International Security Meeting Summary

Drugs and Organized Crime: Towards a New Policy Agenda

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Introduction
On 3 July 2012, the International Security Research Department at Chatham House held a workshop entitled ‘Drugs and Organized Crime: Towards a New Policy Agenda’. This event was part of an International Security project that highlights and analyses the significance of drugs and organized crime for domestic and international security agendas. The project addresses the multifaceted and interconnected nature of the challenges associated with drugs and organized crime and explores evidence-based policy options for the future.

During the course of the day, participants explored potential ways forward in policy. Discussions focused on the international components of drugs and organized crime, including money laundering, potential lessons from the UK’s strategy against tobacco smuggling, as well as drugs and organized crime policy experiences from other countries and regions (Colombia, Afghanistan, the Netherlands and West Africa in particular). Through a series of breakout groups in the afternoon, participants investigated alternative policy scenarios building on the cross-sectorial approach explored during the first event held on 27 March 2012.

This Meeting Summary is a record of the day’s proceedings, held under the Chatham House Rule. It aims to reflect the nature and topics of discussion rather than any specific point of view.

Context
Recent developments in the drugs and organized crime policy environment, notably the increase in drug-related crime in Mexico, growing difficulties in West Africa and the failures of crop eradication in Afghanistan, have led to renewed calls for reform of the international system of drug control, which is based on a number of United Nations (UN) conventions. While the 1961 UN Single Convention on Narcotic Drugs, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances are the most often cited international agreements, the 2000 Palermo Convention on Transnational Organized Crime is an essential and often overlooked document.

The Palermo Convention approaches the problem of defining organized crime by focusing on the people involved in these types of activities instead of the activities themselves. Article 2 of the Convention states that an “organized criminal group” is ‘a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit.’ It has been argued that the Palermo Convention has contributed to an ‘us’ vs. ‘them’ dichotomy between the international community and criminals. Debatably, the Palermo Convention has not addressed the complexities of realities such as systemic problems of corruption, the emergence of mafia states, as well as the underlying motivations that inform the actions of individuals involved in organized crime.

The international legal system addressing the issue of drugs and organized crime is not uniform, but instead based on a number of different conventions and institutions, such as the UN and the International Narcotics Control Board (INCB). Its overarching logic – reducing the scale of the market to reduce the problems associated with it – has remained resistant to change despite an evolving international context. This strategy has proved to be a red herring for three main reasons: Firstly, operational successes have had little impact on the overall scale of the market. Secondly, there is no direct causality between the scale of the market and drug-related problems. Thirdly, seizures, disruptions and arrests can have unintended consequences and an overall negative impact (including the well-known ‘balloon effect’, where a problem such as drug production re-emerges elsewhere, along with subsequent socio-economic repercussions).

There is growing recognition that the international drug control regime must move from a reduction paradigm to a management paradigm. Given the resilience of the drug market and the limits of scale-reduction efforts, there seems to be a need to manage this market in a way that prioritizes the minimization of the drug-related harm affecting individuals and societies.

A number of strategies to undermine organized crime have been identified. This includes those focusing on:

- Targeted deterrence (to focus enforcement efforts on high-end traffickers and treatment efforts on heavy users),
- Institution building (to recognize that the issue of drugs and organized crime is often related to broader societal problems, and tackle them in a more comprehensive manner),
• Regulation (to find a legal and regulatory approach to counter existing problems, with potentially positive economic returns)
• And/or local enforcement (to promote social inclusion of drug users and alternatives to incarceration for low-level offences).

However, although scientific questions remain, the main challenge a revised international regime faces is ultimately political.

A great deal of opposition to reform remains, including from the United States (US). Although US President Barack Obama expressed his willingness to re-examine whether drug laws in place are ones that are doing ‘more harm than good in certain places’ at the Sixth Summit of the Americas in April 2012, the central aspects of the US drug strategy are unlikely to undergo revision in the near future. Most of the adjustments are likely to be in tactical counter-narcotics areas such as wiretapping technology, detection of illegal cargo shipments, shared intelligence, and crucially, countering money laundering.

Participants to the workshop explored what is needed for change to occur. At what point do drugs and organized crime become an issue of such strategic importance that governments, such as the US, feel the need to address it? Sharp increases in drug-related violence in one country can be a trigger for domestic reform. Arguably, if the US became a transit country for drug trafficking between Mexico and Canada, with a sharp rise in the homicide rate in Seattle – a transit city for drugs on their way to Vancouver, might it be pressured to rethink its approach? Nonetheless, uncertainty remains over alternative policies, which is why lessons from existing models of regulated markets, such as tobacco, can prove useful.

Lessons from tobacco control
At the beginning of the 2000’s, policy against tobacco smuggling was at a similar turning point to drug policy now. There was evidence that the system was failing and that a new strategy was needed in response.

Before 2000, 20% of the market was illicit. At the time, the UK strategy on tobacco smuggling could have been compared to ‘finding a needle in a haystack’. The main tools – finding and seizing illicit loads of cigarettes; deploying people at ports; and deploying Mobile Canine Units (MCUs) – helped reached annual targets but the problem itself was getting worse.

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To address the problem of tobacco smuggling, HM Treasury and the then HM Customs & Excise (HMCE, now HM Revenue & Customs - HMRC) published a new strategy in March 2000, entitled ‘Tackling Tobacco Smuggling’. The new focus pushed towards ‘doing the old things better’, with new technology to improve the detection of illicit goods (e.g. a national network of scanners to detect high volume smuggling in freight containers) and more customs officers at UK borders and inland overseas. It also introduced new initiatives looking at consumption, such as:

- fiscal marks (in order to identify when a pack of cigarettes had been manufactured for the UK market and therefore when UK duty had been paid),
- increased punishment,
- publicity campaigns to increase awareness on the health dangers of counterfeit cigarettes,
- and increased cooperation with private industry (i.e. with tobacco manufacturers, in order to improve the targeting of counterfeit product and further restrict supply of both high-rolling tobacco and cigarettes).

The strategy was updated in 2006\(^1\) to respond to new challenges such as new fake brands of cheap white cigarettes that had been created by criminal groups. Today only 10% of tobacco in the UK is traded illegally. Although the situations of tobacco and drugs are very different in terms of scale and legal regime, lessons can be learnt on how to reduce illicit trafficking of addictive substances broadly speaking. However, many questions arise.

**Applicability to the drugs trade**

*Production*

A number of key questions regarding the production of illicit drugs need to be addressed:

- Can marking constituent chemicals provide governments with more control of the legitimate chemical or drug market?
- Can better relations with suppliers or regulation of suppliers work?
- Is the regulation model better for intelligence cooperation?

*Transit*

Transit is one of the key enablers of a wide range of illicit activities. The transport of goods from one part of the world to another enables the global
spread of an illicit market and its associated problems. Transit of goods contributes to the complexity of the issue at an international level.

Finding ways to impede or reduce transit routes is key. Based on the tobacco model, a successful strategy can arguably be based on both bigger carrots and sticks, including better relationships with legitimate transporters (e.g. airlines and shipping companies – to improve intelligence and detection), maintaining good counter-narcotics technology, improving intelligence about supply routes generally, and more targeted interventions.

Consumption

Diminishing the confidence of customers can be an effective tool. This can be achieved through putting emphasis on quality and provenance, and striving to undermine more dangerous products, which could be more broadly applicable to drugs through renewed public efforts on education and prevention.

Taxation

Taxation can be a productive lever to reduce consumption and smuggling, but only up to a certain level. If taxes are too high on a product, it can actually encourage evasion and illicit markets. This technique could be used within a regulated market on drugs themselves or their precursors (to methamphetamines for example).

Cooperation

Sound cooperation between different governmental organizations (including using taxation and legislation levers) and with private companies, other governments and international organizations is important for such interconnected and international issues.

Three key guidelines must be kept in mind:

- Criminals always adapt, hence the need to constantly review and revise strategy;
- Strategies are most successful when disruption of traffic is combined with an effort to reduce consumption;
- Using the full spectrum of levers available is essential.

Arguably, the lessons from tobacco smuggling reinforce the idea that legalizing the trade does not in itself eliminate organized crime. Legal

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economies can generate their own organized crime. There are great variations in levels of violence in different markets around the world that are not necessarily related to their levels of regulation and enforcement. There is no simple solution to the problem, especially given the international dimension of the problem: while countries like the UK, Japan and the US have been successful at reducing domestic demand of tobacco, global demand is increasing.

It is important to note that although drugs, alcohol and tobacco belong to the same category of addictive substances, clear differences remain in policy. Some opponents to legalization are keen to caricaturize drug legalizers as wanting drugs to be sold in sweet shops, but alcohol and tobacco are already sold in such shops. Tobacco is sold without a licence or a list of ingredients in the UK. These different social norms surrounding drugs, alcohol and tobacco are a key factor and indicative of perceptions of relative harms.

Money laundering is one of the essential components of drugs and organized crime. Given the sheer value of the global narcotics trade, considered by the United Nations Office on Drugs and Crime (UNODC) to be the third largest in the world after oil and arms, it is little wonder it provides lucrative opportunities. In 2010, the illicit drug market in the US alone was estimated to range between $95bn and $143bn. The range of revenue from US drug businesses to Mexican cartels was valued between $9.7bn and $29.5bn, while the amount of revenue retained in the US was much higher, at $73.8-$125.5bn.

Given the policy efforts to regulate international trade over the past 40 years, it is much more difficult to launder money in the financial system today. However, a large number of effective schemes and techniques remain, with a number of organizations involved through a multi-layered system such as organized crime groups, laundering companies, legitimate customers, global security services companies, banks, investment companies (i.e. service companies providing legitimate but fictitious services to the laundering company) and the stock exchange. In 2011, the then Mexican President Felipe Calderón reported that anti-money laundering actions had seized approximately $26 million during the prior year, which in fact represents less

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4 The UNODC first made that assessment in the 1997 World Drug Report. However, disagreements remain on the actual size of the global drug market:


5 Speaker's presentation.
than 1% of the billions of dollars received by Mexican drug trafficking organizations from the illicit US drug business.

To move forward from current policies, it is vital to understand the range of illegitimate and legitimate actors involved and the mechanisms of interactions between them. The first requirement is to recognize the limits of an approach focusing on 'going after the money' to tackle drugs and organized crime. A money-laundering free world, just as much as a drug-free world is not a realistic option: The on-going financial crisis has demonstrated the limits of the global regulatory system. Additionally, there is a need to acknowledge that drug trafficking is primarily a cash-based business. Therefore, where this cash comes from and how it is used are two very important questions to answer. In 2007, Mexico found that the banking system had generated $17bn of US dollar notes in excess, among which an estimated $10bn came from drug trafficking. However, these US bank notes entered banks legally after several transactions and it was difficult to trace them back to their original organization.

An approach focusing on reducing the problem and aiming for the 'lesser evil' could be more productive. Targeted regulation of the financial sector is arguably an interesting way forward. In particular, introducing measures such as targeting businesses whose profitability is clearly above average or making fictitious sales more difficult (e.g. by reducing cash-based activities\(^7\)) can help reduce opportunities for money laundering.

Lessons from Colombia, Afghanistan, the Netherlands and West Africa

Given the very diverse and often experimental nature of drug policy, and the multitude of contexts in which it evolves, uncertainty is to be expected in the effects produced by any particular set of measures. Also, while evidence is often regarded as the only reliable basis for policy, it is important to recognize that evidence is not enough - decisions are taken in part on values and intuition, and can be informed by public opinion. Understanding the relations and degrees of correlation between contexts, mechanisms and outcomes is also important. For example, the prevalence of cannabis use among 15 year olds might be better explained by the level of welfare of a country (i.e.\(^6\) Ibid.
\(^7\) In 2007, Mexico introduced a new law that stipulated that US bank notes could no longer be accepted as deposit in the country.
generosity of sickness pay, benefits and pensions) than by the country's drug policy itself.

- Colombia

Colombia has been a key player in illegal drug markets, especially cocaine markets, for the last three decades. Before 1994, Colombia was only a marginal producer of cocaine but a relatively important player in trafficking. However with the closure of air bridges connecting coca cultivation centres in Peru and Bolivia with cocaine processing facilities in Colombia, Colombia became the main producer of cocaine in the world during the second half of the 1990’s. Between 65% and 70% of the cocaine consumed in the world is produced in Colombia. Approximately 60% of cocaine exports from Colombia go to North American markets, while most of the remainder goes to European markets.

In September 1999, Plan Colombia was established to reduce production of illegal drugs (primarily cocaine) by 50% in six years, and improve security conditions in Colombia by re-claiming territorial control in large areas of the country held by illegal armed groups. The US spent $472m per year between 2000 and 2008 in subsidies to the Colombian armed forces, while Colombia’s military spending as part of Plan Colombia reached $712m per year over the same period. Cocaine production began to decrease in 2007, primarily because of the policy shift from the ineffective strategy of production eradication (mostly aerial spraying) to transit interdiction, which has been the focus for the last six years. However, the large decrease in the size of coca crops was also compensated by an increase in productivity.

Plan Colombia has produced mixed results. Firstly, the logics of eradication and interdiction have not benefited the US and Colombia in similar ways. While encouraging interdiction efforts has been more cost effective for the US, it was more expensive for Colombia than crop eradication. Secondly, security conditions have starkly increased overall. It has been estimated that homicide rates are approximately 36% higher today than they would be if

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8 As demonstrated by Prof. Alex Stevens in Drugs, Crime and Public Health, Routledge-Cavendish, 2010 – see graph in Chapter 7. 


10 For the US, the marginal cost of reducing by 1 kg the amount of cocaine transacted in international wholesale markets by financing the Colombian government’s eradication efforts is approximately $19,000 ($237,000 for 1 kg in retail markets). The marginal cost by financing the Colombian government’s interdiction efforts is approximately $7,800 per kg ($97,500 for 1 kg in retail markets). For Colombia, one extra dollar of US assistance for eradication decreases the total cost to Colombia by about $1.14 dollars, while one extra dollar of US assistance for interdiction, decreases the total cost to Colombia by only $0.12 dollars.
illegal drug production and trafficking activities had not risen to the extent that they did during the late 1990’s. Finally, efforts to curb cocaine production in Colombia have had spill-over effects in Mexico, where the violence has increased; Peru and Bolivia, where production has risen significantly; and Ecuador, where problems related to increased drug transit have developed.

- Afghanistan

90% of the world’s opium is produced in Afghanistan, where half of the production is based in Helmand11. A number of lessons from the counter-narcotics policies of the past decade can be identified.

Firstly, problems exist in terms of how to define and assess success. The policy objectives of International Security Assistance Force (ISAF) were never clear regarding drugs: is the aim of crop eradication to ‘keep drugs off the streets of Britain’; to cut links from opium producers to insurgents and terrorists; to disincentivize poppy cultivation and boost the Afghan economy on alternative grounds; or is it part of the overall strategy to ‘win the hearts and minds’ of the Afghan population by building legitimacy for the Afghan government through ‘Afghan-led’ measures?

A number of conflicting goals and incompatible interests have been identified between different institutions, between the counter-narcotics and COIN strategies, and between the Afghan government and ISAF. This multitude of different objectives has prevented a coherent strategy and thus foiled a decrease in opium production.

Secondly, eradication efforts have proven particularly problematic. Arguably, they have destroyed lives and livelihoods and have had a low deterrent effect, rarely dissuading farmers against growing opium. This is partly due to the very limited effects of alternative livelihood programmes that sought to provide alternative sources of income for farmers. These programmes do not acknowledge the fact that Afghan farmers grow poppy not just for economic reasons but also medical ones, and rarely take agricultural costs into account when suggesting and promoting other kinds of crops to cultivate. Eradication has discredited both ISAF and the government, while incentivizing corruption, depredation and cooperation between the Afghan population and insurgents.

Finally, four sets of guidelines for counter narcotics policies in Afghanistan must be kept in consideration. The first is to ask ‘what is the policy objective?’

Policies should have a clear understanding of the goals of policy approaches. The second is the need to know what is happening on the ground (the problem itself and the incentives structures), and to anticipate the secondary and tertiary effects of policies, which must be assessed and reassessed honestly and frequently by government officials. The third is the need to leave ideology behind (the mere motto ‘drugs are bad’ is not good enough). The fourth is the need to work towards institutional unity of effort and purpose: conflicting interests and objectives between supposedly partnering organizations only contribute to further confusion and incoherent strategy and efforts.

- **Netherlands**

In the Netherlands, an Advisory Committee on Drug Policy was recently set up to examine whether there were reasons to adjust the current drug policy. In particular, the Committee was asked to look at potential improvements in care and prevention of use, potential ways of limiting the Netherlands' role in drugs trafficking and production, and crucially, ways of reducing drug-related nuisance.

The conclusions of the Committee were that drug use does not give any great cause for concern, but four important aspects of drug use are problematic. Firstly, drug consumption among young people was found to be relatively high (e.g. cannabis use amongst under 18 is higher than the EU average). The Committee emphasized the importance of prevention and precaution, the need to lay down a common standard in terms of minimum legal age for consumption of cannabis and alcohol (currently 18 for the former and 16 for the latter), and the role of parents and school in improving the current situation.

The second problematic aspect of drug use according to the Committee is coffee shops. A number of politicians reported problems arising in some municipalities, especially near the southern border. Some retail shops have now expanded into ‘grow shops’ as well. In order to assist law enforcement efforts, a new measure – that does not allow people coming from abroad in coffee shops - is being tested in some municipalities. Thirdly, organized crime has become more of a threat to society as production has expanded in the Netherlands, which is now the site of production, transit and distribution country of drugs. In order to reduce this problem, the Committee highlighted the need for a more targeted approach (towards groups of particular concern) and a more comprehensive strategy (across government and including fiscal tools).
Finally, the fourth concern identified was the risk of policy neglect. Despite a generally positive situation, there is still a need for new initiatives and experiments, collective research, broad monitoring and dialogue in an international context.

- **West Africa**

West Africa is often considered as the latest front in the so-called war on drugs. It is one of the poorest regions in the world; income inequalities are rising; over 40% of the population is under 45 years old; urbanization is booming; there are weak institutions and underdeveloped criminal justice systems, high levels of corruption, a widespread availability of guns, wars, conflicts and political instability. This social and political context is favourable to smuggling and criminal organizations, well established in the region. While the impact of drug trafficking is not well understood, there are clear negative consequences on the economy, politics and governance, crime and security, health and social welfare.

However, the problem is not new. There have been similar problems of drug trafficking for decades; both outflows (e.g. slave trade, labour migrants, oil, blood diamond, human trafficking for sexual exploitation) and inflows (e.g. small arms and ammunitions, toxic wastes, counterfeit medicines from Asia, cocaine from South America).

West Africa is the region in Africa most severely affected by drug trafficking. In 2007, 83% of seizures of cocaine in Africa were reported in West and Central Africa, mostly from Colombia and Peru and frequently transited through Brazil. The largest seizures were then reported in Senegal, with 2.5m tonnes of cocaine found. According to the UNODC, the main transit countries in Africa in 2009 were Cape Verde, Mali, Guinea, Guinea-Bissau, Ghana, Benin, Togo, Gambia and Nigeria – all of which are in West Africa. The situation is similar with regard to consumption. Cannabis use, for instance, much higher in West and Central Africa (9.3% of the population) than the rest of Africa (5.4%) and globally (3.3%).

The policy response to this problem has been characterized by a strong focus on law enforcement, under the supervision of justice ministries and with punitive laws, while policy performance has been measured in terms of

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arrests and seizures. Policies have also been driven by external considerations (foreign pressures and influence), resulting in limited policy ownership from local authorities.

The current challenges to improving policy in the region are manifold. The empirical base of policy approaches is weak, with only limited reliable data on supply and demand and a lack of capacity for research. Additionally there is currently much less concern about consumption than supply, and low capacity for treatment (most of which is currently inadequately combined with psychiatric treatment). Political commitment remains inconsistent throughout the region, with general over-reliance on ineffective policy strategies, while more development-oriented strategies are needed. Finally cultural beliefs and practices help sustain stigma and repressive measures.

Despite all these obstacles, there is cause for hope. A number of regional initiatives have been set up to improve the current situation, including the Action Plans of the Economic Community Of West African States (ECOWAS) & the African Union (AU); the ECOWAS WENDU project; the EU/Nigeria Agreement on Corruption, Justice and Drugs; the UNODC TREAT-Net project; the National Drugs Observatory in Senegal; the Annan Foundation Initiative; and across Africa more widely, harm reduction programmes (e.g. in Tanzania).

Overall, now is a good time to act towards preventing an increase in consumption and reducing crime levels in the region and across Africa. In order to improve the situation, the following principles could be a useful guide for policy action:

- Develop and implement broad-based drug policies based on best available evidence;
- Invest in effective prevention and treatment services for problem users;
- Separate drug dependence treatment from psychiatric care, except in cases of dual diagnosis;
- Encourage greater civil society involvement in the provision of services;
- Develop monitoring and surveillance systems;
- And recognize that addiction (not only to drugs, but to other addictive substances like alcohol as well) is a public health problem.
Lessons

A number of the policy lessons identified through each case study could be applied elsewhere. However, the particular political, geographic and socio-economic contexts in which policies are designed and implemented should be taken into account if lessons are to be applied internationally. Individual domestic pre-existing factors, such as the quality of law enforcement or the strength of institutions must be taken into consideration to construct long-term solutions which address the root causes of the complex and diverse problem of drugs and organized crime. There is a tendency in international policy towards uniformity and inflexibility, which can be harmful. However, alternative approaches in different countries can also lead to balloon or displacement effects. In addition, while some argue that there is no quick fix to the current problems of drug-related violence, and that significant improvements take a long time and require a change of mentalities, others point out the importance of acting now, on the things that can make a difference. These include the role of donors in drug enforcement funding that have led to human rights abuses in many countries, and changes towards more acceptable law enforcement strategies, relying less heavily on incarceration of consumers and other low-level offenders.

Scenarios

At the last Summit of the Americas, host President Juan Manuel Santos called for a global reassessment of drug policies and a study of all policy alternatives, from the hardest (e.g. death penalty for drug users) to the most liberal (e.g. full legalization of all drugs). Within this spectrum, five policy scenarios were identified in advance of the workshop: Full legal regulation; Decriminalization; Focus on demand; Smarter law enforcement and justice; and Hard Approach. Participants were asked to investigate and discuss the specifics of each option. Below are the key points raised within each working group.

• Full legal regulation

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This policy scenario would entail the regulation of all addictive substances at production, transit, sale and consumption stages. One of the key recommendations was that there should not be only one universal system, but various regulatory systems for different substances, which should also be tied to the context in which they are enforced. A range of regulatory models is already available (e.g. from the food and pharmaceutical industries), and lessons from these existing models should be identified for drug regulation.

A regulatory framework would need to be sufficiently encompassing to ‘nudge’ people towards safe behaviours. Regulation would need to be designed and implemented in a way that decreases demand for the most dangerous drugs. Instead of a laissez-faire model, which should not be seen as a viable option, informal\textsuperscript{17} and formal barriers\textsuperscript{18} to consumption could be introduced, with a degree of control that would vary with the level harm associated with each substance.

Regarding production of addictive substances, there is an argument to be made that full legal regulation could lead to a mechanism in which domestic production could increase. Governments could emphasize corporate responsibility and put in place a fair trade model to maximize the benefits of the regulatory framework. Regarding consumption, putting a taxation mechanism in place could disincentivize drug use but might also increase opportunities for organized crime, as seen with recent policy experience in the UK against tobacco smuggling.

The advantages associated with a full legal regulation model include reduction in harms currently created by drugs themselves as well as by drug policies. The model could encourage better behaviours; allow checks and balances on drug consumption and production; reduce criminal justice costs associated with imprisonments and arrests; increase productivity (with fewer people in prisons or with a criminal record, employability of current low-level offenders would be higher) as well as generate revenue for government.

However, this model would not necessarily decrease consumption and might in fact lead to an increase. It wouldn’t, by itself, solve the problems of drug addiction and organized crime. This regulatory system, like many others, could also be expensive and prove difficult to implement.

In sum, there is growing consensus that a full regulatory framework could reduce the current overall drug-related harm, even when taking into account

\textsuperscript{17} e.g. marketing, advertising, education and awareness policies
\textsuperscript{18} e.g. restrictions based on age, mental condition or location (i.e. schools, workplaces, etc.)
the potential unintended consequences that could be created. Although consumption might increase, drug users would not be treated as criminals and could therefore receive treatment and guidance more systematically. However, there are also disadvantages with this model and one thing remains clear: with this regulatory framework (as with other models), there would need to be clear definitions of success – is the aim to lower consumption, to reduce harm or to increase legitimate revenues?

- **Decriminalization**

Arguably, the current system in the UK regarding cannabis consumption is one characterized by de facto partial decriminalization. For adults, only a warning is giving for the first offence. An £80 penalty is applicable to the second notice, while the third notice can lead to arrest and cautioning (with a mention on the criminal record), which are certain on the fourth offence. However there is a large amount of discretion allowed to police officers. In other words, the UK regime regarding cannabis consumption is in some ways more liberal than in Portugal.

A proposed reform discussed at the workshop would extend decriminalization to the supply of small quantities, medical use and production for personal use. In addition, police powers of arrests for suspected possession would be removed, while commercial sale and supply would remain illegal.

On the one hand, this system could generate significant public savings, which could allow spending on other useful areas of drug policy, including health care. In 2010, approximately 80,000 people in England and Wales were cautioned, which caused them to gain criminal records. In this policy scenario, this would not have happened and their life prospects would now be much more positive. If cannabis were further decriminalized, both the stigma and ‘glamour’ of drug use would be reduced. Finally, community policing could be facilitated and public health messages regarding other drugs might gain credibility.

On the other hand, the police could lose some of their investigatory powers which can lead to other useful findings; and while organized crime might be reduced (with fewer opportunities and discouraged inward investment), the impact would be limited. In addition, this model could lead to an increase in consumption of cannabis, which could have some negative health effects.

How could this model be delivered? Police and crime commissioners could play a role in launching experimentation along these lines. However, there are significant political risks and political courage and leadership at the highest level (Prime Minister) would be needed, given the widespread fear and
ignorance in public opinion on cannabis and drugs in general. Independent initiatives could make useful contributions to the problem, by producing informed reports and promoting a proper debate on the issue.

- **Focus on demand**

  If the focus of drug policies was primarily on tackling demand, a number of key principles and guidelines could serve as a useful basis. There is first and foremost a need to refine understanding of demand, prevention and treatment. There are a number of stages of intervention to reduce demand, including primary prevention (to keep people from starting to use drugs), secondary prevention (to prevent abuse for people already using drugs), medical screening and brief intervention (an opportunity for doctors to monitor consumption and suggest ways for the patient to reduce it when needed), early detection (targeted at young students for instance), treatment, and harm reduction (the acknowledgment that prevention consumption is impossible, and that more is needed on how to prevent harm). It is important to recognize that most people who receive treatment get better but very few actually receive treatment due to limited resources. A better focus on the heavy users who account for the majority of drug use could prove to be a more cost-effective strategy, with better results.

  In addition, these demand-related programmes should be tailored to the particular addictive substance in question. For instance, although casual use of cannabis or alcohol could still be considered as success for people formerly taking heavy quantities, it would not apply to consumption of other substances such as cocaine or methamphetamines. There is no one-size-fits-all approach, as the multitude of problems requires different messages and measures at different stages and for different constituencies and age groups.

  Although targeted programmes would be constructive, they would need to be accompanied by a broader strategy aiming to foster the general resilience or well-being of children (including their capacity for self-management and friendship) instead of reducing focus to drug campaigns only. Both targeted and more general programmes should not entirely be led by governments, but also by other actors such as non-governmental organizations (NGOs), communities, and places of worship. Additionally, relying on programmes that are least-cost, low-maintenance and built on effective techniques (e.g. peer recovery; opiate substitution; counselling; Screening, Brief Intervention, Referral to Treatment (SBIRT); taxation and other economic incentives) can guarantee long-term effectiveness.
In policies focusing on demand reduction, it is vital to remember that the later one starts using drugs, the less likely they are to become addicted. Thus, there is a particular need for early detection and action amongst children and teenagers. The aspirational culture often associated with drugs consumption must be taken into consideration. In this regard, the role of the media and other cultural agents is important in building alternative inspiration models for children and teenagers.

Finally, understanding how to measure success is essential. Governments tend to measure what’s easily measurable (e.g. amount of drugs seized, number of drug-related arrests), not what is valuable (e.g. general well-being of society, spread of drug-related infectious diseases, scale of drug-related violence). The age of first drug use could, for instance, be a reliable indicator of policy performance (if the age of first users increases, there are less likely to become addicted, certainly a positive sign for policy).

- Smarter law enforcement and justice

Discussion on how to tailor law enforcement and justice mechanisms to deal with the problems resulting from drugs and organized crime highlighted a need to first address initial policy objectives. Indeed, as famously stated in *Alice’s Adventures in Wonderland*, to know which way to go, you must know where you want to get to. To this end, there seems to be a growing consensus that the focus of policy should be on reducing the violence associated with drugs and organized crime.

Some level of criminality is a permanent feature of all societies. The question is how to generate ‘good criminals’ who are not very violent and with little capacity to corrupt. Smarter, more focused strategies and tactics can help to change the behaviour of criminals. Improvements in maritime security have led to progress in interception of drugs, but they have also pushed the problem elsewhere, including to West Africa, where maritime security capabilities are limited. In addition, the focus on high volume operating models has allowed criminals to disperse drugs via smaller boats that are difficult to intercept for big navy ships. In Gibraltar, to counter this adjustment, legal and enforcement efforts have been made against trafficking with small boats (that now need to be registered), which has proven effective. However, given difficulties to have effective law enforcement strategies against drug trafficking in the UK, convincing other countries to reform their strategies or increase cooperation with other countries can be even more problematic.
Smarter law enforcement should also extend to financial institutions to identify, track and impede drug money and decrease the resources available to organized criminals.

To aid law enforcement strategies, there is a need to increase judicial transparency, given the increasingly complex and blurred distinctions between licit and illicit activities and between legitimate business and politics. In addition, increasing the integration of policy across government, including law enforcement and public health organizations is essential because of the diverse nature of the drugs and organized crime problems.

- **Hard approach**

Although there is a growing consensus that the current international drug control policy or so-called war on drugs is failing, very few commentators are promoting a harder approach. What would a stronger focus on the security aspects of drug policy mean in practice?

Given that hard approaches have not been applied thoroughly, it is difficult to learn from evidence and know which tough measures would actually work. Nonetheless, there is a case to be made in favour of decoupling drug policy and organized crime policy as the conflation of the two creates confusion and is politically difficult. Arguably, hard policies on drugs have made organized crime worse by effectively allowing organized crime groups to control the illicit market. More policy attention is needed to explore drug policy from a health perspective in order to reduce harm to drug consumers.

Hard measures on organized crime include reducing the profit margin and lucraviveness of organized crime. This would include the use of measures similar to those used by the US Racketeer Influenced and Corruption Organizations (RICO) Act, which closed loopholes abused through the use of middle men for criminal activity. Additionally, increasing regulation could help reduce the problem, including frequent and thorough airport checks (including for cargo planes), increased communication between countries, and stronger regulation of chemical companies to identify negligent actors allowing dangerous products to be provided to criminals.

Overall, there is a need to increase regional and international coordination, given the international and interconnected nature of the problems. This includes financial regulation and regulation of the growing use of the internet for drug trafficking. Additionally, policies should not be evaluated on the number of arrests or drug seizures, which only provide a partial and often flawed picture of trends in drug production, trafficking and consumption.
Finally, forward thinking is needed. This includes more investment in market analysis, to understand how the market develops and when to intervene.

Looking Forward

There is widespread agreement that the current approach is not good enough, given pervasive drug-related violence (to the point that organized groups become rivals to the state in certain places), the counter-productivity of some policies (e.g. crop eradication in Afghanistan), extensive money laundering and the stigma that punitive policies have been causing for drug users. While a majority of commentators consider that those problems are causally connected to the illegal status of the drugs, others highlight the complexities and disconnections in some places (i.e. some markets that are legal are violent; others that are illegal can also be non-violent).

When comparing various domestic experiences, it is important to remember that flaws in policies don’t necessarily mean that these policies are failing or that policies from other countries would solve these problems. An American individual living in London, for example, listening to recent debates over the National Health Service (NHS) – with doctors going on strike, financial scandals in some of the trusts, waiting lists and dissatisfaction across the country – might come to the conclusion that the US healthcare system is much better than the British one and should therefore be imported to the UK. However, the US health system would not necessarily work in the UK. Drugs are only part of a wider spectrum of addictive substances that include tobacco and alcohol. It is therefore important to look at these other existing cases. Disagreements remain as to what would happen if a regulatory model similar to the ones used for tobacco and alcohol were put in place for some or all of the illicit drugs. However legalization of illicit drugs does not have to be as bad as the one in place for substances such as tobacco, from which 5,000 people die every day around the world.

There are a number of more constructive approaches to dealing with addictive substances. These include programmes to reduce incarceration and violence; higher taxes on alcohol or a minimum price; better health care for people with problems; a shift of policing focus towards violence (instead of low-level drug trafficking and consumption); putting an end to crop eradication (which often leads to increased productivity and displacement of production to nearby places) and most crop substitution measures; stopping ineffective prevention programmes like DARE (Drug Abuse Resistance Education); and putting in place syringe exchange programmes.
As long as addictive substances are available, either legally or illegally, there will always be people who become addicted to them. However, regardless of the legality of the problem, many things can be done to improve the current situation, which offers cause for optimism. The US Supreme Court recently upheld the Affordable Care act (also known as ‘Obamacare’). This act gives 30 million Americans health insurance, including coverage for screening, briefing and intervention for drugs and alcohol and all forms of addiction treatment. This measure, in addition to available funds to expand quality of services and to train new people in the field, arguably represents the biggest expansion of quantity and quality of care for people with problems with drugs and alcohol in the history of the US. Moreover, programmes like PEPFAR (the U.S. President's Emergency Plan for AIDS Relief, which has begun to introduce opiate substitution treatment in Africa) and HOPE (Hawaii’s Opportunity Probation with Enforcement) are making significant progress.

Regarding law enforcement, although the incarceration rate in the US went down in 2011 for the first time in 40 years the US still holds 25 per cent of the world’s prisoners while only accounting for 5 per cent of the world’s population. More needs to be done in increasing efforts for drug treatment, rehabilitation and economic and social reintegration of prisoners in the US like elsewhere, as well as providing alternative options to incarceration for low-level drug offenders, whose future is often blighted by a criminal record. Organized crime still fuels violence and disparity generated by illegitimate revenues that are not systematically redistributed to the wider public. To counter these problems, two tracks are needed: first, a stronger focus on increasing the general well-being of a population (through better economic opportunities, fairer social policies and a generous welfare system – all disincentives to illegitimate activities, as well as targeted efforts against heavy drug users); second, a more targeted approach against organized crime, focusing on the most violent and corrupted criminals.