International Security Summary


31 July 2013
INTRODUCTION

On 17 May 2013, the Organization of American States (OAS) released its Report on the Drug Problem in the Americas. This concluded a year-long review launched at the Sixth Summit of the Americas held in Cartagena, Colombia on 14-15 April 2012 and chaired by President Juan Manuel Santos of Colombia.

The OAS mandate for this comprehensive regional reassessment of the challenges posed by drugs and of the policies in place to address them resulted from six key developments:

- a clear increase in drug-related violence, especially in Mexico where over 70,000 people have died in drug-related killings since 2006;
- a trend of national drug-law reforms, including decriminalization of possession of small amounts of drugs in many countries of the region;
- Bolivia's challenges to the requirement of the 1961 Single Convention on Narcotics Drugs that 'coca leaf chewing must be banned';
- breakthroughs on cannabis regulation and public opinion, as during the OAS review process the US states of Colorado and Washington voted for the regulation of cannabis in November 2012, and Uruguay was likely to regulate cannabis across the country;
- the influence of former heads of states and senior officials and civil society organizations (including the Global Commission on Drug Policy);
- and the key role played by a number of current governments including those of Guatemala and Mexico before and during the Cartagena Summit, where President Santos was ultimately instrumental in encouraging President Barack Obama and the United States to recognize the need to reassess policy approaches and explore all alternative options.

On 30 July 2013, Chatham House held a discussion panel on the OAS report to present its findings and raise awareness of the drug problem in the Americas to an international audience. Speakers included José Miguel Insulza (Secretary General, OAS), Fernando Carrera (Foreign Minister, Guatemala), Vanda Felbab-Brown (Senior Fellow, Brookings Institution) and Mike Trace (Chair, International Drug Policy Consortium).

On 31 July, a closed roundtable workshop with key officials and experts discussed in greater detail the report and its policy implications for the region, Europe and the world ahead of the OAS General Assembly in 2014 and the United Nations General Assembly Special Session on drugs in 2016. This meeting summary is a record of the day's proceedings, which were held under the Chatham House Rule. It aims to reflect the nature and topics of discussion rather than any specific point of view and highlight the key themes and findings of the event.

This two-day conference on the OAS Report on the Drug Problem in the Americas was held as part of the Drugs and Organized Crime project at Chatham House, which aims to highlight the significance of drugs and organized crime as an international security challenge for domestic and international policy agendas. Through its work, the project explores the multifaceted and
interconnected nature of the challenges associated with drugs and organized crime, and explores evidence-based policy options for the future.\textsuperscript{5}

\begin{quote}
\textbf{The Chatham House Rule}

‘When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.’
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\section*{ANALYTICAL REPORT}

The first part of the OAS Report on the Drug Problem in the Americas is referred to as the ‘Analytical Report’. It is the result of a study of ‘drug use, production, transit and trafficking and of the scope of the drug business in the Hemisphere’ but also of the ‘public policies adopted to address the problems of public health, illegality, and violence that they give rise to, as well as their social and political impact on our societies’.\textsuperscript{6} In sum, it looks at current trends, best practices and policy challenges.

\subsection*{Public health}

The report clearly states that the drug problem is primarily a public health issue. While uncertainty remains as to what a public health approach to drugs might look like in some of countries in the Americas given the lack of infrastructures and funds, there seems to be a strong consensus across the hemisphere on this principle. In addition, the report provides two related recommendations. First, ‘decriminalization of drug use needs to be considered as a core element in any public health strategy’;\textsuperscript{7} second, ‘it would be worthwhile to assess existing signals and trends that lean toward the decriminalization or legalization of the production, sale, and use of marijuana’.\textsuperscript{8}

The OAS report clearly opens up the debate on two issues previously often considered taboo, namely decriminalization and legalization. The report calls for these issues no longer to be seen as moral ones but as credible policy options, whose costs and benefits should be discussed in a tolerant and rational manner.

\subsection*{The drugs-development nexus}

A number of issues related to development are included in the report, including references to education, social mobility, exclusion, corruption, weak governance and alternative development. It calls for ‘comprehensive action by the state and civil society to enhance education, employment, equal opportunities and urban living conditions’,\textsuperscript{9} and indicates that organized crime should be tackled through ‘action from police, judicial and correctional services’, which may require strengthening the entire range of state institutions, along with a more ‘pervasive presence of the state’.\textsuperscript{10}

\textsuperscript{5} For more information on the Drugs and Organized Crime project please see http://www.chathamhouse.org/research/security/current-projects/drugs-and-organized-crime
\textsuperscript{7} Ibid., p.103.
\textsuperscript{8} Ibid. p.104.
\textsuperscript{9} Ibid. p.102.
\textsuperscript{10} Ibid.
However, the report has some limitations as well. For instance, it is state-centric and does not include any discussion on the potential deficits and gaps of the state in authority (control of violence), legitimacy (acceptance of the rule), and state capacity (provision of public services and goods). There is also little discussion on the important role local institutions, civil society, citizens, informal institutions and social protection mechanisms can play, and on differences between transit and production countries.

Ultimately, there is a two-way relationship between drugs and development. Drug-related violence and organized crime negatively impact development, while a lack of development also serves as a fertile ground for organized crime and the illicit drug economy. Therefore more should be done in understanding the problems and relations between drugs and development, as well as the opportunities development policies offer in tackling the drug problem in the Americas and elsewhere – more cooperation between the United Nations Office on Drugs and Crime (UNODC) and the United Nations Development Programme (UNDP) would certainly help in this regard.

**Law enforcement**

While the drug problem is increasingly seen across the region as primarily a public health problem, law enforcement remains a key component of the policy response to address the challenges posed by drugs.

Organized crime groups in Latin America are involved in a number of activities in addition to drug trafficking, including piracy, smuggling of migrants, smuggling of body parts, trade in artefacts, arms trade, extortion, kidnapping, prostitution, illegal mining and illegal logging. Therefore opponents of drug legalization argue that it would not by itself lead to the reduction of violence. However, taking drug revenues away from organized crime groups may also significantly weaken them, and in some cases could potentially lead to their vanishing altogether.

Beyond the debate over legalization, drug law enforcement has a key role to play in reducing the harms caused by drug trafficking. More targeted approaches, focused on reducing drug-related violence instead of an over-focus on drugs themselves, and capturing the most dangerous traffickers rather than low-level players, would be beneficial.\(^{11}\) In addition, there should be more international action against corruption and money laundering, two issues that are scarcely covered in the OAS report.

SCENARIOS REPORT

In addition to the ‘Analytical Report’, the heads of state and government at the Sixth Summit of the Americas mandated the OAS to write another report about what might happen in the future. The final ‘Scenarios Report’ includes four scenarios: ‘Together’, ‘Pathways’, ‘Resilience’ and ‘Disruption’. As presented in the report, these scenarios are ‘stories about what could happen in the future – not what will happen (forecasts) or what should happen (policy recommendations), but what could happen’ over 2013–25 based on current trends and dynamics. The Scenarios Team was tasked to develop ‘relevant, challenging, credible and clear’ stories to provide a common framework and potential options for heads of governments and other actors across the region. It is important to note that these scenarios are not seen as mutually exclusive. Future national policies could indeed include various elements of several scenarios.

With this exercise, the OAS helped challenge current policies, and discuss key issues in a constructive and forward-looking manner.

**Together**

In this scenario, the drug problem is understood as part of a larger insecurity problem, with weak institutions unable to control organized crime and the violence and corruption it generates. The answer to the problem lies in strengthened judicial, public safety and law enforcement institutions and more effective cooperation to face drug-related crime problems together to improve citizen security and strengthen the rule of law.

In this scenario, there is no fundamental change but rather a focus on improving current policies. Innovations lie in the shift from controlling drugs to preventing crime, violence and corruption as part of a law enforcement approach focused on selective targeting and overall police reform, and in a renewed focus on financial control (including tax havens and bank executives) and arms control.

While benefits of this approach lie in better links between countries of the region to tackle problems that are by nature transnational, cooperation is no panacea. Problems may indeed be displaced to countries with weaker institutions.

**Pathways**

The starting point for the ‘Pathways’ scenario is an understanding that the current regime for controlling drugs through criminal sanctions is causing too much harm. The response outlined includes policy experimentation with alternative legal and regulatory regimes starting with cannabis, and leading to the adoption of a new international regime based on a new single convention to replace the three existing ones.

The benefits envisaged include the opening of a space to enable different countries to pursue different pathways; the development and application of better evidence-based practices; a significant reduction of the burden placed on police, prisons, and courts; and the reduction of the level of both drug-market and drug control-related violence.

However, managing the risks of experimentation, in particular during the transition from criminal to regulated markets, might prove challenging. Potential risks also include an increase in drug consumption, and the lack of coordination between different policies across the region.

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13 Another scenario was considered during the process and eventually voted down. Its central idea was that plant-based drugs would be progressively phased out to be replaced by synthetic drugs, leading to a domestic problem rather than a regional or international one.
14 OAS, ‘Scenarios’, p.11.
Nonetheless, for the first time, in discussing this option a multilateral organization has broken the taboo on drug regulation, and suggested that international conventions may need to be reformed, options which are now seen as increasingly plausible and credible political alternatives.

**Resilience**

In this scenario, the drug problem is ‘a manifestation and magnifier of underlying social and economic dysfunctions that lead to violence and addiction’. The response focuses on strengthening communities through improved public safety, health, education and employment grassroots programmes driven by local governments and non-state actors.

While opportunities presented by this scenario include the development of more inclusive and less violent communities, insufficient resources of many local actors could prove problematic, and further delay the impact of this response on levels of crime.

Lessons can be learnt from partnership programmes between the central government and local actors in reducing alcohol consumption and smoking. Looking at how tobacco control was reformed since the 1960s (with international moral movements, industry, international bureaucracies, key personalities and regions as main factors) may help understand the driving forces behind change in drug policy as well. However there is little in the report on learning lessons from the past and from other sectors, on the dynamics of change, and on how the national and global levels might be integrated within the ‘Resilience’ scenario.

**Disruption**

The ‘Disruption’ scenario is the worst-case one, centred on the provocative idea of a hands-off approach in terms of law enforcement and a departure from international conventions.

The starting point – that production and transit countries are suffering unbearable and unfair costs – is close to reality. Central America in particular, through which approximately 80 per cent of cocaine destined to the United States transits is facing very high economic and human costs. A recent study by the World Bank has estimated the costs of organized crime-related violence in the region at $6.5 billion, representing a 7.7 per cent decrease to its GDP, and up to approximately 10 per cent in El Salvador, Nicaragua and Honduras. Central America also had an average rate of 41 homicides for every 100,000 residents in 2012, with Honduras (88.5), El Salvador (69.2) and Belize (41.2) topping the list.

However the current policy response is not one of abandonment, as foreseen in the ‘Disruption’ scenario, but one of increased cooperation – notably through the 2008 Merida initiative for Mexico and Central America, the 2010 Central America Regional Security Initiative (CARSI) (which is the revamped version of the Merida initiative but solely focusing on Central America) and the Central America Security Strategy (ESCA) – and innovative non-law enforcement measures including the gang truce in Belize in 2011 or more recently in El Salvador 2012, a truce which was brokered by a Catholic bishop and a former guerrilla commander and has helped reduce the country’s homicide rate from 12 to five per day.

Challenges certainly remain. Central America is underfunded in comparison to Mexico: for 2008–12, the Merida initiative granted $1.9 billion in security assistance to Mexico alone, compared to $500 million for the seven Central American countries together. Only 28 per cent of the 2008–12 funds for CARSI have been committed and budget constraints in the United States make the future even more uncertain. In addition, related issues of immigration, arms trafficking and drug consumption, particularly related to the United States, remain of utmost concern for the region.

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POLICY IMPLICATIONS AND THE POLITICAL CONTEXT IN THE AMERICAS

The Sixth Summit of the Americas and the subsequent OAS report proved instrumental in moving the debate forward on drug policy. Arguably, the real breaking of the taboo emerged with the successful referendums on marijuana regulation in the US states of Washington and Colorado in November 2012 – actual actions towards drug policy reform, rather than just words. These referendums have also put the United States in an awkward position.

In the past the United States would have probably publicly disapproved of the OAS report and opposed developments towards marijuana regulation in Uruguay. However it has become difficult for the United States to argue for a stricter adherence to the international drug conventions when arguably several of its states are in breach of it. As a result, the diplomatic costs of going against the US paradigm are shrinking and the benefits are rising. These domestic and regional tensions complicate political dynamics. However they are unlikely to lead to comprehensive policy reforms in the short term. At a federal level, the United States is trying to find solutions between legalization and extreme law enforcement at home, including through an increased reliance on drug courts and the suppression of mandatory sentences for some low-level drug offenders,17 while persisting with their law enforcement strategies across the region.

In Mexico, President Enrique Peña Nieto is putting in place a number of reforms including the adoption of new security strategies focused on the reduction of violence and a particular focus on ‘justice, inclusion and prevention’ following a significant surge in drug-related killings over the past six years. However it remains to be seen what impact this will have in practice.

At a regional level, several workshop participants described the hemisphere as ‘divided’. Four broad groups can be identified: First, the United States and Canada, where drug-related problems are in large part declining, are not particularly interested in hemispheric change; second, ‘front-line’ states, including those in Central America, Mexico, Colombia and the Caribbean, are the ones most harshly affected by drugs and organized crime; third, Brazil, which has a large drug problem – as the largest cocaine-consuming country in Latin America – and has put in place conservative policies to tackle challenges, and has remained largely uninvolved at a governmental level in discussions for drug policy reform; and fourth, the rest of South America, which has modest problems, not driven by the US market. However further divisions exist within the second group, as there is no consensus on the way forward. Moreover, some leaders who have been proactive so far are now distancing themselves from the debate including President Peña Nieto of Mexico and President Santos of Colombia, who is running for re-election and finds drug policy an unpopular issue.

Public opinion remains largely opposed to drug policy reform and marijuana regulation across Latin America. This political context emphasizes the importance of the OAS report on the drug problem in the Americas. However, it also raises questions about leadership. Now that the taboo has been broken who will turn discussion into actual policies? And who will carry the debate at the international level towards UN General Assembly Special Session on drugs in 2016? Civil society organizations, former leaders and now a multilateral organization have played a key role so far, but policy change is ultimately made possible by heads of state, especially in the face of suspicious and hesitant public opinions.

INTERNATIONAL IMPLICATIONS TOWARDS THE 2016 UN GENERAL ASSEMBLY SPECIAL SESSION ON DRUGS

In recent years, the drug policy debate has focused on the Americas. However, the drug problem is a global and interconnected one, an issue that the OAS report does not clearly address. In a globalized economy with international transport routes and communication modes, drugs produced in Latin America that are destined to Europe transit through West Africa, which is also a hub for drugs coming from Afghanistan and North America.

Drug trafficking has increased instability in the region and aggravated existing problems of corruption, weak governance and violence. The drug trade in West Africa has become too big for the small economies of the region to handle. For instance, a quarter of all cocaine consumed in Western Europe is trafficked through West Africa, according to UNODC. This represents a local wholesale value of approximately $2 billion and a retail value of 10 times that in Europe. Countries like Mali and Guinea-Bissau have been most affected. The value of the cocaine trade going through Guinea-Bissau is larger than the country’s GDP, and it has restructured large parts of the country and undermined stability and governance. In 2009, the president and chief of the army were assassinated in drug-related killings.

Policy debates are emerging, in particular through the West African Commission on Drugs. However, the region faces significant challenges. West Africa hosts very conservative societies who struggle to view the problem as primarily a health issue. In addition, countries across the region are facing so many challenges that the drug problem is often considered one that does not require immediate attention. Ultimately, drug-related challenges are international, and will not be reduced to an acceptable level without engagement from the international community.

Europe is often seen internationally as a model for drug policy, with low-levels of drug-related violence. A number of progressive policies have been implemented across the region in the past three decades, including needle exchange and methadone substitution programmes, and an overall focus on public health and harm reduction, as seen in the latest EU Drugs Strategy. However, the economic crisis has led to an increase in budgetary pressures and political opposition against some of the most successful policies such as in Portugal, where measures to support drug addicts, including through employment, are now being contested. As a result of these factors – namely a relative lack of drug-related problems and growing pressures on progressive programmes – Europe has remained largely absent from the recent drug policy debates throughout the world, and the Latin American debate in particular.

The forthcoming UN General Assembly Special Session on drugs in 2016 may push some European actors to engage in the drug policy debate. Some intriguing political dynamics are at play: Latin American countries are keen to challenge the status quo yet struggle to find a common message; the United States is facing domestic and regional pressures. Additionally, what role will Orthodox countries like Russia play or a number of countries throughout Asia (e.g. China – although perhaps more pragmatic than Russia on issues such as harm reduction – or Indonesia, Malaysia, Vietnam, and Singapore) where zero-tolerance views on drugs remain strongly entrenched?

There is a growing consensus across the world, and especially in the Americas, that current policies have caused more harm than good. The question now is: how can this situation be reversed? The first option is through a reform of the international conventions. This move is needed for some, but too difficult for others, given the consensus-based nature of the international system, the lack of appetite in many countries to negotiate a new convention and some of the system’s characteristics including the peculiar yet central role of the International Narcotics Control Board. The second option is to find some flexibility to improve national and regional policies within the international conventions, notably through allowing policy experimentation. As a participant in the workshop noted, the main problem with the conventions has not been with the text itself (which focuses on a primarily public health approach) but with the implementation (which has been overly focused on law enforcement).
As Foreign Minister Fernando Carrera of Guatemala noted at the discussion panel on 30 July at Chatham House, 'we can destroy drug cartels, not drug trafficking'. A new approach is therefore needed to reduce the harms associated with drug trafficking instead of aiming at a drug-free world, an unrealistic objective. The OAS report has opened the policy discussion, with potential political repercussions across the world in the near future, but the real driving factors will be actual policy change. On 1 August 2013, Uruguay’s lower house of parliament approved a bill that for the first time would put a government in charge of production and distribution of legal marijuana. Former presidents Ernesto Zedillo and Vicente Fox of Mexico are currently pushing for marijuana legalization in Mexico City. These two developments illustrate that a true reform process is under way, and that the drug policy debate can no longer be ignored.