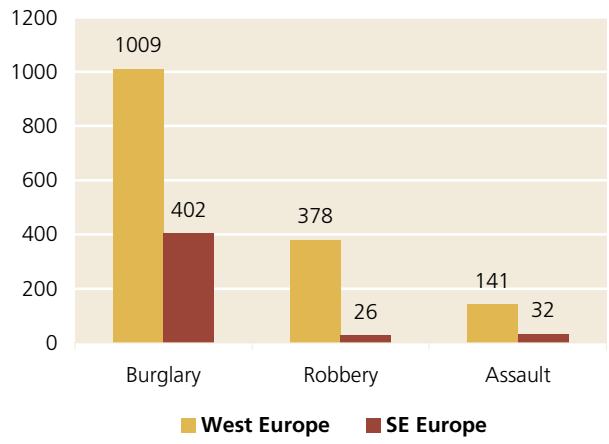
Law enforcement has not succeeded in stopping the flow of drugs from their origins to their destinations, but this does not mean it has had no impact on drug markets. As mentioned above, the production costs of drugs comprise only a tiny fraction of their retail cost, and this fact is entirely attributable 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

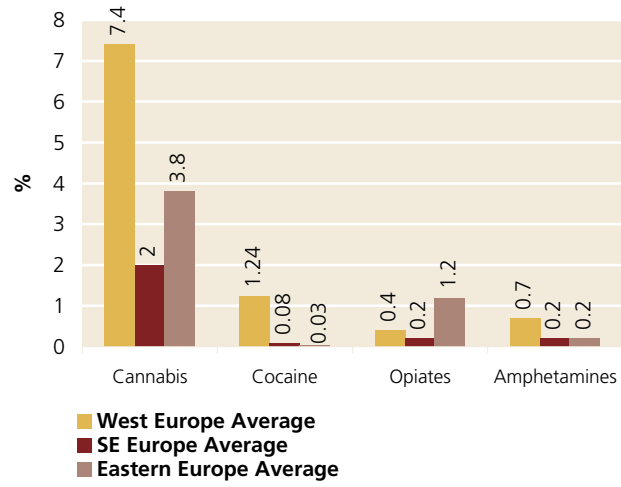


the Balkans are lower than in West Europe. This may be because the flow through these countries is highly organised, reliant on high-level corruption, and close to the destination markets.⁶¹

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

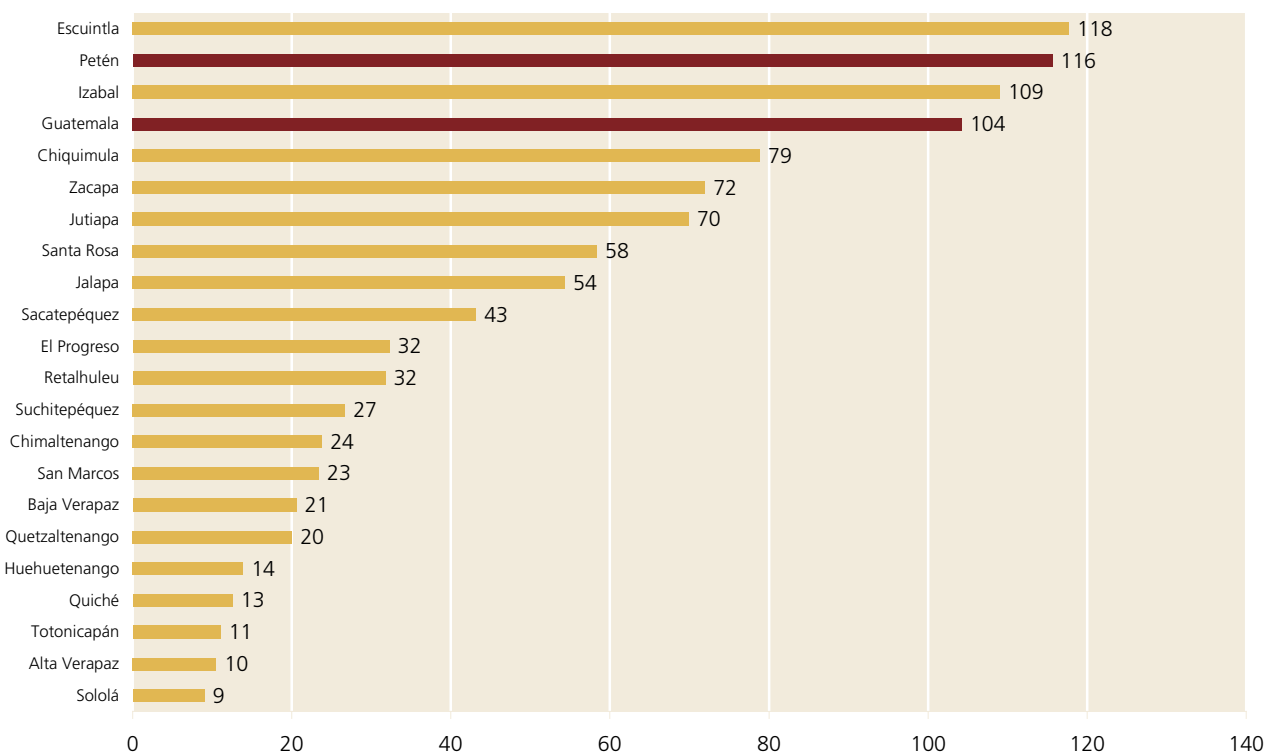
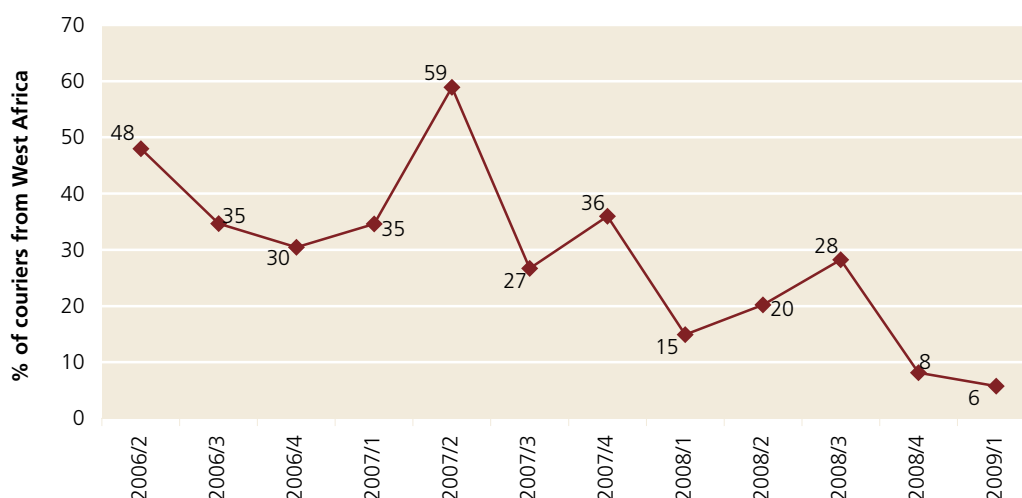


Fig. 19: Share of detected cocaine couriers whose flight originated in West AfricaSource: UNODC, *Transnational trafficking in West Africa: A threat assessment*⁶⁵

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.

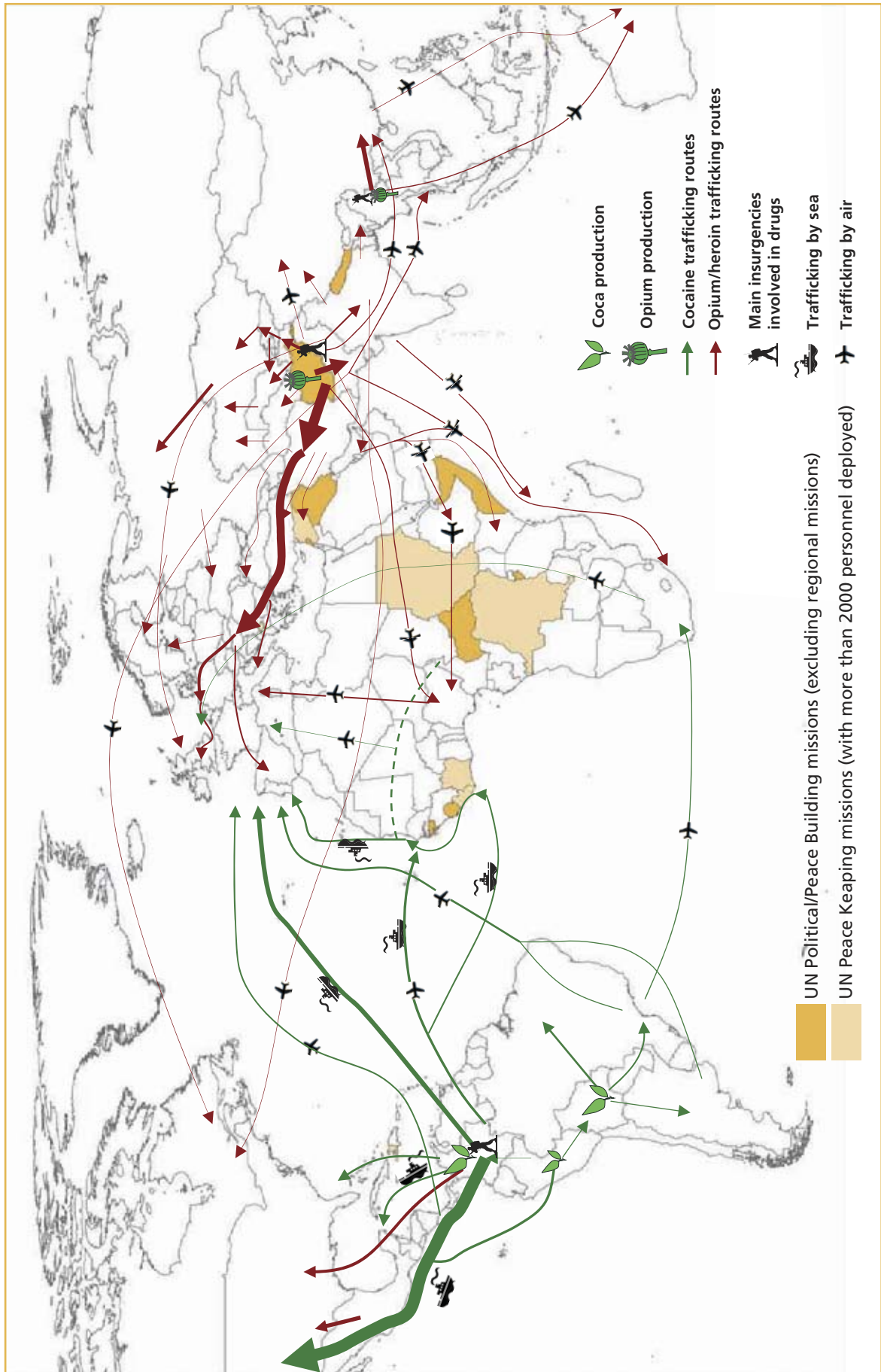
In the end, the two phenomena go hand in hand. Absolutist governments are often formed (and tolerated) in response to the threat of instability. This threat typically

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.

Map 1: Cocaine/heroin trafficking routes and instability

Source: UNODC





Make better use of the international tools and interventions

The 1988 Convention established the means to move beyond arrests and seizures in dealing with international drug problems. The anti-trafficking measures, including those aimed at chemical precursors, money laundering, and asset forfeiture, greatly expanded the tools available to law enforcement. Two decades later, much more could be done to apply these tools to transnational trafficking flows. Cooperative work on money laundering and asset forfeiture in particular could greatly be expanded.

Those involved in work on transnational drug issues are very familiar with the three drug Conventions, but may be less familiar with those on Transnational Organised Crime and Corruption. This is a pity because these two under-utilised instruments could be used to great effect in combating drug markets and related violence and corruption.

The United Nations Convention on Transnational Organised Crime is key in establishing the legislative framework needed to address the drug business, and in building the mechanisms for international cooperation. But there is a large gap in the rate of ratification and the implementation of its provisions. Many countries have passed legislation that is rarely used, but has tremendous potential if applied strategically. For example, the Convention allows for the criminalisation of membership in an organised crime group without the need to prove any particular individual was associated with any particular offence. This can be used to confront organised crime groups with the certainty of arrest if drug market activity or violence does not stop, as discussed above.

Another underutilised opportunity for cooperation lies in the area of money laundering and asset forfeiture. Perhaps because law enforcement officials lack financial expertise, police departments across the globe find the process of tracing and seizing money far more difficult than tracking contraband. Even more unusual is international cooperation in the recovery of illicit assets. But much of the costs of enforcement could be redeemed if asset forfeiture were taken seriously. If legal challenges and administrative difficulties have proven insurmountable, a renewed effort must be made to streamline the process so that money made in crime can be used to prevent it in the future.

The same is true in the area of corruption. By providing criminals with virtual immunity from prosecution, corruption can nullify the deterrence effect normally expected from the enforcement of the drug control system. In adopting the United Convention against Corruption, the Member States have equipped themselves with a powerful instrument to remove an essential lubricant of criminal black markets. But despite the fact

that the convention entered into force four years ago and has already been signed by 140 countries, this effort has also fallen short of its potential when it comes to its concrete application.

When dealing with corruption, the basic principle of focusing on those who can be deterred applies once again. A dealer risks very little in offering a bribe, an but official risks quite a lot in receiving it. In a word, they can be deterred. Those who might be expected to encounter traffickers in their daily business should expect to be especially scrutinised, if not audited. Transparency should be the price of the job.

Corruption and drug markets are locked in a mutually re-enforcing cycle. Drug money is a powerful corrupting force, but many drug markets would be impossible without corruption. Anti-corruption work has the potential to simultaneously improve governance while undermining the ability of criminals to operate with impunity. Once the cycle is reversed, growing confidence in government will improve citizen cooperation, further undermining corrupt officials and the criminals that rely on them.

In parallel to these efforts to strengthen international resistance to drug markets broadly, there is a need to act on an emergency basis in those parts of the world where the rule of law has collapsed, and ensure that crime prevention is at the head of the agenda when reconstruction begins. Tottering states everywhere both generate and attract organised crime. Crime predictably comes with periods of transition and upheaval, and planning should proceed with this fact in mind.

Peacekeeping and crime prevention must go hand in hand. Their object is the same: the provision of safety and security. Their opponents are also often the same: the agents of instability that profit off human misery. Even after the open hostilities have ceased, however, these same agents continue to operate in states struggling to get back on their feet. As has become evident in Afghanistan, those who earn their money from instability will go to great lengths to ensure this instability persists. Peacekeeping and reconstruction missions are not complete until these countries are able to cope with the security challenges confronting them, be they armed insurgencies or organised crime. Reconstruction and development cannot proceed without the rule of law in place.

Improve information systems

As the first part of this World Drug Report demonstrates, there remains a great deal of uncertainty around the extent and nature of drug production, trafficking and consumption. This is not because these data involve clandestine markets and are therefore unattainable. The methods and techniques for extracting reliable informa-

tion about drug activities have been honed over decades. In many cases, all that is needed is the small amount of effort required to gather and submit administrative data, data that are gathered in the normal course of business for government in any case.

A renewed effort must be made to bolster our collective knowledge base around global drug issues. This information is in the strategic security interests of all parties concerned. Information-sharing obligations embedded in the Conventions are not consistently fulfilled by a number of key parties. Without this information, it becomes very difficult to describe the present situation or the direction things are going. It also becomes impossible to gauge the impact of specific and collective interventions.

2.5 Take the crime out of drug markets

The discussion above has outlined some of the ways that global drug control efforts could be improved to reduce the size of the drug markets and the associated violence and corruption. First, it suggests several ways current enforcement practices could be refined:

- Drugs must remain prohibited because the fact of illegality alone reduces the number of potential addicts, particularly in developing countries.
- Drug control must be conducted in ways designed to limit associated violence and corruption.
- Drug enforcement should focus less on high volumes of arrests and more on reducing the size of drug markets through targeted enforcement and situational crime prevention.
- The incarceration of drug users should be exceptional; rather, users should be tracked and addicts brought into treatment.
- The addict population should be a priority, as they provide the bulk of the demand.
- Open drug markets must be closed, using the techniques of situational crime prevention and problem-oriented policing.

The discussion then endorses the creation of multidisciplinary strategies tailored to meet the problems posed by particular drugs in particular places:

- Planning for drug control must not be centred on law enforcement agencies, and should involve coordinated actions from actors in a range of disciplines and government agencies.
- Enforcement agencies can participate, but need to move beyond a focus on punitively incarcerating individuals to look at ways of disabling the market, even when this means forgoing arrests.

- Although entrenched markets may be difficult to disable, they can be guided by enforcement action so that they do the least possible damage.

Finally, this chapter looks at ways the international community can build resistance to drug markets:

- Both cultivation and transit countries suffer from weakness in the rule of law; supporting the growth of institutional strength and integrity in these countries will make them more resistant to the trafficking of drugs and other forms of contraband.
- There remains great potential in the Conventions on Transnational Organised Crime and Corruption to collectively address the problem of global drug markets.
- There is a strong need to improve and develop international information sharing systems, so that progress can be measured and interventions evaluated.

A common thread throughout these proposals is the need to integrate the marginalised individuals, areas, and nations that cultivate, consume, and distribute drugs. These people need to be brought in, not pushed down. They will find it impossible to develop without getting beyond crime, but it is very difficult to get beyond crime without some prospect of development. It is incumbent on all in the international community to ensure that no one is faced with impossible choices, and that behaviour that benefits all of us is in the interest of each of us.



- 1 While the share of the global population living in poverty declined by half between 1981 and 2005, much of this is due to the growth of the Chinese economy. During the same period, the number of poor people in sub-Saharan Africa doubled, and little progress has been seen in reducing the number of poor in South Asia, Central Asia, Eastern Europe, Latin America, and the Middle East/North Africa. See: <http://go.worldbank.org/VL7N3V6F20>. The structural adjustment conditionalities of international lenders have been widely criticised as actually aggravating poverty, including by the World Health Organisation. See: <http://www.who.int/trade/glossary/story084/en/index.html>. It has even been asserted that, by providing an influx of unearned wealth, international aid can produce an effect similar to the “resource curse” and can have a negative impact of democracy. See Djankov, S., J. Montalvo and M. Reynal-Querol “The curse of aid”. <http://www.econ.upf.edu/docs/papers/downloads/870.pdf>. Also Moyo, D. *Dead aid: Why aid is not working and how there is another way for Africa*. London: Allen Lane, 2009. International peacekeeping has been similarly criticised. The international community has been taken to task for both its actions and its failure to act, including in instances of genocide. Some have even argued that international efforts to build peace have the unintended consequence of prolonging civil wars, since the lack of a clear victor keeps grievances at a simmer. See Luttwak, E. ‘Give war a chance’. *Foreign Affairs*, July/August 1999. There have been scandals in which peacekeepers have been found to be involved in criminal rackets, including human trafficking. Despite these issues, there is very little serious discussion of abandoning cooperative efforts to address poverty or conflict, only debate as to how best to improve current efforts.
- 2 There are, of course, other costs associated with drug criminalisation, including the mass incarceration of non-violent offenders and negative impact on the ability of people to access treatment.
- 3 “Ninety six percent of all countries (186 countries) are State Parties to the Single Convention on Narcotic Drugs of 1961. Ninety four percent (183 countries) are State Parties to the 1971 Convention on Psychotropic Substances. About the same number (182 countries) are State Parties to the 1988 Convention. These are among the highest rates of adherence to any of the United Nations multilateral instruments...” United Nations Office on Drugs and Crime, *Making drug control fit for purpose: Building on the UNGASS decade*. Presented to Commission on Narcotic Drugs, Fifty-first session, Vienna, 10-14 March 2008.
- 4 For example, Yale law professor Steven Duke recently opined we should, “...end[] the market for illegal drugs by eliminating their illegality. We cannot destroy the appetite for psychotropic drugs... What we can and should do is eliminate the black market for the drugs by regulating and taxing them as we do our two most harmful recreational drugs, tobacco and alcohol.”
<http://online.wsj.com/article/SB124061360462654683.html>
Similarly, Harvard economist Jeffrey Miron recently argued, “The right policy ... is to legalize drugs while using regulation and taxation to dampen irresponsible behavior related to drug use... This approach also allows those who believe they benefit from drug use to do so, as long as they do not harm others... Legalization is desirable for all drugs, not just marijuana. ... It is impossible to reconcile respect for individual liberty with drug prohibition.”
<http://edition.cnn.com/2009/POLITICS/03/24/miron.legalization.drugs/index.html>
Others have been cautious, arguing generally against “prohibition” while limiting discussion of taxation to cannabis. For example, Milton Friedman and 500 other economists endorsed a plan to legalise and tax cannabis in the United States in June 2005: <http://www.prohibitioncosts.org/>
- 5 World Bank, *Tobacco control in developing countries*. Oxford: Oxford University Press, 2000.
- 6 There are several ways drugs can kill, including their acute physical effects, their long term health impact, and their influence on behaviour. Neither alcohol nor tobacco are likely to kill the user through their acute effects; the same cannot be said of heroin or stimulant drugs, particularly for those with pre-existing health conditions. Long term health consequences have not been well studied for many of the illicit drugs, but heavy tobacco and cannabis smoking pose similar hazards. Unlike tobacco, alcohol can have an extremely dangerous impact on behaviour, but so can most of the currently illicit drugs. According to the Oxford Medical Companion (1994), “...tobacco is the only legally available consumer product which kills people when it is used entirely as intended.” This would not be the case if drugs like crystal methamphetamine were legalised.
- 7 http://www.who.int/substance_abuse/facts/en/
- 8 United Nations Development Programme, *Human Development Report 2007/2008*. New York, UNDP, 2008.
- 9 Data on drug prices from WDR 2008; data on GDP per capita from Human Development Report 2007/2008. Restrictions on coca cultivation have softened since 2006, and the reported price of cocaine in Bolivia has dropped to US\$3.50 per gram, despite the fact that cocaine remains illegal and seizures have increased. The impact this will have on cocaine use in Bolivia has yet to be evaluated, but there is evidence of rising problems with cheap cocaine base products throughout the region.
- 10 World Health Organisation, *Report on the global tobacco epidemic 2008*. Geneva: World Health Organisation, 2008, p. 271.
- 11 http://www.who.int/tobacco/mpower/appendix_2_the_americas.xls
- 12 WHO 2008 *op cit*, p. 20.
- 13 Food and Agricultural Organization, “Projections of tobacco production, consumption and trade to the year 2010”, Rome: FAO, 2003.
- 14 World Health Organisation 2008, *op cit.*, p. 12.
- 15 Framework Convention Alliance, “How big was the global illicit tobacco trade problem in 2006?” www.fctc.org/dmdocuments/fca-2007-cop-illicit-trade-how-big-in-2006-en.pdf
- 16 Food and Agricultural Organization, 2003, *op cit*.
- 17 *Ibid*.
- 18 See World Drug Report 2005.
- 19 Hozic, A. ‘Between the cracks: Balkan cigarette smuggling’. *Problems of Post-Communism*. Vol 51, No 3. 2004, pp. 35-44.
- 20 See the forthcoming *Transnational Trafficking and the Rule of Law in West Africa: A threat assessment*. Vienna: UNODC, 2009.
- 21 Caulkins, J. and P. Reuter, ‘Towards a harm-reduction approach to enforcement’. *Safer Communities*, Vol 8, No 1, 2009, p.12.
- 22 Age range in survey differs between countries: Denmark (16-64); Germany (18-64); United Kingdom (16-59); United States (12+) – all others, 15-64.
- 23 See endnote 24 below.
- 24 The International Narcotics Control Board was initially apprehensive when Portugal changed its law in 2001 (see their annual report for that year), but after a mission to Portugal in 2004, it “noted that the acquisition, possession and abuse of drugs had remained prohibited,” and said “the practice of exempting small quantities of drugs from criminal prosecution is consistent with the international drug control treaties...”
- 25 This is different from the Dutch “coffeeshop” approach, where drug tourists are free to consume cannabis in certain premises without risking a summons from the police, and known cannabis vendors are allowed to advertise their outlets.
- 26 See the reports of the Instituto da Droga e da Toxicodpendência: <http://www.idt.pt>
- 27 Eurostat, *Statistics in focus*: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-08-019/EN/KS-SF-08-019-EN.PDF
- 28 <http://www.emcdda.europa.eu/stats08/gpstab3>
- 29 <http://www.unodc.org/documents/data-and-analysis/Studies/Drug->

- Trafficking-WestAfrica-English.pdf
- 30 Barrett, D., R. Lines, R. Schleifer, R. Elliott, and D. Bewley-Taylor, *Recalibrating the Regime: The Need for a Human Rights-Based Approach to International Drug Policy*. Beckley Foundation Report 13, 2008.
 - 31 The best known examples come from the United States, in particular the Violent Crime Task Force in High Point, North Carolina.
 - 32 This was the case in the Boston Gun Project, also known as “Operation Ceasefire”. See, Braga, A., D. Kennedy, A. Piehl and E. Waring, *Reducing Gun Violence: The Boston Gun Project’s Operation Ceasefire*. National Institute of Justice Research Report, NCJ 188741, September 2001. <http://www.ncjrs.gov/pdffiles1/nij/188741.pdf>
 - 33 See World Drug Report 2008, p. 9. Note that this is different than the concept of “dependent drug users” explored elsewhere in this report, but the share of the adult population is roughly the same.
 - 34 Greater London Alcohol and Drug Alliance, *London: The highs and lows 2*. London: Greater London Authority, 2007.
 - 35 Leggett, T. ‘Review of the world cannabis situation’. *Bulletin on Narcotics*. Volume LVIII, Nos. 1 and 2, 2006.
 - 36 While estimates of this sort are hard to find, the Office of National Drug Control Policy has estimated that “heavy users” consumed 80% of the cocaine and 90% of the heroin in the United States in 1989. ONDCP, *What America’s users spend on illicit drugs*. Washington, D.C.: Executive Office of the President, 1991, p. 25.
 - 37 See, for example, the evaluation by Hawken and Kleiman of Project H.O.P.E.: http://www.pewcenteronthestates.org/uploadedFiles/HOPE_Research_Brief.pdf
 - 38 Home Office of the United Kingdom, Offender management caseload statistics 2005. *Home Office Statistical Bulletin* 18/06, December 2006, page 88.
 - 39 Leggett, T. ‘Why wait? By-laws and regulations for high-impact crime prevention’. *South Africa Crime Quarterly*, No 8, June 2004.
 - 40 Or, as UN Habitat notes, “[after urban flight] ... ‘slumlords’ attempt to extract profits from whomever remains, usually obtaining good returns at no outlay on their largely depreciated capital, no matter how low the rents.” UN HABITAT, *Global report on human settlements 2003: The challenge of the slums*. Nairobi: UN Habitat, 2003, p. 29.
 - 41 Leggett, 2004, *op cit*.
 - 42 According to Howell and Decker, “Most gang violence is endemic to gang life, separate from drug trafficking because of several reasons. Violence is a part of the everyday life of gang members, even when they are apart from the gang; it is in their neighbourhoods and within families. Second, conflict differentiates gangs from other law-violating youth groups. Third, violence is an expected part of their individual status and roles as gang members.” Howell, J. and S. Decker, ‘The Youth Gangs, Drugs, and Violence Connection.’ United States Office of Juvenile Justice and Delinquency Prevention *Juvenile Justice Bulletin*. Washington, D.C.: United States Department of Justice, 1999, p. 8.
 - 43 Levitt, S. And S. Venkatesh, ‘An economic analysis of a drug-selling gang’s finances’. *The Quarterly Journal of Economics*, August 2000. <http://www.streetgangs.com/academic/gangfinance.pdf>
 - 44 Other techniques for breeding mistrust, such as the distribution of inert substances packaged to look like drugs (e.g. copycat ecstasy pills with popular logos) or the infiltration of user chat groups could also dampen the spread of the market.
 - 45 Reuter, P. and J Haaga, *The organization of high-level drug markets: An exploratory study*. Washington, D.C., The Rand Corporation, 1989.
 - 46 See, for example, Volume 19, Issue 4 of the *International Journal of Drug Policy* (2008).
 - 47 Degenhardt, L., P. Reuter, L. Collins, and W. Hall, ‘Evaluating explanations of the Australian “heroin shortage”’. *Addiction*, Vol 100, No 4, 2005, pp. 459–469.
 - 48 Although “kitchen labs” for crystal methamphetamine have been an issue in the United States, a bit of precursor control can assure that this practice does not become widespread, and the smell and other hazards of homemade amphetamines manufacture tend to render small-scale production uncompetitive, particularly in urban areas.
 - 49 Leggett 2006, *op cit*. Along these lines, the spread of low potency pollen in cultivation areas might be more effective than eradication.
 - 50 Again, methamphetamine is a possible exception in areas where access to precursors is uncontrolled.
 - 51 Government of Afghanistan and UNODC, *Afghanistan Opium Winter Rapid Assessment, January 2009*. Kabul: UNODC, 2009, p. 15.
 - 52 See, for example, Baumer, E., J. Lauritsen, R. Rosenfeld, and R. Wright, ‘The Influence of Crack Cocaine on Robbery, Burglary, and Homicide Rates: A Cross-City, Longitudinal Analysis’. *Journal of Research in Crime and Delinquency*, Vol 35, No 3, 1998, pp. 316–340.
 - 53 See the discussion on “set and setting” in the opening chapter of Reinerman and Levine’s *Crack in America*. Los Angeles, University of California Press, 1997.
 - 54 See Leggett 2006, *op cit*.
 - 55 Tragler, G., J. Caulkins, and G. Feichtinger, ‘Optimal Dynamic Allocation of Treatment and Enforcement in Illicit Drug Control’. *Operations Research*, 2001, Vol 49, No 3, pp. 352–362.
 - 56 During the first session of the Convention negotiations, held between 19 and 29 January 1999, various definitions of “organized crime” were discussed, most of which related to participation in a group. In the negotiation text submitted by France, for example, organised crime was defined as “the activities pursued [the acts committed] within the framework of [in relation to] a criminal organization.” UNODC, *Travaux préparatoires of the negotiations for the elaboration of the United Nations Convention against Transnational Organized Crime and the Protocols thereto*. Vienna: UNODC, 2006, p. 7.
 - 57 This point is further made clear in the protocol’s definition of human trafficking, which requires no cross-border movement.
 - 58 <http://www.unodc.org/documents/data-and-analysis/Caribbean-study-en.pdf>
 - 59 Europol, *European Union Situation Report on Drug Production and Drug Trafficking 2003 – 2004*. The Hague: Europol, 2005.
 - 60 http://www.unodc.org/documents/data-and-analysis/Balkan_study.pdf
 - 61 UNODC, *Crime and its impact on the Balkans and affected countries*. Vienna: UNODC, 2008.
 - 62 *Ibid*.
 - 63 *Ibid*.
 - 64 UNODC, *Crime and development in Central America: Caught in the crossfire*. Vienna: UNODC, 2007.
 - 65 Forthcoming, 2009.
 - 66 For more on this idea, see Kleiman, M. *Against excess: Drug policy for results*. New York: Basic Books, 1993.
 - 67 Collier, P. *The bottom billion: Why the poorest countries are failing and what can be done about it*. Oxford: Oxford University Press, 2007.
 - 68 *Ibid*, p. 27.