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Do No Harm

Sensible Goals for International Drug Policy

Peter Reuter

Drug policy has been an inconvenient issue for the national security apparatus of the United States, whether run by a Democratic or Republican administration. Even after 35 years of some sort of domestic “war on drugs”, forcefully articulated by every President since Ronald Reagan, the international dimension of the issue remains distasteful to diplomats. It often involves dealing with law enforcement in corrupt countries and complicates many a U.S. Ambassador’s life. The contending lobbies that care about it are loud, moralistic and well informed. If that were not enough, most of our principal allies, particularly in Europe, think there is a certain madness in the American belief that international interventions against the drug trade can accomplish much good.

Mere inconvenience is an insufficient reason to abandon a policy, of course, but in this case there are stronger arguments for change. The Obama Administration has an opportunity before it, for both history and argument show that U.S. international efforts to control drug production and trafficking cannot do much more than affect where and how coca and opium poppies are grown. The quantity produced is minimally affected, since suppression of production in one country almost invariably leads to expansion in another.

More important, control efforts often cause

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damage. Not only are such programs as spraying poppy and coca fields themselves harmful, but forcing the drug trade to move from one country to another may hurt the new producer country more than it helps the old one. Hence, the U.S. government should no longer push for “global containment”, as the policy has been defined. Rather, it should focus attention and resources on supporting the few states both willing and able to do something about production or trafficking in their countries. Unfortunately, Afghanistan, the center of attention right now, is not one of those countries.

American Bull in the China Shop

The United States has been the principal driver of international drug control efforts since 1909, when it convened a meeting of the International Opium Commission (primarily aimed at helping China cut its opium consumption). The United States then pushed for the creation of a web of prohibitionist international treaties under the auspices first of the League of Nations and then the United Nations. Its voice is the dominant one at the annual meetings of the UN Commission on Narcotic Drugs. In that forum it has stood firm against any softening of existing policies. Most prominently, the United States has denounced in recent years “harm reduction” interventions such as needle-distribution programs aimed at reducing the spread of HIV.

Nor does it hesitate to scold even its closest neighbors for deviating from its hard-line,

prohibitionist stance. In 2003, U.S. drug czar John Walters accused Canada of poisoning American youth when Ottawa proposed decriminalizing marijuana possession, a policy similar to that of a dozen U.S. states. The United States has even proven willing to barter specific foreign policy interests to influence other nations' drug policies. In the Clinton Administration senior State Department officials told Australia that trade negotiations would be dragged out if Canberra went ahead with a planned experiment in which the most troubled heroin addicts might be supplied with the drug (a program now routine in Switzerland and the Netherlands). Though not a lot of money (by the standards of the overall U.S. drug policy budget) is spent on overseas drug control, Plan Colombia (\$5 billion since 2001) is by far the largest U.S. foreign assistance program in Latin America, making Colombia the fourth largest recipient of U.S. aid.

These interventions have real consequences for U.S. foreign policy. Tensions with NATO allies in Afghanistan have been exacerbated by disagreements over how aggressively to act against opium production. Plan Colombia, which funds the civil rights-abusing Colombian military, causes much unease among neighboring countries. From 1986 until 2001, relations with Mexico were roiled by Mexican indignation at the U.S. annual "certification", in which the world's largest drug consumer decided whether its neighbors had done enough to reduce its own importation of drugs.

What these policies and programs seem not to have done is to reduce either the American or the global drug problems. That is not the consequence of badly designed programs or administrative incompetence, though there are plenty of both. Rather, it is a result of the fact that international programs like eradication or interdiction simply cannot make much of a difference because they aim at the wrong part of the problem: production and trafficking in source countries. The right part of the problem to aim at is demand in importing countries, including our own. But, of course, that is a difficult and uncertain task, and even successful programs take a long time to have much effect.¹

It would not be wise to close up shop altogether. After all, there are some connections between the illicit drug trade and terrorist

financing that Americans would be foolish to ignore, and there may occasionally be promising opportunities to help specific countries. But we should adopt more limited, common sense goals for U.S. international drug policy.

Heroin and Cocaine

Today's mass market in illegal heroin is a new phenomenon. Before 1965, the drug was a niche product and one of declining popularity in the United States. Poppies were refined into opium and mostly consumed in Asia. However, between 1965 and 1995 heroin epidemics erupted in many rich industrialized countries from Australia to Norway. The loosening of social and economic controls in China in the late 1980s and the break-up of the Soviet Union in the early 1990s added a few more countries to the list of those with heroin problems. Iran, Pakistan, Thailand and other traditional opium producers also became heroin-consuming countries, partly as a consequence of Western pressures to crack down on opium distribution. Heroin use can't be found everywhere in the world these days, but it is certainly no longer just a niche problem. So serious is the challenge that there have even been times when the United States, Iran and Russia have quietly made common cause to deal with it.

While heroin use was spreading, heroin production became more concentrated. By the 1980s, Afghanistan and Burma had come to dominate production, accounting for more than 90 percent of the total each year. Since 2002, Afghanistan has been the dominant producer: In 2007, with a new record output, it produced roughly 93 percent of the world total, about 8,000 tons. (Before the Taliban banned opium production in 2000, production had only once exceeded 4,000 tons.)

¹See, for example, Jonathan Caulkins and Peter Reuter, "Re-orienting Drug Policy", *Issues in Science and Technology* (Fall 2006); David Boyum and Peter Reuter, *An Analytic Assessment of U.S. Drug Policy* (American Enterprise Institute Press, 2005); and Mark A.R. Kleiman, "Dopey, Boozy, Smoky—and Stupid", *The American Interest* (January/February 2007).

Why do Afghanistan and Burma dominate? It's not because either is particularly well suited in terms of land or climate. Opium has been produced in many countries; Australia and France are two big producers for the contemporary legal market, while Thailand and Macedonia were major producers in the past. So what accounts for the current situation?

Afghanistan was not historically a large opium producer, but three major events combined to change that. The overthrow of the Shah in 1979 led to the installation of an Iranian regime much more concerned with drugs as a moral issue. The Islamic Republic promptly cracked down on opium production in Iran. Willing to execute producers and growers after only minimal due process, Iran quickly eliminated domestic opium poppy cultivation. However, it was much less successful in reducing demand, and the result was a new market for Afghan exports. This happened at roughly the same time that the Soviet Union invaded Afghanistan, which eroded central government authority and led to the rise of warlords for whom opium production was a major source of income. The civil war that broke out following the exit of the Soviet troops exacerbated the situation and made Afghanistan still more attractive for opium growing and heroin refining.

For Burma the shaping events took place over an even longer period. Those events relate partly to the political history of China. When the Communists took the Chinese Mainland in 1949, some Kuomintang army units retreated south into up-country Burma. Now forced to support themselves, they put their military and organization skills to work in the opium industry. Then, in the 1970s, the Burmese Communist Party, cut off from Chinese government finance as China attempted to improve relationships with its neighbors, turned to the heroin trade as a way to finance its activities. Thus Chinese anti-Communists and Burmese communists alike helped raise Burma's heroin production profile—proof of how deeply the drug trade is embedded in larger geopolitical processes. Drug production cannot be treated as just another industry, responding primarily to economic influences. The Burmese and Afghan cases also illustrate how easily the location of production can shift. There are many corrupt and poor countries available for production if for some reason Afghanistan should cut its production.

Cocaine lacks the global reach of heroin; it's still mostly a rich nation's drug (though, of course, not mostly rich people in those nations use it). What seemed in the 1980s a uniquely American problem has now spread to Europe.



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A Burmese woman harvests poppies.

Britain and Spain clearly have substantial cocaine problems and others are vulnerable as well. Eastern Europe is also catching up in heretofore Western vices as its productivity and politics approach Western levels.

The production story here is straightforward. Bolivia, Colombia and Peru are the only commercial producers of cocaine for the illegal market. Whereas in the 1980s Colombia was the third most important producer of coca leaves, for the past ten years it has accounted for about two thirds of the total, as well as the vast majority of refining. The shift of coca growing from Peru and Bolivia to Colombia is probably the result both of massive rural flight in Colombia and tougher policies in the other two countries. The violent conflict in Colombia's established rural areas has forced farmers to frontiers within the country where there is little infrastructure for legitimate agriculture, and coca growing is very attractive in part because these areas are difficult to monitor or police. Despite a massive eradication campaign, production levels for the Andes as a whole have been fairly stable over the past decade.

Ties to Terrorism

That U.S. policies over several decades now have not appreciably affected the overall level of heroin and cocaine on the market is a cause for some frustration. One reason it vexes U.S. policymakers is that illegal drugs are funding some terrorist organizations—though it would be counterproductive to exaggerate the extent of this funding. In 2003, the Office of National Drug Control Policy attracted considerable derision with its Super Bowl ads tying drug use to the promotion of international terrorism. Since most U.S. drug use is limited to marijuana, much of it produced domestically or in Canada, the connection seemed flimsy. The ads disappeared quickly.

That said, the problem is not imaginary. Before it banned opium production in 2000, the Taliban taxed it, though no more than it taxed other agricultural products. Since it didn't provide much in the way of government services, the estimated \$30 million the Taliban got from opium taxes was the second largest source of

revenue, after its taxation of consumer goods smuggled into Pakistan. Al-Qaeda's sources of revenue are a matter of mystery, at least in the unclassified literature, but it certainly has earned some money from trafficking opium or heroin over the years. Nowadays its involvement in protecting (i.e., taxing) opium production in Afghanistan may be an important activity. Secretary of Defense Robert Gates has asserted that al-Qaeda receives \$80–100 million annually from the heroin trade. (Like all such figures, this one has no known provenance and should be treated with some skepticism.)

Many other terrorist groups have known ties to drug trafficking. The FARC in Colombia taxes coca growing, the Kurdistan People's Party in Turkey has some connection to drug traffickers among the Kurdish diaspora in Europe, and the Tamil Tigers have been caught smuggling heroin. None of these groups are particularly important in the global drug trade, but the trade may be particularly important to them.

For policymakers the relevant question is whether attacking the drug trade is an efficient method for cutting terrorist finance. Given the fact that there are few successful examples of policies that generate large-scale reductions in drug revenues, the answer is generally no. While there might be specific opportunities in which, say, moving the drug trade from one route to another could help reduce the flow of funds to terrorists, in general these criminal problems are hardly twins joined at the hip. The drug trade is just one of many illegal activities for which terrorist organizations have some useful organizational assets. In short, we would not cripple terrorist financing even if we were successful in international drug policy efforts. But this is merely an academic point, for experience shows us why we cannot be successful.

Cutting Drug Exports

The United States has pushed three types of programs to cut source country production: eradication, alternative development and in-country enforcement. Eradication, usually involving aerial spraying, aims literally to limit the quantity of the drug available in the United States, raise the costs of those drugs, or other-

wise discourage farmers from producing them. Alternative development is the soft version of the same basic idea. It encourages farmers growing coca or poppies to switch to legitimate crops by increasing earnings from these other products—for example, by introducing new and more productive strains of traditional crops, better transportation to get the crops to market or some form of marketing scheme. Finally, the United States pushes other countries to pursue traffickers and refiners more vigorously. None of the three methods has worked all that well.

Few countries are willing to allow aerial eradication, which may cause environmental damage. It is also politically unattractive because it targets peasant farmers, who are among the poorest citizens even when growing coca or poppy. Colombia and Mexico, neither one traditional producers of drugs, have been the producer countries most willing to allow spraying. Most others allow only manual eradication, a slow and cumbersome method.

The fundamental problem of source-country interventions aimed at producers of coca and poppy is easily described. These programs have always had a peculiar glamor and occupy a large share of the headlines about drug policy. But the fact that the actual production costs of coca or opium account for a trivial share of the retail price of cocaine or heroin dooms source-country interventions as ways of controlling the problem.

It costs approximately \$300 to purchase enough coca leaves to produce a kilogram of cocaine, which retails for about \$100,000 in the United States when sold in one-gram, two-thirds pure units for \$70 per unit. The modest share of the agricultural costs associated with cocaine production is easily explained: Production involves cheap land and labor in poor countries, and it requires no expensive specialized inputs. (Even Bolivia, the smallest of the three producer countries, has more than 500,000 square miles of territory—much of it opaque to surveillance.) Assume that eradication efforts lead to a doubling of the price of coca leaf, so that cocaine refiners now must pay \$600 for enough leaf to produce one kilogram of cocaine. Even if the full cost increase is passed along, the change in retail price will still be negligible. Indeed, leaf prices have varied enormously over the past decade, while the retail price of cocaine has fallen

almost throughout the same period. If retail prices do not rise, then total consumption in the United States will not decline as a consequence of eradication. In this scenario, there will be no reduction in total production—just more land torn up in more places to plant an environmentally damaging crop.

There is, of course, a less harsh option for policy in the source country: alternative development. Offer the farmers the opportunity to earn more money growing pineapples than coca, and they will move to the legal crop, the argument goes.

Quite aside from the time and money it takes to implement a successful alternative-crop program, the argument, alas, is subject to the same economic illogic as that for eradication. It assumes that the price of coca leaf will not increase enough to tempt the peasants back to coca growing. But as long as the price of leaf is so small compared to the street price of cocaine in Chicago, refiners will offer a high enough price to get back the land and labor needed to meet the needs of the cocaine market. Peasants will be better off than before the alternative development, but only because they will make more money growing coca. Mexican peasants are substantially better off than those in Bolivia, but that has not kept them out of the drug business. Indeed, the same can be said for Kentucky corn farmers, who are prominent in the marijuana trade in the United States.

Three Countries, Three Problems

For the United States the international drug problem is dominated by three countries: Afghanistan, Colombia and Mexico. Each presents a different problem, both to the United States and to the producing country. But all three show why the elimination/interdiction approach to source country supply doesn't work.

The United States is trying to create an effective democratic state in Afghanistan and is demonstrably failing. Further, despite the presence of 60,000 NATO and U.S. troops, Afghanistan's output of opium has increased massively over the seven years since the Taliban fell. That has provided important funding for the Taliban and al-Qaeda as well as for warlords independent of

the central government. It has also worsened the country's deep-seated corruption. According to the former coordinator of U.S. counter-narcotics efforts in Afghanistan, there was much conflict within the Bush Administration about pursuing aggressive counter-narcotics efforts. Insiders argued over whether these efforts were needed to establish a strong state or, on the contrary, whether they would threaten the very existence of the Karzai government.²

The drug hawks have usually won the rhetorical battles, but they have lost the programmatic wars. In October 2008, Defense Secretary Gates declared that the U.S. military will go after traffickers and warlords but will not eradicate farmers' poppy fields. Given the relative invisibility of trafficking, this is effectively a truce. But better a truce than a "war" against poppies that cannot be won and might be counterproductive politically if it were won.

Colombia, unlike Afghanistan, is a principal producer of drugs for the United States, most prominently cocaine but also heroin. The United States has tried to strengthen a Colombian government long beleaguered by guerrilla conflict, and in this it has succeeded reasonably well. But the primary goal of its assistance has been to reduce the flow of Colombian-produced cocaine into the United States, and in that task it has largely failed.

Mexico, occasionally described as a natural smuggling platform for the United States, has been the principal drug trans-shipment country into the United States for two decades. The bulk of America's imports of cocaine, heroin, marijuana and methamphetamine all come through Mexico. In the past two years the level of violence associated with the U.S.-destined drug trade has skyrocketed. More than 5,000 people were killed in drug-related violence in 2008; that included systematic terror killings of innocent individuals, honest police and reporters. This has happened partly because of changes in the trade itself and partly as a consequence of government efforts to control the violence. The new U.S. program to help Mexico—\$400 million for training police and military—may ostensibly be aimed at cutting down the flow of drugs to the United States, but such low levels of funding are not likely to achieve much. The money is more properly viewed as reparations: Mexico is suffering from

the consequences of our continued appetite for illegal drugs, so the United States has an obligation to help ameliorate those problems regardless of whether it cuts U.S. drug imports.

Strategic Consequences of the Balloon Effect

There is almost universal skepticism that international efforts by rich countries can reduce global production of cocaine and heroin. It is hard to find anyone outside of the State Department, the White House or Congress who argues otherwise. But efforts to curb production in specific places have had some effect. We noted above that targeting Bolivian and Peruvian smuggling into Colombia helped make Colombia the dominant producer of coca. The Chinese government since about 1998 has pushed the United Wa State Army to successfully (and brutally) cut Burma's production of heroin. Spraying in Mexico in the 1970s shifted opium production from a five-state region in the north to a much more dispersed set of states around the country.

Interdiction can also affect the routing of the trade. In the early 1980s then-Vice President George H.W. Bush led the South Florida Task Force that successfully reduced smuggling through the Caribbean. The traffic then shifted to Mexico, but the effort did help several Caribbean governments. Similarly, more heroin may now be flowing through Pakistan because the Iranian government has intensified its border control.

In recent years this kind of interaction has been most conspicuous with respect to cocaine trafficking. The Netherlands Antilles is conveniently located for Colombian traffickers shipping to Europe, as there are many direct flights from Curaçao to Amsterdam's Schiphol airport, one of the busiest in Europe. In response to evidence of growing cocaine trafficking to Amsterdam, the Dutch government implemented a 100 percent search policy for airline passengers from Curaçao in March 2004. Whereas cocaine seizures in the Netherlands Antilles had not exceeded 1.3 tons before 2003, in 2004

²Thomas Schweich, "Is Afghanistan a Narco-State?" *New York Times Magazine*, July 27, 2008.

they reached nine tons, a remarkable figure for a jurisdiction with fewer than 200,000 inhabitants. (The United States seizes only about 150 tons per year.) Shipments through Schiphol airport have since fallen sharply.

Probably as a consequence, new trafficking routes have opened up from South America to Europe via West Africa. For example, Guinea-Bissau is impoverished and small, it has no military or police capacity to deal with smugglers, and its government is easily corrupted. Smugglers have begun using landing strips there for large shipments. In 2007, there was one seizure of three-quarters of a ton, and it is believed that an even larger quantity from that shipment made it out of the country.

Ghana, a larger nation but one with fragile institutions, has also seen a sudden influx of cocaine traffickers. In 2005, flights from Accra accounted for more seized cocaine at London's Heathrow airport than from flights from any other city. There are now regular reports of multi-kilo seizures of the drug either in Ghana itself or at airports receiving flights from Ghana.

Assuming that Ghana and Guinea-Bissau are serving as trafficking platforms at least in part because of the effective crackdown on an existing route through Curaçao, is the world better off? Certainly the Netherlands has helped itself. One can hardly be critical of a country making a strong effort to minimize its involvement in the drug trade. However, one can reasonably ask whether, in making these decisions, the Netherlands should take into account the likely effects of its actions on other, more vulnerable countries.

This analysis also applies to Afghanistan, assuming that it will for the foreseeable future be the most attractive location for opium production. The U.S. government continues to press the Karzai Administration to begin eradication activities in the areas it controls. At the same time, the United States emphasizes the importance of opium production to the Taliban. If farmers in government-controlled areas are forced out of business, it is likely that more of the growing activity, and probably more refining as well, will shift to areas controlled by the Taliban. The result may be to increase Taliban strength, both politically and financially—obviously not a result we would ever intend.

Awkward Choices

International drug policy will not be high on the Obama Administration's list of priorities, given that the U.S. drug problem itself is gradually declining. It has indeed not been a major issue for the Bush Administration. Congress was fairly passive on the issue during the past eight years, but those members who have been vocal have all been drug hawks, passionately arguing that this nation has a moral obligation to fight one of the great scourges of modern times on a worldwide scale. The public is apparently indifferent, seeing the drug problem as one for which every measure (tough enforcement, prevention or more treatment slots) is fairly hopeless. This, in turn, has not encouraged liberal members of Congress to take on the issue.

Drug policy is one of many areas of international policy in which the Obama Administration would benefit from adopting a more humble attitude. The arrogance with which U.S. delegations at the annual Commission on Narcotic Drugs lecture the rest of the world would be laughable if it weren't for the fact that many nations are still cowed by the sheer scale of U.S. efforts. There is no evidence that the United States knows how to help reduce the world's drug problems or to affect the ease with which cocaine, heroin and methamphetamine are procured and trafficked. Moreover, the harm that some of our interventions cause is more apparent than their benefits. For example, spraying coca fields in Colombia clearly has adverse environmental consequences if only because it spreads production further, and it also probably sharpens conflict between the Colombian government and its citizens. Pressing the Karzai government to spray poppy fields increases tensions with our allies. Our attack on drug policy initiatives in other countries exacerbates the U.S. reputation for bullying and disinterestedness in true multilateral collaboration.

Doing less about a problem is rarely an attractive policy recommendation. But for international drug policy it is the only recommendation one can make with confidence. It is perhaps true, as Simone Weil once said, that "it is better to fail than to succeed in doing harm." 🌐