Illicit Drugs: Social Impacts and Policy Responses

UNRISD Briefing Paper No. 2
World Summit For Social Development
November 1994
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Acknowledgements

This Briefing Paper was prepared for UNRISD by LaMond Tullis and James Painter, with some additional information from the UNDP Human Development Report 1994 (Oxford University Press, New York, 1994). Comments from participants in internal seminars and in the UNRISD conference on “The Crisis of Social Development in the 1990s: Preparing for the World Social Summit” are gratefully acknowledged.

UNRISD work for the Social Summit is being carried out with the support and co-operation of the United Nations Development Programme.

Summary

This paper examines the social consequences of illicit drug production, trafficking and consumption, as well as the factors contributing to the global drug problem. In the light of this analysis, it considers the potential and limitations of the various possible policy responses - both those strategies already attempted and those that have as yet only been proposed.

People engage in drug production largely in response to economic incentives, which legal sanctions have been unable to counteract effectively. Peasant growers of drug crops can make from 10 to 50 times more in supplying the illegal drug market than they can in any other agricultural pursuit. Even where intense eradication efforts have managed to suppress drug production regionally, the shortfall in the drug market is quickly made up by increased production elsewhere.

Drug traffickers have used the opportunities presented by the changing global economic environment to enlarge their activities and expand their markets. They are highly mobile, employ the latest communications technology and move their money around the world electronically. The consequences of this type of increasingly organized trafficking are severe: systemic crime and violence are becoming endemic in the countries worst affected, while traffickers’ efforts to corrupt public officials and attract new generations to the drug trade help to protect them from attack.

Drug users not only suffer physical, social and economic problems themselves, but they also impose many direct and indirect costs on society. Of particular concern is the relationship between drug use and crime, especially the violent crime associated with crack cocaine.

In addressing the question of what is to be done about the illicit drug problem, this paper argues that the strategies favoured by the present approach are not working. Efforts to reduce the supply of drugs through crop eradication or attacks on drug syndicates have failed because the profits to be made in the industry are so enormous: the economic incentives are such that producers and traffickers always spring up to fill any gaps in the market that result from drug control efforts. Attempts to reduce consumption by imposing legal sanctions fail to curb drug use among the sections of the population where the problem is most severe: in order to be effective, such sanctions require that the user have something of value to lose and a future worth sacrificing for. Marginalized populations in many consuming countries seem to be resistant to such strategies.

Increased military involvement in drug control operations has been relatively unsuccessful where it has been tried. In addition, the adverse social and political impacts of such a strategy are potentially severe. More promising approaches involve longer term and more indirect strategies, including education, community organization and treatment programmes in consuming countries, and
significant progress in rural development in producing countries. Proposals for the regulation, decriminalization or legalization of drug consumption and/or production have also been advanced - not to reduce consumption, but rather to reduce the drug-related crime and violence which affect society as a whole. This crime is driven largely by the high costs of drugs and the profits to be made in the drug trade, which in turn derive from illegality itself.

The paper concludes that no one policy option is going to solve the illicit drug problem. Given the severity of the current drug crisis, however, it is to be hoped that a balanced and more thorough examination of the advantages and limitations of all available policy options will lead to more imaginative and constructive policy formulations.

**Introduction**

By most estimates, the traffic in illicit drugs is one of the world’s most substantial money earners. The retail value of drugs, at around 500 billion US dollars a year, now exceeds the value of the international trade in oil and is second only to that of the arms trade.

The consumption of illicit drugs not only has serious physical, social and economic consequences for the individual consumer, but also imposes enormous costs on society as a whole, and ultimately funds massive criminal systems. People may choose to take drugs to rebel, to escape, to cope, to survive, to belong or to register resignation and defeat. The current global increase in the consumption of illicit drugs may be related to changes in society, including reduced family and community cohesiveness, increased unemployment and greater feelings of alienation.

Why do people produce and traffic in illicit drugs, and how are they able to do so on such a large scale? While one obvious incentive is the money that is to be made in servicing consumer demand for drugs, other factors are also involved. The structure of society, the nature of political power, the impact of economic policy, and the resistance of the cultural fabric to private drug consumption and public corruption - all these are factors that influence how successfully illicit drugs can be produced and traded.

This paper, drawing on recent UNRISD research, particularly in Latin America, examines the chain of illicit drug production, distribution and consumption. It focuses on the social consequences of these activities and the forces contributing to the global drug problem. The analysis indicates the complexity of the illicit drug trade and the need for a multi-pronged policy to address the problem.

**The Illicit Drug Problem: Why has it Become Worse?**

Illicit drugs typically move internationally from less developed areas of the world to more developed countries, where most drug consumption takes place. In recent years, just as the growth of legitimate global businesses has been facilitated by the globalization of financial systems and market relations, drug producers and traffickers have also taken advantage of the opportunities presented by the changing macro-economic environment. They have organized themselves on a global scale and put a significant proportion of their drug profits in financial centres offering secrecy and attractive investment returns. Their adoption of high-tech computer and communications technology has facilitated the expansion of their trade and the protection of industrial secrets. Drug traffickers are now able to launder illicit profits by moving money around the world electronically with few national controls. They are aided by porous borders due, in some cases, to policies intended to encourage trade and investment, and in other cases to weak governments and weak or unenforceable laws against money laundering, fraud or organized crime.
The consumption, production and trade of illicit drugs have a wide variety of adverse socio-economic and political effects. These activities can at times undermine the legal economy (for instance by contributing to an overvalued exchange rate). They contribute to increased crime and social disruption on all levels, and their adverse effects can in fact be intensified by drug control laws. Most of the benefits and liabilities associated with the production and trade of drugs ultimately derive from illegality itself, a condition which the drug control laws, by definition, establish. Illegality provides what has been called the “crime tax”: the difference between prices in legal and illegal markets. This “tax” is reaped principally by traffickers, but they pass on a sufficient proportion to peasant growers to create incentives for drug crop production. Given the lack of alternative economic opportunities, especially in rural areas of producing countries, illegality and the profits associated with it make it very difficult to devise a policy mix of punishments and incentives that would induce growers to abandon their drug crops. In many cases, moreover, drug control initiatives have actually contributed indirectly to social dislocation, corruption, militarization and abuse of human rights.

The following sections examine in more detail the economic, social and political impacts of illicit drugs at the production, trafficking and consumption stages, as well as the forces contributing to the problem. Effective policy strategies should be based on an understanding of the linkages between these different stages in the illicit drug chain.

**Production**

Considerable legitimate production of drugs occurs for medical and scientific purposes. India is a large producer of licitopium, and Bolivia and Peru produce between them about 20,000 tons of legal coca leaves each year for traditional or medical uses. Production estimates for legal drug crops are much more accurate than for illegal ones: even under the best of circumstances, illicit drug production figures are only rough estimates because of the clandestine nature of much of the drug trade. Nevertheless, the main producing and trafficking countries are known to be Afghanistan, Bolivia, Colombia, Iran, Pakistan, Peru and Thailand.

Drug production and trade create both benefits and liabilities for the principal producing countries. Illicit drugs can be very important to the national economy: in Bolivia, for instance, the coca-cocaine economy has generated more revenue than any other single export in recent years. Supplying drugs to an international market has benefited hundreds of thousands of previously marginalized people. Poor farmers in many drug producing countries have earned more money, experienced more social mobility and exercised more power over their destiny and that of their children than perhaps at any time in this century. Moreover, although a large proportion of drug profits leaves rural areas, drug crop production does create economic multipliers in drug growing areas, where new money is spent on a better mix of necessities (food, shelter, clothing) and luxury goods (radios, televisions, trucks). As locally produced goods are purchased, cottage and service industries develop and regional economies generally become more active. If all these benefits originated from legitimate activities, the world would herald them as a positive sign of progress and improvement in the less developed countries.

However, involvement in underground and corrupt activities also brings problems: in many countries, violence escalates, in some cases farmers fall victim to the traffickers, and end up growing drug crops for low economic returns. Traditional social values tend to be eroded as illegality permeates a society, and people become less inclined to accept the norms on which consensus politics rest.
In addition, severe environmental damage can be caused by drug production. Drug crops themselves are not necessarily detrimental to the environment (indeed, coca protects against soil erosion in some steep hillsides in Bolivia) unless they are grown on fragile or inappropriate land, as is sometimes done to avoid detection. More serious problems result from the chemicals used in the initial stages of drug processing being dumped into rural streams and rivers.

**Why do People Continue to Grow Illicit Drug Crops?**

Poverty and the absence of attractive alternative economic opportunities are the main factors contributing to growers’ continued involvement in drug production. The principal drug growing regions are among the most impoverished and economically stagnant in the world, and in many of them levels of living are declining, in part as a result of structural adjustment programmes. In many of these rural areas, illegal drug growers can make from 10 to 50 times more in provisioning the illegal drug market than they can in any other agricultural pursuit. Thus it is not surprising that growers cultivate coca, opium and cannabis. Although producing drug crops involves risk, the high returns they yield make these crops preferable to other less risky agricultural activities for many people.

**Trafficking**

Two or three decades ago, much illegal drug distribution was akin to a cottage industry - small-time traffickers, including tourists, picked up a few hundred grams of heroin or cocaine or a kilogram of marijuana from a producer and distributed the product directly to casual but trusted contacts and personal friends. They in turn passed along small amounts, some of it for financial gain. Although a proportion of the trade in drugs is still carried out in this way, trafficking is increasingly organized, particularly at the wholesale and intermediary levels and for cocaine or heroin (less so for marijuana). A few large, vertically integrated, multinational illicit drug distribution organizations existed as early as the 1930s; such trafficking is now increasingly facilitated by sophisticated organization and distribution techniques able to counter the technology currently available to law enforcement agencies. Evidence of substantial organized production and marketing networks exists not only for the principal consuming countries, but also for many of the processing and transit regions.

The illegal drug economy may at times act as a safety-valve to compensate for the shortcomings of the formal economy. In Bolivia in the mid-1980s, for instance, the dollars brought in by drug traffickers were welcomed by the central bank in order to ease the foreign exchange shortage in the country. However, the adverse effects of drug trafficking can undermine any economic benefits in producing and transit countries: traffickers infiltrate bureaucracies, buy public decisions, and conduct business through violence and intimidation. They create an anti-state outside any rule of law or central government control, necessitating the expenditure of millions of dollars for law enforcement activities. In the social sphere, traffickers corrupt a significant proportion of the population by attracting new generations to the drug trade, glamorizing gangs and glorifying the role model of the conspicuously consuming new rich. They thereby contribute to social disorganization and disintegration.

There is a straightforward connection between drug trafficking and crime. Traffickers’ activities are linked to what is termed “systemic violence”, by which the drug syndicates, gangs and smugglers who secure, launder and guard money attempt to obtain and preserve positions of power by whatever means necessary. Traffickers, not consumers, commit most drug-related homicides. They are able to use the billions of dollars at their command to attempt to corrupt, subvert or eliminate institutions and people who stand in their way.
What has Helped Traffickers to Succeed?

Traffickers have been aided by three phenomena. First, raw materials are easy to obtain because, as noted above, rural poverty and the failure of rural development have attracted many poor farmers to drug crops. Second, the low salaries paid to the local, national and international officials involved in fighting drugs, at least compared to the amount of money traffickers are able to offer as bribes, have increased the ability of traffickers to corrupt such officials. Third, drug processing is facilitated by lack of effective controls over the necessary chemicals - both on the part of local governments, and on the part of the North American and European countries where the chemicals originate. In addition, weak communication and transportation infrastructure allows drug production and processing to be sited in very remote areas relatively outside the control of the state.

Where political institutions are relatively strong, traffickers appear to be a troubling but not strongly disrupting influence on national life - although they may cause considerable local disruption, as in inner cities in the United States. In institutionally weak countries, however, drug traffickers engage in a struggle for the nation’s institutional life, for territory and for control over the lives of many citizens. This can be seen, for example, in Afghanistan, Colombia, Myanmar and Peru.

When international markets are tightened, traffickers work to improve the quality of their products, and modern technology has aided them in this process. They are mainly interested in reducing the detectability and weight-to-price ratio of their products in order to ease smuggling. Such processing concentrates alkaloids and frequently heightens the addiction rate among local populations (as in Pakistan, for instance).

Traffickers are highly mobile and unrestricted by national boundaries. They shift their laboratories and trade routes virtually at will, preferring to go where national governments are least in control. Thus in the Golden Triangle (Laos, Myanmar, Thailand), for example, traffickers’ border operations concentrate at points of least resistance and change from year to year. When the Colombian government cracks down on its drug operators, they take up temporary residence in Bolivia, Miami, Panama or Peru and direct their operations from there.

Consumption

Collecting reliable data on the consumption of illicit drugs is difficult, as governments and individuals are reluctant to give out such information. While consumption is rapidly spreading all over the world, the highest per capita use is reported to be in Canada and the United States. In the latter alone, consumer spending on narcotics is thought to exceed the combined gross domestic products of more than 80 developing countries. Eastern Europe has also experienced increases in illicit drug demand due to the socio-economic crisis, high unemployment and easing of border controls.

It is clear that regular or high levels of consumption of most illicit drugs have a range of adverse effects on the individual. Illicit drugs affect an individual’s health, financial position, productivity and social relations. Drug use can cause birth defects, poor parent-child relations and neurobiological collapse from overdose with attendant hospital costs. It can also adversely affect the classroom performance and psychological development of adolescents.

A consideration of the broader socio-economic and political effects of consumption revolves around an understanding of when self harm constitutes social harm. Most of the problems drugs create for individuals also imply social and economic overhead costs, particularly those associated with medical care, welfare and other social services. In terms of society’s interests, acute or chronic
consumption is clearly more harmful than occasional consumption, and use of drugs by many people is more harmful than use by a few. The consumption of a moderate amount of alcohol or cannabis may produce little social harm, whereas excessive consumption may lead to disasters for others as well as for the user. With “harder” drugs - heroin, cocaine and crack cocaine the public implications are potentially more severe. Crack cocaine addiction has become a particularly serious public policy concern in the United States, where cocaine-related emergency ward admissions have increased, with the public often bearing the financial burden.

The economic costs of drug consumption can be categorized as direct and indirect. Direct costs include increased state expenditure on police, courts, military, treatment programmes and welfare payments, as well as business expenditures on security measures. Indirect economic costs include the displacement of legal industries, decreased control over the economy, and fiscal problems related to an inability to tax the drug economy.

The relationship between the injection of drugs and HIV transmission has become a major concern in many parts of the world, both in the industrialized countries and in many poor countries lying either in drug producing areas or along drug trans-shipment routes. Major outbreaks of HIV infection have occurred in areas such as Manipur in north-east India, Myanmar, Ruili in southern China and Thailand. Women and children who are not themselves drug users may also be affected by problems related to drug abusing men, including HIV infection.

**Drug Consumption and Crime**

There is obviously a relationship between drug consumption and crime, although it is often not clear which is cause and which is effect. In principal consuming areas such as North America and Western Europe, psycho-pharmacological effects, economic-compulsive drives and systemic violence are considered the principal components of the drugs-crime link.

The most harmful psycho-pharmacological effects of drug use, particularly those associated with crack cocaine, involve people becoming irrational, excited, agitated or impulsive. Users may become unable to control their anger and vent it in the form of physical assault, including homicide. In one of the first studies clearly linking violent behaviour and crack cocaine use, it was reported that nearly half the callers to a nationwide cocaine hotline in the United States said they had committed violent crimes or aggressive acts (including child abuse, murder, robbery, rape and physical assault) while using crack.

The economic-compulsive dimension of drug-related crime is associated with criminal acts to obtain funding for personal drug consumption (through burglaries, for instance). The systemic dimension refers to the activities of drug syndicates, associations, gangs and smugglers involved in protecting their product from law enforcement officials or from each other by whatever means necessary. A fourth dimension could be added to this standard analysis - the “corruption-criminality” connection, which occurs when administrative and political personnel such as drug enforcement agents and border patrol officers themselves become allied with the drug trade.

**Why is Global Consumption Increasing?**

Whether drug abuse is a cause or an effect of social problems is central to the question of why global consumption of illicit drugs is increasing. How far drug abuse contributes to or is a symptom of high unemployment, breakdown in family structure and poor living conditions is a constant source of debate. High rates of unemployment tend to occur in the age range of those most likely to use drugs, while young people who have been associated with drugs find it even more difficult to obtain productive employment.
While families can have a powerful influence on shaping the attitudes, values and behaviour of children, it is commonly believed that peers can have an even stronger influence on drug use during the formative years of youth. As families come under pressure either through parental failures, rapidly changing cultures or economically imposed hardships, children look for alternative forms of association, such as youth gangs. Some youth gangs have become “family” for street children in Bangkok, Lima, Los Angeles, New York, São Paulo and other cities. To survive, these children frequently turn to drugs, violence and theft, all of which may be attached to ritualized ceremonies of belonging and obligation. Once part of a drug subculture, they become more marginalized from mainstream society, adopting new values that reinforce drug taking practices.

Supplies of illicit drugs in many areas have become cheaper and more plentiful despite attempts to suppress crop production. Grower and trafficker counter-strategies have been more than sufficient to maintain ample supplies on the market. At the same time, more addictive forms of drugs, such as crack cocaine, have been developed. The ready availability of such drugs makes consumption all the more difficult to suppress.

**Policy Options: What is to be Done?**

This question encompasses some of the world’s most hotly debated policy issues. Should stronger interdiction campaigns be undertaken against drug producers and traffickers? Should economic incentives, educational campaigns and other activities be undertaken to encourage people to change their behaviour as consumers or producers? Should the “war on drugs” be declared to have been misconceived, and expanded discussions be undertaken about some controlled form of decriminalization and legalization?

Responses vary according to people’s values and views. The primary focus of drug control policies in most parts of the world has heretofore been on supply suppression through drug crop eradication and disruption of trafficking channels. It is becoming increasingly clear, however, that North America, Western Europe and other net consuming regions are unlikely to solve their illicit drug consumption problems through the continuation of current supply suppression strategies. Despite the expenditure of billions of dollars on controlling supplies, the successful capture of major traffickers and dismantling of their drug empires, and the weaning of peasant growers away from coca and opium via alternative crop incentives, the global supply and consumption of drugs has continued to grow.

The reasons for the failure of current drug control policies are numerous: the lack of alternative income-earning possibilities among rural people in net producing countries is too substantial, the price differential between licit and illicit crops is too great, the huge profits acquired by traffickers in illegal business are too enticing, and traffickers are too skilled at eluding law enforcement efforts. If supply suppression is successful in one area, crop production or drug refining activities quickly move elsewhere.

Moreover, even if supply suppression policies are successful in increasing the costs of supplying drugs, and reducing the amount of drugs on the market, consumption will only be reduced under certain conditions. Assuming consumption to be price responsive (a condition that does not always hold), prices can be driven up beyond people’s willingness or ability to pay only if true scarcity relative to demand is created. A well-known study undertaken by the Rand Corporation has suggested that, because the price of the coca leaf accounts for less than 1 per cent of the retail price of cocaine, even a crop eradication programme able to triple the cost of production to the growers would raise cocaine prices in the United States by no more than 1 per cent. The same study
indicates that, even if interdiction programmes were to become vastly more successful, and were able to intercept 50 per cent of the cocaine arriving from Colombia, US street prices would rise less than 3 per cent.

In most cases where supply control strategies have been implemented, grower and trafficker counter-strategies have been more than sufficient to maintain supplies on the market. In the United States, for example, in spite of the large tonnage of illicit drugs confiscated every year, drugs are as plentiful now as ever, and are sold at more affordable prices. In Colombia, despite the destruction of the Medellin syndicate, drug production continues as usual. Medellin’s markets, resources, stocks and many of its personnel have been incorporated into the rival Cali syndicate, making it now the world’s leading cocaine trafficker.

Crop suppression strategies have been no more effective than efforts to control drug trafficking. Experience shows that pressure placed on growers is not sufficient to reduce drug crop production significantly. In Bolivia, interdiction efforts against processors and traffickers have brought down the price of coca leaves, leading to a slight drop in the amount of coca produced since 1989. In Peru, however, coca production increased between 1989 and 1992 by an amount equivalent to 73 per cent of Bolivia’s reduction. It is likely that one country’s success in reducing production will simply be another’s problem as traffickers, refiners and intermediaries migrate to places of least resistance and most opportunity, creating a demand for drug crop production. This phenomenon is referred to as the “balloon effect”: what is pushed down in one place simply springs up in another.

In some countries, cash rewards have been paid to growers who voluntarily eradicate their crops, in order to compensate them for their loss of income. However, in Bolivia for example, many of these growers simply moved to new areas and planted new drug crops in more remote areas, or eradicated only those crops that were old and unproductive. This has led many experts to argue that crop eradication should be rewarded not with monetary compensation, but with other crops or income-generating opportunities, or with social infrastructure such as better roads and services.

Another obstacle to successful crop eradication is lack of sufficient funds. National governments often argue that they cannot implement eradication programmes unless they have strong financial backing from international organizations and governments in the developed world. They frequently complain that the amount of money needed to replace drug-based economic activities is not forthcoming. But the funding agencies are reluctant to release large sums of money unless they are convinced that national governments are serious about implementing drug suppression programmes.

The fact that supply suppression, both absolutely and as a surrogate for consumption control, seems to be a general failure at present levels of investment in drug control indicates a need to re-examine drug control policies. The following sections examine the main types of strategies that have been proposed: (a) the intensification of crop suppression and interdiction efforts through greater militarization of the “war on drugs”; (b) greater implementation of “alternative development” strategies meant to wean growers away from drug crops; and (c) demand or harm reduction in consuming countries, including controlled legalization or decriminalization.

**Increased Militarization**

The failure of law enforcement agencies to control the supply of drugs in producing countries has led, in many cases, to an increased reliance on military intervention to bolster drug control efforts. This approach has been particularly emphasized by the United States in its relations with the Andean countries. To date, the so-called “war on drugs” in Bolivia, Colombia and Peru has
involved large increases in US military assistance for anti-drug activities and the granting of aid to local militaries in addition to the anti-drug police. The US army has had little direct involvement in drug producing countries, but it has expanded its role in training, advising and assisting with electronic surveillance.

A 1990 agreement between Bolivia and the United States linked a five fold increase in US military aid to direct involvement of the Bolivian army in drug control operations. The agreement created substantial internal political problems for the Bolivian government and failed to make any significant dent in drug growing, processing or trafficking. By 1992 both governments had reduced their emphasis on the militarization policy.

Those opposing increased military involvement in drug control operations have a number of concerns. First, such policies work to strengthen the military at the expense of civilian governments. Especially in Latin America, which has a long history of military coups, this prospect is disturbing. Second, the army tends to focus on peasant drug crop growers as the easiest targets in its anti-drug operations, leading to a very real potential for a major escalation in human rights violations. Third, there is concern that increased military involvement will not be able to destroy the drug trade, but instead will lead to increased violence by prompting drug traffickers to strengthen their own military capacities. In addition, rural opposition to military activity seen as threatening peasants’ livelihoods might lead to the formation of armed opposition groups or increased rural support for existing insurgent groups - as happened in Peru when US-backed coca eradication efforts led to increased support for Sendero Luminoso.

Fourth, given the levels of poverty and the power of drug money in drug producing countries, increased contact between the military and drug traffickers may well result in increasing institutionalized corruption within the armed forces - which in many cases already have a history of maintaining symbiotic relationships with the drug industry. Finally, it is argued that increased militarization cannot be effective because it does not address the roots of the drug problem: poverty in developing countries and demand for drugs in developed countries.

**Alternative Development**

In drug producing regions, the creation of alternative income opportunities through agrarian and other kinds of reform has been proposed to wean existing and potential growers away from production and trade in illicit drugs. Such strategies are termed “alternative development”. They are intended to address the reason that so many farmers in developing countries grow drug crops in spite of the risk involved: the fact that they have no other comparable economic opportunities. This approach recognizes that, in order to achieve long-run success, it is necessary to integrate peasants, producers and traffickers into the social and economic mainstream, and it emphasizes tailoring interventions to specific local level needs.

Alternative development in its many guises (e.g. crop substitution, socio-economic development, integrated rural development) has been attempted most vigorously in Bolivia and Thailand. Alternative development is more politically acceptable than more direct ways of reducing illicit drug supplies, since it promises new income opportunities within a context of socio-economic development. However, continued interdiction programmes are required for alternative development to work: disruption of the network of processors and traffickers reduces demand for raw drug crops, and thus leads to a fall in prices that is necessary for alternative economic activities to become attractive.
Alternative development in Bolivia has been enshrined in elaborate legislation based on the assumption that the failure of rural development has caused peasants to move into coca production. The Bolivian government, the United Nations and the US government vigorously support the policy of promoting rural development so that coca production will decline. Unfortunately, the programme has had relatively little impact to date, for numerous reasons. First, coca remains economically attractive compared to the alternatives: the income differential between coca and even the most remunerative non-drug crop remains large, coca plants yield an income within 12 months of planting, they have a long life, and they produce four crops a year. Second, coca is well suited to the social and economic conditions in Bolivia: it requires little technology and only manual labour for picking, and it has a well-established and nearby market not impeded by the poor transportation infrastructure of the region.

In addition, alternative development schemes in some areas have suffered from an emphasis on infrastructure rather than people, as well as from institutional fighting and inadequate funding. In practice, the farmer participation envisioned by the programmes has not materialized, resources have been inefficiently allocated, and the market potential for proposed alternative crops has not been adequately researched. Another problem is that the “balloon effect” has contributed to the failure of even relatively successful regional alternative development programmes to make a significant impact on the global illicit drug trade (just as regional crop eradication and interdiction programmes have not been able to make a global impact). Thus, although alternative development initiatives are clearly a good idea, in practical terms a significant reduction of illicit drug production will not necessarily be their main outcome.

**Demand or Harm Reduction**

Efforts to reduce demand for illicit drugs include both sanctions and incentives. Sanctions focus on law enforcement initiatives meant to apprehend and deter consumers through fines, jail sentences and loss of privileges. Positive incentives have also been developed to offer people reasons to cease, or at least greatly to reduce, illicit drug use. The combination of sanctions and incentives is meant to create a climate wherein non-users are reluctant to take up the habit. Aside from law enforcement initiatives designed to raise risks for consumers, the demand reduction strategies of principal consuming countries have focused on popular education in the classroom and through the mass media, initiatives in the workplace, civic action, anti-contagion treatment programmes and efforts to develop an anti-drug ethos.

Intensifying the negative component of demand reduction strategies through increased reliance on prohibition, combined with law enforcement efforts that are increasingly tough on users, is likely to be effective only among two types of people: those who have something of value to lose and those who see themselves as having a future worth sacrificing for. Crack cocaine and heroin users who are members of the “underclass” might therefore not be much affected by such strategies.

Initiatives in the workplace to reduce consumption are principally based on drug testing, with threats of dismissal if positive results are returned. This strategy is unlikely to reduce demand for drugs among the burgeoning number of inner city crack users, arguably the greatest problem in the United States, and perhaps elsewhere. This approach presumes that the drug user wants employment and has it, that the employer values the employee and that they both have an incentive to work together to create a drug-free workplace. All these factors are unlikely to coalesce among unskilled, low-skilled or minimum-wage employees, who are usually quickly replaceable and are themselves likely to drift from job to job.
Education is one of the primary elements of the positive component of demand reduction strategies. If education within the classroom is to reduce demand, it needs to be coupled with community-wide integrated efforts, including the dissemination of explicit anti-drug values and peer modelling begun at a fairly early age. The mass media in several consuming nations have had some success in targeting certain audiences for such anti-drug campaigns.

Civic action is also a way to reduce demand for illegal drugs. Helping people to build homes, assisting the long-term unemployed to acquire skills and find jobs, creating educational and other opportunities for children in poor communities are activities in which communities have engaged, and which have had a positive impact on their drug problems. Raising community support for voluntary anti-drug service is a first step, but effective co-ordination is required to ensure that acceptable goals are pursued in productive ways. Some communities are attempting to orchestrate this co-ordination. In Detroit, Michigan, a community in one of the city’s abandoned-house districts has launched an effort to purchase “crack houses”, renovate them and sell them at low cost to senior citizens and single parent families who need housing and can be relied upon not to participate in the drug trade. Other community initiatives include self-help groups for addicts and an anonymous hotline for residents to report drug-related activities in their neighbourhoods without fear that their identity will be revealed.

Another demand reduction strategy involves treatment programmes, which are thought by some to be useful not only for addressing the addiction of individuals, but also for reducing the spread of drug addiction. The assumption underlying treatment as a strategy to reduce consumption is that drug addiction spreads like a contagious disease: most people become drug users and perhaps eventual addicts because friends have introduced them to the practice, pushing drugs to support their own addiction. Therefore, successfully treating addicts removes their economic need to market drugs to acquaintances and eliminates a large part of the reason for the spread of drug addiction. Accordingly, proposals have been made - by law enforcement officers, among others - for considerably more funding for drug addiction treatment programmes.

Finally, efforts have been made to develop an “anti-drug ethos” as a means of reducing demand. One of the strongest deterrents to the use of illicit drugs is people’s conviction that drug use is inappropriate, whether for moral or utilitarian reasons. If the fundamental values of a specific group of people change in ways which disfavour drugs, the reduction in consumption will be more lasting. This kind of value change is more likely to be brought about by persuasion than by coercion. Thus calls are made for the mobilization of community efforts to re-establish eroded social values and to provide substantial social incentives for people to reform their lifestyles.

All direct demand reduction options concentrate on users and assume that illicit drug use may be reduced by approaches that invoke fear, self interest or value change. An indication of drug policy priorities in the United States is given by the allocation of expenditures in the country: 75 per cent of total drug control expenditure goes for repression of consumption and supply, compared to 25 per cent for prevention, education, research and treatment. So far, an emphasis on fear (e.g. fear of jail and of property losses) has formed the basis of consumer-focused demand reduction policies. Not surprisingly, fear strategies work best on those in the middle class whose employment and property are at risk. Such policies have had no proven drug consumption effect on the economic underclass where much hard-core drug abuse takes place.

**Legalization or Decriminalization**

Decriminalization and legalization are not generally advanced as strategies to reduce drug consumption, but rather as possible ways to reduce the harm to society from drug abuse,
particularly from drug-related crime and violence. Decriminalization proposals are a response to a belief that neither supply suppression nor demand reduction efforts will be successful in reducing drug abuse, and that the continued existence of a prohibition régime imposes unacceptable costs on society.

Legalization (officially authorizing currently illegal behaviour) and decriminalization (removing some penalties or at least “looking the other way”) may occur at the user, producer or trafficker levels in the drug chain, and may range from complete abandonment of controls to the selective relaxation of absolute prohibition. Most arguments in favour of some kind of liberalizing policy concentrate on decriminalizing or legalizing consumer drug use; a few advocate the same policies for drug production; hardly any are in favour of removing penalties for drug trafficking. Most proposals for drug use decriminalization focus on marijuana, several on cocaine, a few on heroin, while some would legalize all but crack cocaine. Another variant of the liberalization approach is medicalization, which allows those who need a certain drug to obtain it legally. Such a policy would obviously have to distinguish between different kinds of drugs and their effects both on the individual and on society.

Beyond reducing systemic crime, the proposals for legalization appeal to larger moral goals, such as enhancing public health and safety and invigorating a sense of community. An outright preference for unfettered freedom to consume psychoactive drugs is hardly ever advanced. Rather than favouring unqualified personal drug liberties, most proposals are meant to address the most feared consequence of prohibition policies and their implementation: drug-related crime. Accordingly, controls (regulation and taxation, perhaps similar to those for tobacco and alcohol in the United States) are called for, sometimes with the suggestion that tax proceeds from the legitimate sale of drugs be dedicated to consumer anti-drug education and to drug-related public services (for instance hospitals that care for infants who are born with an addiction to drugs).

If drug use were decriminalized in consuming countries, there would be no crime tax for traffickers, smugglers and pushers to reap and therefore no reason for them to carry out turf wars, assault police, terrorize neighbourhoods and undermine countries’ institutional integrity. A possible parallel situation is that of the crime syndicates in the United States after the prohibition on alcohol consumption ended in 1933: organizations associated with the production and sale of alcohol faded away, went into other criminal pursuits or invested their resources in legitimate businesses. With decriminalization, savings from a cutback in law enforcement expenses could be spent on other programmes, such as drug education and treatment. In terms of health, clean drugs, clean needles and a humane environment could reduce the incidence of drug-related HIV transmission.

A mix of decriminalization in consuming countries, combined with legalization of the coca-cocaine industry in producing countries, could eliminate the huge profits traffickers reap from their industry and at the same time rapidly reduce drug-related violence. In Bolivia, where drug-related violence has largely been avoided to date, legalization might have adverse economic effects in some sectors, as the price of coca would fall to roughly the equivalent of other agricultural crops. However, there is widespread and growing support in the country for legalization of coca (as opposed to cocaine). It is believed that legalization would help promote alternative coca products.

The primary opposition to the liberalization of drug policies is based on the belief that drug use would increase if the penalties on it were removed, and therefore that the adverse social, political and economic effects that societies endure would be as great or worse than those suffered under the present prohibition régime. There is also fear that children would be more exposed to drug use if the social stigma attached to it were removed. Finally, there are concerns about the practical
difficulties of legal distribution of drugs to so many users (in the United States alone, there are eight million regular users of cocaine and heroin).

Increased drug abuse does not, however, appear to be the inevitable result of the liberalization of drug laws. In several Latin American countries, for instance, the easy availability of cocaine at low prices has not given rise to any substantial cocaine abuse problems. In Amsterdam, where both cannabis and cocaine are easily available, the use of both drugs is significantly lower than in the United States, where drug use penalties are severe.

**Conclusions**

Despite long-standing attempts to dismantle the illicit drug trade, drug abuse and its many related problems are on the increase in many regions of the world. The scale of the problem is enormous: the amount of laundered money from the traffic in cocaine, heroin and cannabis is estimated to be larger than the gross national product of three quarters of the world’s economies. The impact of illicit drugs continues to threaten the economies and social structures of both producing and consuming countries. Globalization of markets and finance, development of computer and communications technology, and the declining significance of national borders have all helped to facilitate drug trafficking. Policy strategies need to take account of the forces contributing to the complexity of the situation and attack the problem from several angles.

The present policies have had limited success for a number of reasons. Supply suppression strategies have proven unable to raise the price of illicit drugs in consuming countries. Demand suppression strategies - drug control laws that assume that people will be deterred from drug use by fear of incarceration or fines - are least likely to be effective in those sections of society where the drug use problem is most serious. Most drug control strategies have proven difficult to implement effectively, particularly in less developed countries with weak national governments lacking institutional co-ordination and sufficient financial resources. Alternative development strategies require a new, more “people-centred” approach to community problems which may not work if the necessary staff and financial resources are lacking.

Political considerations often play a greater role in determining approaches to the drug problem than do considerations of effectiveness. Supply suppression is a more politically acceptable policy initiative than decriminalization, and this more than any proven success it has had in reducing the illicit drug problem - accounts for its popularity with governments. Political considerations also lead to an emphasis on short-term as opposed to long-term solutions: in consuming countries, drug control laws are preferred to the longer process of value change or socio-economic structural change. In producing countries, short-term crop suppression strategies are preferred to “alternative development”, which would entail years of dependence on external aid.

Even if alternative development were to be successful in one drug producing area, other regions would be likely to take up the slack in production, leaving the global supply of drugs unaffected. Any policy strategy thus has to be region-specific (including differing strategies for urban and rural areas), but must also take into account the international dimensions of the illicit drug problem and how policy decisions taken by other countries will affect its outcome. Similarly, appropriate policy has to be devised for specific target groups (producers and consumers, and the different social segments of each population) and for the specific drug produced, marketed or consumed. Policies for marijuana would thus be very different from those addressing the problem of crack cocaine.

No one policy option is going to solve the illicit drug problem. In the context of the severity of the current drug crisis, however, it is to be hoped that a balanced and more thorough examination of the
advantages and limitations of all the available policy options will lead to more imaginative and constructive policy formulations. In particular, it is important to recognize the joint responsibility of both producing and consuming countries, and therefore the need for shared and coherent policy approaches. In addition, policy strategies must address the causes of the problem rather than its symptoms: in consuming countries, drug abuse is often linked to unemployment, poor housing and health care in marginal communities, while in producing countries, drug production is closely linked to the failure of rural development.