THE DRUG PROBLEM IN THE AMERICAS: STUDIES

DRUGS AND DEVELOPMENT

Organization of American States
The Drug Problem in the Americas: Studies
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DRUGS AND DEVELOPMENT

FINDINGS

Social risk factors:

- Economic and social changes—such as increased migration, rapid urbanization, or a breakdown in respect for the law—can undermine social cohesion and create a risk environment for drug use, production, or trafficking.

- Young people, including adolescents, are particularly at risk. While they have more access to education and training than previous generations, many find it hard to become actively involved in a globalized economy and society that do not fulfill their expectations for work or personal development.

- The ties between socioeconomic level and drugs are complex. In some cases, the more developed the country, the greater the prevalence of drug use, due to factors that make it easier for people to have access to drugs. However, poverty can also aggravate drug-related problems, especially for people who may not have access to basic treatment and prevention services. Such issues should be taken into account when viewing the drug problem from a human development perspective.

Damage to the legal economy:

- The illegal economy of the drug trade—not only drug production and trafficking but money laundering and related criminal activities—causes market distortions and damages a society’s overall capacity to produce.

- Illicit activities also deprive the legal economy of human resources and capacity for innovation.

- The drug economy results in losses for governments. It generates no tax revenues, and anti-drug policies significantly increase public expenditures (police, courts, prisons, health care systems).

- It is not possible to have sustainable and inclusive development based on illegal activities.
Impact of law enforcement measures:

- Overuse of criminal mechanisms and disproportionate sentencing for drug-related offenses further overload judicial and corrections systems, and often have a greater impact on disadvantaged groups and racial minorities. In addition, criminal justice systems have tended to punish small-time producers and traffickers more aggressively.

- This not only creates an economic burden, but suggests serious, far-reaching consequences not only for individual offenders and their families, but for society as a whole.

- Some studies estimate that around 70 percent of women in prison—many of them heads of household—are there for nonviolent micro-trafficking offenses.

- Repatriations of convicted felons have exacerbated problems with gangs and drugs in several countries of Central America and the Caribbean.

Damage to the social fabric:

- Drug dealing and problem drug use are often clustered in specific areas, mainly in poor areas of large cities. This sometimes leads to problems involving violence and social breakdown.

- Drug users often face stigma and discrimination, which makes it even harder for them to get the help they need. This is aggravated in the case of problem users, vulnerable populations, and environments of poverty.

Damage to democratic governance:

- Organized crime sometimes ends up replacing the law in places where the state does not have a presence. It uses its vast monetary resources and force to “buy” popular support, political power, or protection from law enforcement and judicial authorities.

- Drug-related corruption further weakens institutions, making them more susceptible to be used for illicit ends.

- By fostering a sense that criminal activity is “normal,” the illicit drug trade corrodes citizens’ adherence to social norms and institutions.
Damage to the environment:

• Plant-based drugs are often produced in countries’ most ecologically sensitive areas, including national parks. Cultivation and processing, as well as the steps some authorities take to combat these problems, all have devastating consequences for the ecosystem: deforestation, soil degradation, harm to native species, and contamination of waterways.

Costs to society of the drug problem:

• The direct and indirect costs associated with the illegal drug phenomenon (criminal activity, health impact, and loss of productivity, to name a few) and with drug control measures in the hemisphere are significant. The economic and social cost to society of legal drugs, primarily alcohol and tobacco, is also high.

Perspectives to consider:

• Illegal drugs have a significant impact on the economic and social development of the countries in the Americas. By the same token, the factors that shape and influence human development at the community and individual level play a key role in determining how the drug problem manifests itself in different societies. Given the complexity of the drug phenomenon and the burden it places on individuals, their families, their communities, and society as a whole, any policy approach must be comprehensive and take into account the various actors, circumstances, and substances involved. Policies should be tailored to the specific characteristics of the problem in each place, time, and situation.

• Drug policies should be “humanized” and designed from a standpoint of social integration and sustainable human development. The active exercise of democratic citizenship, the respect for human rights recognized in every country’s laws, and the promotion of legitimate life opportunities for everyone—these are principles that should guide states in formulating policies on drugs.

• When they are properly implemented and take into account the various elements that comprise a community’s development, some alternative development strategies have proved successful in bringing people back into the legal economy.
DRUGS AND DEVELOPMENT

Every facet of the drug problem—production, trafficking and consumption—influences development prospects for the countries of the hemisphere. Despite this relationship, drug and development policies tend to be formulated in isolation. The drug problem is not included in the Millennium Development Goals, for example, despite the negative impact drugs have on such key goals such as health, life expectancy, education, employment, human rights and poverty reduction. Beyond the toll on health and family structure, the drug problem exacts high social and economic costs that affect the economy, the environment, political processes, and even the social fabric that is essential for well-functioning democracies.

This chapter examines the complex, multifaceted relationships between illicit drugs and development. It shows how the application of drug control policies can hinder progress in development, while development policies may conversely increase vulnerability to illicit drug production, trafficking, and use. By raising awareness of the links between drugs and development, this chapter aims to facilitate future research and deepen dialogue and cooperation between development and drug policy agencies.
Evidence about the drug problem suggests that many risk factors help determine the potential impact of the problem on individuals, communities, and societies as a whole. Certain factors contribute to an individual’s vulnerability to drug use, while others make it more likely for the drug trade to flourish in a particular country or society.

One important point: Most people do not use drugs. Among people who come to try them, only a portion will continue regular drug use, and of these, only a fraction will develop harmful patterns of use and dependence, as explained in the chapter on Drugs and Public Health. Similarly, most communities and societies never develop an illegal drug economy. However, analyzing the multiple factors that make a society more vulnerable can help explain the broad context of the drug problem.

The list of risk factors that help to shape both the demand for and supply of illicit psychoactive drugs is long and varied, and some of these factors are specific to each society. When it comes to these risk factors, it is difficult to establish clear cause-effect relationships. This makes it difficult to develop effective policies to reduce the drug trade, because it is not possible to fully eliminate the “causes” of the problem. Even if all the identified risk factors could be eliminated, there would still be no guarantee that the illegal drug industry would be eliminated altogether, though its size and destructiveness could be significantly contained. Moreover, since risk factors vary from society to society, it is impossible to craft a single policy or prescription that would work in all circumstances. Notwithstanding these challenges, it is essential to develop policies that seek to incorporate vulnerable populations into society, both politically and economically.1

While social vulnerabilities contribute to the rise of armed conflict, organized crime, corruption, drug trafficking, drug use, high rates of homicide, and many other social ills, these vulnerabilities are not in and of themselves the “causes” of those ills. Instead, they function as risk factors that increase the likelihood that such ills may appear.2 An analogy can be found in biology: some bodies have poor defenses that make them more prone to illness, while some with poor defenses may not fall ill, perhaps because they have not had direct contact with the trigger of the illness.

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1 The arguments in this paragraph and the next are developed in more detail in Francisco E. Thoumi, “Necessary, sufficient and contributory factors generating illegal economic activity, and specifically drug-related activity, in Colombia,” Iberoamericana, IX, No. 35 (September 2009), pp. 105-126.

INCB Observations on Threats to Social Cohesion

The International Narcotics Control Board (INCB) has outlined the close and direct links between drugs and a set of threats to social cohesion and community life:

**Persistent social inequality:** “It is a feature of many societies that, just as some social groups have become increasingly wealthy, the gap between the rich and the poor has increased and become entrenched. As a consequence of these inequalities, there are marked disparities in a range of health and social welfare indicators, such as maternal and child health, infant mortality, morbidity, life expectancy and literacy.”

**Migration:** “Where individuals and social groups have migrated from one area to another, there is an increased risk that individuals and communities will face multiple social adversities associated with their sense of displacement. These may include challenges to their physical and psychological health, welfare, employment, education and family life…. Where migrating social groups have travelled from areas associated with illicit drug production and drug abuse, there is a greater likelihood of individuals engaging in forms of drug misuse as a way of coping with such a sense of dislocation.”

**Political and economic transformation:** “Similarly, societies that are in the midst of political and economic transformation may experience a significant reduction in the degree of social cohesion. In a situation in which past political structures and economic activities are no longer supported and new forms of economic activity and governance are evolving, some social groups may feel isolated and disengaged from the wider society. That sense of estrangement from the new structures of governance may lead individuals and social groups to engage in a variety of socially and personally harmful behaviors.”

**Emerging cultures of excess:** “Social cohesion can be undermined not only by poverty and social exclusion, but also by the emergence of a culture of excess. For example, certain individuals who enjoy a high standard of living may come to see themselves as no longer needing to live in accordance with the norms and mores of the wider society and may develop self-destructive patterns of behaviour. For some of these individuals, their abuse of certain drugs (such as cocaine in powder form) can come to symbolize their success and status.”

**Conflict and post-conflict societies:** “When societies are experiencing conflict or are in a post-conflict state, there are often clear signs of a breakdown in social cohesion. In such situations, previously close and mutually supportive social ties may become strained and weakened, leaving large
swathes of the population uncertain of the degree to which they are members of a shared society.”

**Rapid urbanization:** “Within societies that are undergoing rapid urbanization, including those in which populations are moving from rural to urban environments, a diminution and dissolution of many of the more traditional forms of social cohesion may occur. This may include a breakdown in family connectedness and family closeness. It may also include the development of urban areas as cultural spaces in which a greater range of individual behaviours and social and personal transgressions are tolerated as a result of the increased sense of anonymity within those areas.”

**Breakdown in respect for the law:** “In situations in which local people feel that their legal system is unfair, corrupt or ineffective, there is likely to be a predictable loss of faith in those laws and the agencies involved in their implementation. At such times, there is a real risk that people will simply give up on the expectation that the national or local government will ever be able to do anything to improve their circumstances…. Such a situation may lead to criminal gangs presenting themselves as the only viable authority in the area.”

**Local drug economy:** “Within these communities, the illicit drug trade may become so active as to effectively supplant the legitimate economy, with the danger being not only the proliferation of the illicit drug trade itself but also the development of a culture of drug abuse. In some circumstances, such a culture can be self-sustaining in that it provides the people who live in these areas with a distinctive identity while simultaneously further separating them from the wider society.”

The drug problem encompasses a variety of factors intrinsic to the “social fabric” that are difficult to measure—such as social cohesion, inclusion, and degrees of solidarity, reciprocity, trust, and social empathy. Economic and social processes influence individuals’ and societies’ vulnerability to the drug problem. Some countries that have suffered periodic economic and political crises may be more vulnerable due to rising unemployment, which in turn leads to more mobility or migration, fewer support organizations, and increases in violence. Economic turbulence, along with poverty and social inequality, can also exacerbate existing obstacles in access to health, education, and social services. Racial discrimination and gender- and age-related inequality make people even more vulnerable. People who are involved in the production, trafficking, or use of illegal drugs often face stigma and discrimination, which is exacerbated by their involvement in the criminal justice system.

In analyzing these interrelationships, social epidemiology researchers⁴ have questioned approaches to the drug problem that focus solely on individual

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responsibility, and have stressed the need for a broader perspective that takes into account the social and cultural context.

Many of the enormous social changes that have taken place in recent generations throughout the Americas have eroded norms that once governed many people’s behavior. The breakdown of the family, changes in the roles of men and women, increased migration, lack of respect for older people’s authority, exposure to other societies through the media, major improvements in educational levels, and new forms of employment are among the factors that have contributed to the weakening of many traditional norms of behavior or simply made others obsolete.

In many cases, traditional social structures that have been stable for a long time, such as families, can break down when they come up against the modern world and get caught up in powerful, unpredictable currents of change. This process can lead to a rejection of traditional standards and an erosion of social cohesion. The Economic Commission for Latin America and the Caribbean (ECLAC) has conducted studies applying the concept of social cohesion to the drug problem.

This is a subject of concern to many countries in the hemisphere, including some that traditionally have not been major drug producers but rather transit countries and that have seen drug use increase. These countries are now suffering from problems similar to those of the North American countries that have been the heaviest users of drugs. ECLAC has identified a series of factors that have contributed to an increase in drug use among young people. These factors, which some studies have identified as tensions or paradoxes facing society, are related to globalization and other economic and social development trends the countries have experienced. While focused on the study of drug use, these tensions may also apply to individuals’ involvement in drug production and trafficking. All these tensions bear negative consequences for social cohesion.

- First, young people enjoy greater access to education but encounter greater difficulty finding suitable employment than previous generations.
- Second, young people today have more skills to live independently but fewer options for putting their skills to use, and thus end up being dependent on their parents for longer periods of time.
- Third, young people have fewer grand ideological narratives but are much more taken with aesthetic experiences, that is, with a consciousness more closely linked to the world of form and sensation. In contrast to previous generations, the diversity of what is available today means that different groups of young people identify with and define themselves according to differing tastes.

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Another tension lies between immediate and deferred gratification, between enjoying the present and postponing pleasure in order to prepare for the future. A consumer, credit-based society pushes toward the present, against the need to save and build up human capital and assets.

Understandably, many people feel the stress from this clash between the immediacy of desire and the demands of preparing for the future. These tensions are exacerbated by an increased demand for skills and knowledge to compete in the global information society.

Modern society has produced other tensions that exacerbate social fragility, particularly among people prone to problem drug use:

- Pressures to increase consumption, especially of “status” goods that reflect or are intended to reflect social standing.

- The need for rites of passage and connection. Some people may turn to drugs to compensate for the loss of ritual and belonging in a modern society. Membership in gangs that deal in illegal drugs can also produce a sense of connection.

- Affirmation in exclusion. Participation in an illegal business can be a response to exclusion, whether racial, ethnic, or class segregation or discrimination. Coca-growing farmers and the members of many cartels see their actions as a protest against a society that leaves them out.

Economic development encompasses a range of productive, social, political, and environmental factors that work together to generate sustained growth\(^7\). The drug problem has a negative impact on every aspect of development and imposes a heavy burden on society.

**Damage to the Legal Economy**

In economic terms, drugs are a potential source of wealth. But although the drug market may generate employment, add value, and move large sums of money, this illegal economy is detrimental to development.\(^8\) It is not possible to have sustainable development that is based on illegality. This does not mean, however, that drug control policies are necessarily beneficial for development.\(^9\)

Around the world, nations have made certain drugs illegal in an effort to reduce supply. This illegality drives up prices and leads to levels of competition that tends to exclude the more vulnerable producers. Prices soar because of the “risk premium” in an illicit market, generating income for those willing to break the law. According to World Bank estimates,\(^10\) the potential profits from moving one kilo of cocaine from Colombia through the Mesoamerican transit corridor to the United States are reduced by 10-20 percent for transportation, security, and labor costs, and an estimated 20-30 percent of cocaine is seized in transit. In economic terms, the potential drug trafficker must consider two other potential costs as well: the opportunity cost of not having other gainful employment and the risk premium associated with a dangerous and illegal occupation that can lead to interdictions and arrests. Even with all these losses, however, potential profits remain large.

Profits accrue not only because of the wide gap between production costs and sales prices in the consumer countries. Drug producers and traffickers have added advantages that reduce costs: unlike legal businesses, they do not pay taxes or other work-related social costs, nor do they worry about the treatment of waste or the administrative costs of permits, patents, or accounting reports. At the same time, illegality generates some additional production costs, including high prices of raw materials, bribes, camouflage systems, armed security guards, costly transportation, money laundering, and the social

\(^2\) Time for equality: closing gaps, opening trails
support networks that enable trafficking organizations to operate illegally. In short, illegality in and of itself affects the economy in different ways by introducing market imperfections that drug producers can use to their advantage to expand an economy that is profitable because it is illegal.

The illegal drug economy has a two-fold negative effect on development, chiefly in the producing countries. First, it perpetuates a commodity mentality, very much associated in Latin America with its wealth of natural resources and little value added. This “commodity curse” leads economic agents to pursue income with low initial investment, which does not contribute to a development model geared toward structural change, advances in production, capacity building in the workplace, or technological innovation.\textsuperscript{11} There is an analogous relationship, then, between an economy centered on commodities or financial speculation and a drug-based economy centered on the high prices commanded by the illegal nature of the product.

Moreover, since the drug economy demands daring and entrepreneurship, it attracts personnel whose entrepreneurial spirit might otherwise be used to drive lawful productive activity and increase economic competitiveness. To the extent that capital, entrepreneurs, and workers are absorbed into the illegal economy, they must be counted as a loss to the legal economy. This loss is greater in areas or countries where human resources are harder to come by, and it represents more serious opportunity costs for low-growth economies with limited production capabilities.

The effects on the legitimate economy involve not only the loss of resources that gravitate toward the illegal economy, but also changes in the conditions under which the legal economy must operate. Because of competition from the illegal economy, risk capital is more costly and less available, wages are higher, and the more ambitious and innovative entrepreneurs may become even more scarce and expensive.

Many of these problems are multifaceted. For example, what the illegal economy gains from prohibition, in terms of freedom from taxation, governments lose; their tax base becomes smaller at the same time that expenditures on police, courts, and prisons are on the increase.\textsuperscript{12} Budget allocations for law enforcement may grow in response to political pressures. Such increases may add pressure for an increase in the tax burden, while reducing the availability of resources for other activities or services critical for development, such as education, infrastructure, environmental conservation, and social protection.

The negative impacts of the illegal drug economy are felt not only on fiscal policy issues. Illegal producers and traffickers need to create legal front companies, acquire goods and status, and invest in the legitimate world, all of which becomes more difficult as their businesses grow. As the chapter on the Economics of Drug Trafficking explains in detail, money laundering can create

\textsuperscript{11} Progreso Técnico y Cambio Estructural en América Latina (Santiago: ECLAC, 2007).
severe distortions in the financial markets, increase unfair competition for lawfully established businesses, and increase economic uncertainty.\textsuperscript{13}

The effects on the legal economy are immediate but also lasting. Lawful activities have to deal with tainted, unfair competition that not only draws away capital, workers, and capacity for innovation, but may also displace markets and increase operating costs, in turn discouraging investment and limiting development potential.\textsuperscript{14}

Evidence shows that the larger the illegal economy, the more legitimate it becomes: people increasingly view it as normal because it is part of their reality.\textsuperscript{15} Some major drug traffickers have even played charitable roles, developing social support networks as part of a strategy to protect their wealth. In some cases they have built infrastructure in poor neighborhoods and in others, invested in activities with popular appeal, such as soccer teams.\textsuperscript{16}

The cycle can perpetuate itself and expand, to the detriment of a country’s development. All this would seem to point to the need to combat and eliminate this illegal economy. Such a conclusion assumes that the illegal economy could in fact be made to disappear—an assumption for which there is no empirical basis or historical proof—and that the process of combating it would not have costs in and of itself, which is contradicted by the historical evidence available.\textsuperscript{17}

In fact, stepped-up drug control and enforcement procedures and laws can adversely affect lawful businesses and investments too. For example, as the list of controlled substances becomes longer, those who use those products for lawful (mostly industrial) activities must go through a growing number of controls and procedures. Illicit drug producers may, in some cases, have a broader range of substitute products than legitimate producers, whose procedures and methods are more closely monitored and allow for less improvisation. For example, if a drug producer cannot find kerosene as a solvent, he can use gasoline or diesel. If he cannot find sodium bicarbonate, he might be able to alkalize the mixture some other way, such as by using plaster or even cement. An industrialist in the formal sector may not be able to easily replace one product with another without sacrificing quality.

As an additional cost of doing business, lawful producers run the risk of falling under suspicion for the mere fact of using a controlled substance. Clearly, this can have a serious chilling effect on industrial and mining investments, for example in areas that need inputs listed in the controlled

\textsuperscript{14} V. Rios, Evaluating the economic impact of Drug Traffic in Mexico (Cambridge, Mass.: Universidad de Harvard, Departamento de Gobierno, primavera 2008). The process of legitimizing drug consumption and other illegal drug-related activities is analyzed in detail by Adriana Rossi (2008, 2009, and 2012). This process poses a significant obstacle to the success of drug policies.
\textsuperscript{15} V. Rios, Evaluating the economic impact of Drug Traffic in Mexico (Cambridge, Mass.: Universidad de Harvard, Departamento de Gobierno, primavera 2008).
\textsuperscript{17} \textit{World Development Report 2011}. The Drug Problem in the Americas: Studies
schedules. Investors may avoid the higher risks entailed in setting up plants to produce industrial components that are key to development but that also fall on the lists of controlled substances.
**Impact of Law Enforcement Measures**

Efforts to enforce the law and reduce the harms caused by the drug trade impose their own burdens on society. Large increases in the prison population, mainly due to drug-related offenses, have had a major impact in many countries, with extensive social and economic consequences that are discussed below. Other countries have seen an expansion of criminal activity in their territories as a result of repatriations of criminal offenders.

Several Central American countries have been particularly hard hit by deportations of gang members from the United States. The Mara Salvatrucha, one of the largest Central American gangs, began in Los Angeles three decades ago; its members were mainly refugees and immigrants from El Salvador and Guatemala. In 1996, the U.S. Congress passed the Illegal Immigration Reform and Immigrant Responsibility Act, whereby non-U.S. citizens sentenced to prison for at least one year would be repatriated to their countries of origin. Between 1998 and 2005, the United States deported almost 46,000 convicted felons to Central America, some of whom had a record of drug trafficking and drug use,\(^{18}\) as well as an additional 160,000 undocumented immigrants.\(^{19}\) El Salvador, Guatemala, and Honduras received more than 90 percent of the deportees, many of them members of these gangs who had arrived in the United States as children. Sent back to a country they hardly knew, they reproduced the gang structures and activities they had known in the United States. Deportation did not affect all Central American countries equally. Nicaragua, for example, had a relatively low rate of deportation from the United States, with fewer than 3 percent of all Central American deportees. This apparently resulted in a smaller number of gangs, and some analysts claim that Nicaraguan maras are less violent.

Despite some indications that participation in drug trafficking has made maras more violent,\(^{20}\) there are almost no reliable data about the involvement of youth gangs in the drug trade. It is thought that they serve as local security or carry out small street sales for the Mexican and Colombian cartels. While the maras may not be involved in large-scale movement of drugs, some reports suggest that leaders of local trafficking organizations are often former gang members who have “graduated.”\(^{21}\)

Meanwhile, the 1990s witnessed an unprecedented migration to the Caribbean region, primarily due to stricter immigration laws in North America. Most of the Caribbean nationals who were deported had emigrated legally to the United States and Canada and had permanent residency status. Their

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18 This refers to individuals sentenced for a drug crime, for trafficking or possession. It should be noted that a 2012 Supreme Court decision ruled that legal permanent residents who have been sentenced for lesser drug crimes may no longer be deported. An example of this might be possession of a few grams of marijuana for personal use, or of small quantities of medications used for non-medical purposes. In its decision in Carachuri-Rosendo v. Holder, the Supreme Court overturned the 1996 law that required deportation of legal permanent residents even in such cases.


20 Crime and Violence in Central America: A Development Challenge (World Bank: Sustainable Development Department and Poverty Reduction and Economic Management Unit, Latin America and the Caribbean Region, 2011)

21 Ibid.
involuntary repatriation was due mainly to their participation in criminal activities. In addition, beginning in 2002 there was a significant increase in deportations from the United Kingdom, although the numbers were smaller than those deported from the United States.

In Jamaica, Trinidad and Tobago, Guyana, and Antigua, police intelligence sources have stated that “the engagement of most deported persons in criminal activity is done mainly for financial gain, and that the kinds of criminal activity in which they become involved are multidimensional.” The illegal drug trade is particularly important and has led to most of the deportations. In these countries, the impact of convicted criminals deported from the United States, Canada, and the United Kingdom for drug-related activities has generated a growing social problem with serious consequences for security. In small countries, even a small number of criminal offenders can have a large impact, particularly if they take on the leadership of criminal gangs and become role models for other young people who lack education and job opportunities and who have dysfunctional families.

In the Dominican Republic, for example, the repatriation of drug users is reportedly contributing to increased heroin inflows and use in the domestic market. Recent estimates indicate that two thirds of heroin users in this Caribbean country were deported from the United States, which is where they first came into contact with the substance. According to statistics from the Dominican Republic’s Deportee Department of the National Police, as well as from its Migration Bureau, 48 percent of deportations of Dominican citizens by the United States between 2009 and 2011 were for drug cases.

Another problem that affects many countries in the hemisphere is the increase in the prison population due to illicit drugs. Police action against drug-related offenders—users, small-time traffickers, and drug-dependent offenders committing other crimes—has contributed to overloading judicial and corrections systems. This results in ever-higher fiscal costs to society—not just due to the cost of maintaining prisoners, but from the loss of their potential productivity. The harm extends to their families and will also have repercussions later in their lives, when many may lack the resources to support themselves and may need public assistance.

In the United States, mandatory sentencing laws have contributed to a dramatic increase in the number of prisoners, both for drug possession and for production and trafficking, to the point where around 1 percent of the adult working age population is now incarcerated. This has become a major...
financial burden for the country, as well as a social problem with enormous consequences—due, among other reasons, to the prevalence of racial minorities in prisons. After property crimes, drug-related crimes represent the largest category of arrests, surpassing driving under the influence.\(^28\) Almost half of the 1.6 million drug-related arrests in 2010 were for marijuana possession. Although arrests for possession of small amounts of marijuana in the United States rarely result in incarceration,\(^29\) some of those arrested spend some time in local jails before trial.\(^30\) Most people who are incarcerated were involved in drug distribution or dealing, and it is estimated that the total number of individuals incarcerated for drug crimes rose from approximately 40,000 in 1980 to more than 500,000 in 2010.\(^31\)

![Number of people in prisons and jails for drug offenses, 1980 and 2010](image)

While this increase and the absolute numbers are surprising, racial and ethnic disparities in incarceration rates warrant particular attention. Although they have similar rates of drug use, in 2005 in the United States, 45 percent of state prisoners serving sentences for drug-related offenses were African-American, 20 percent were Latino, and 28 percent white. In 2009, for every 100,000 whites aged 18-59, there were 64 sentenced for drug offenses in state jurisdictions, while comparable rates for Latinos and blacks were 150 and 523 per 100,000.\(^32\) This compares to an ethnic breakdown in the total U.S. population from the 2010 Census of 12.2 percent African-American non-Hispanic, 16 percent Hispanic, and 65 percent non-Hispanic whites.\(^33\)

Both drug producers and drug traffickers violate drug laws and are criminals. However, the resources of the justice system are scarce and the


costs of accessing justice high, creating a bias that means that a large majority of those arrested for drug crimes are small-time producers or traffickers. In South America, for example, women’s prisons are full of so-called mulas ("mules"), small-scale traffickers whose young children often accompany them in prison. Some studies report that approximately 70 percent of women in prison are there for nonviolent micro-trafficking. Most come from socially marginalized, vulnerable communities and are often migrants or come from indigenous populations. Many prisons are severely overcrowded, and prisoners are victims of sexual abuse, extortion, or violent threats. The very high costs that society has to pay over the medium and long term cannot be underestimated—costs related to the fraying of the social fabric, the weakening of prisoners’ families, the reproduction of criminal behavior across generations, crime learned inside the prisons, and the rising financial burden of prisons, among other factors.

Brazil, for example, experienced a major increase in the prison population for trafficking after a new law was enacted in 2006. Even though the law abolished incarceration for drug users (though such conduct was still considered a crime), it lacked a clear legal definition of what constitutes personal use. The new law provides for a higher minimum sentence for drug trafficking, along with legal provisions for mandatory pretrial detention. Between 2007 and 2012, the number of people incarcerated for trafficking increased by 123 percent, from 60,000 to 134,000. This occurred mostly as a result of the incarceration of first-time offenders with small quantities, as opposed to major organized crime figures.

Punitive sanctions for those who violate drug laws are generally justified as being retributive and deterrent: they are intended to punish those who have broken the law and cause fear among those who might do the same. It is important to determine, however, whether current legislation and sentencing guidelines tend to punish the less guilty.

Sentences for drug dealing are sometimes severe, even longer than sentences for serious acts of violence. Sentencing systems based mainly on the quantity of the drugs involved rather than on the specific behavior of the accused may result in the incarceration of many petty criminals. Mulas hired for a few hundred dollars to transport kilos of cocaine across the Mexican border can be sentenced to 10 years in prison. Absent any convincing proof that harsher sentences help control drug abuse or reduce collateral effects such as violence, reducing sentences for nonviolent crimes provide an alternative

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36 Luciana Boitex (Coord.), Relatório de Pesquisa “Tráfico de Drogas e Constituição” (Universidade Federal do Rio de Janeiro/Universidade de Brasília; Serie Pensando o Direito, 2009); Maria Gorete Marques de Jesus et al., Prisão Provisional e Lei de Drogas: um estudo sobre os flagrantes de tráfico de drogas na cidade de São Paulo (Open Society Foundations, 2011).
37 Testimony of Pedro Vieira Abramovay, Secretary of Legislative Affairs of the Ministry of Justice (2007-2009) and National Secretary of Justice (2010). He is also a professor of Legislative Process and Urban Crime and Violence at the Fundação Getúlio Vargas School of Law in Rio de Janeiro.
38 For more on sentencing for drug offenses throughout Latin America, see “Systems Overload: Drugs Law and Prisons in Latin America.”
that would benefit those who have spent years behind bars, their families, and the officials who are trying to run increasingly overcrowded prisons and cover increasingly onerous prison budgets. The problems of violence and disease that plague so many prisons in the hemisphere are an indicator of the advantages that might accrue from more lenient sentencing for minor drug offenses.39

The criminalization of broad sectors of the population may also have the pernicious effect of making crime and rule-breaking more “natural” for a growing proportion of society.40 If an activity is defined as illegal without the affected population clearly understanding the reasons for that decision, or if those reasons are rejected as being contradictory or paradoxical, people may come to see other rules as illegitimate too. Many people who lack other clear opportunities for social mobility may view the illegal drug economy as an accepted path for a job, income, higher social status, access to more consumption, and even a sense of belonging, of participating in an underground network.

Irrespective of one’s views on how drug addiction and drug related crime should be treated, the fact remains that drug addicts who commit criminal offenses end up in the courts, accused of crimes that victimize the public and compromise public safety. The cost to a country’s economy and governance is high: drug and alcohol abuse inflicts significant harm on the drug-dependent offender and results in costs to society in the form of lost productivity, dysfunctional families, increased medical care, and greater burdens on law enforcement and criminal justice.

**Courts use legal tools to adjudicate the facts underlying the alleged drug addiction-driven offense and make determinations on guilt or innocence based on legal principles.** When drug addiction is a primary cause of someone’s criminal behavior, measures that aim to hold the person accountable without addressing the underlying drug addiction or providing other holistic treatment interventions have been proved to be ineffective. The addicted offender typically serves his or her criminal sentence and returns to crime to support the same drug addiction, and the cycle continues, with all its attendant costs to society and to the individual.41

This cycle features: high rates of crime committed by both persons under the influence of drugs and others involved in micro-trafficking; heavy reliance upon incarcerating drug-dependent offenders with no available treatment

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39 Testimony of Pedro Vieira Abramovay.
40 Edgardo Buscaglia, an expert in security issues, notes that organized crime is currently responsible for 23 criminal activities. He argues that it is no longer relevant to talk about a criminal enterprise dedicated exclusively to drug trafficking, and that this should drive public policies capable of controlling the phenomenon in its entirety.
services; a resulting prison population with a high percentage of non-violent drug offenders who, without treatment, invariably commit new crime once released; and lack of meaningful follow-up with drug-dependent offenders who go through the current court system, except when they reappear in the police and court caseloads. In some cases, alternatives to incarceration can repair harms suffered by victims, provide benefits to the community, treat the drug-dependent or mentally ill person, and rehabilitate offenders. For example, more than two decades of research demonstrates solid evidence that drug treatment courts—a comprehensive model that incorporates the judicial system, social services, and treatment—help to reduce crime, decrease relapse into drug abuse, trim prison populations, and cut costs of incarceration. Pretrial services, defender-based advocacy programs, deferred sentencing programs, and mediation centers are among other options. Hawaii’s Opportunity Probation with Enforcement (HOPE) is one example of an enhanced, smart probation strategy. Some specialized programs offer alternatives to incarceration for specific populations, such as young offenders. Other approaches are targeted to communities, such as “drug market initiatives” that seek to eliminate overt drug dealing in certain areas.

To have a meaningful impact on behaviors that contribute to crime, recidivism, and substance abuse, the focus must be on strategies that address multiple factors and maximize the impact of limited resources. Some initiatives, such as complex probation systems, may not be practical options for countries whose resources are too scarce to set up and maintain these systems with adequate staff and finances. In these circumstances, the development of existing structures and the use of existing staff and volunteers for the supervision of non-custodial sentences may be more viable and effective options.

The Relationship between Drugs and Human Rights

Drug control efforts have on occasion been associated with human rights violations and individual liberties, such as lack of due process, forced treatment, administrative detention, harsh sentences, and capital punishment. Some of these violations are particular to countries or regions outside the hemisphere where democratic institutions are weaker. Nonetheless, in the Americas, problems such as prison overcrowding and obligatory treatment may put undue pressures on human rights. This can result in abuse both of criminals and of many innocent people who come under suspicion of the police and judicial authorities.

A number of human rights may be associated with drug policies: the right not to be arbitrarily deprived of life, the right not to be tortured or unjustly detained, and the right to the enjoyment of the highest attainable standard of physical and mental health (including access to treatment, services, and health

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The drug problem places a heavy burden on health care, particularly for vulnerable populations with problem drug use, including people who use injection drugs. Drug users often face discrimination, forced treatment, and exclusion as a result of strategies that focus disproportionately on crime and punishment while diminishing the importance of reducing harm and respecting human rights.

Another subject that generates considerable controversy in terms of human rights is the prohibition on traditional uses of certain plants, such as the case with coca. This is addressed in more detail in the chapters on Production and Supply of Drugs, Pharmaceuticals, and Chemical Precursors and on Legal and Regulatory Alternatives.

Another matter that can lead to human rights concerns are convictions for drug-related crimes that can lead to cancellation of benefits under some social programs, including housing programs (this happens, for example, in many parts of the United States), and denial of federal financial aid for students. This amounts to an additional punishment, on top of potential jail time and a criminal record for life, and adds to the cycle of poverty, marginalization, and criminalization for individuals and their families.

With regard to children, various human rights organizations point out that children’s rights have been violated through drug control measures, while drug use and its associated harms continue to increase. Many adolescents serve time in prison and many children grow up without their parents, in cases in which their parents are convicted for minor drug-related offenses. In some cases, they are subjected to invasive searches for drugs, or to random testing for drug use conducted in schools, in violation of children’s right to privacy. In addition, minors who use injection drugs are denied access to harm reduction services, due to their age.

It is important to incorporate human rights into the planning, implementation, and evaluation of programs and policies, and to assess international cooperation programs to ensure that they take into account a human rights perspective.

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Damage to the Social Fabric

When people believe they have few rights in society as a whole, and particularly when they believe their welfare matters little to that society, there is a real danger that the ties that in other circumstances would draw people together may be weakened, creating deeply divided communities and driving a wide variety of social problems. The degree of social cohesion—the sense that everyone belongs to a community of shared rights, a community that fully recognizes the intrinsic value of everyone in it—is a true barometer of a society’s state of health. When a society breaks down because of a limited sense of cohesion, the probable consequence will be a multitude of problems, of which drug abuse and crime may be only the most visible signs. These problems can lead to a greater degree of disorder and social violence, as has happened in many cities around the world, with more turbulence potentially spreading more broadly through the society.\(^\text{50}\)

Social cohesion is eroded when criminal activity becomes more “normal” as the illegal drug economy spreads, and when violating the rule of law in the implementation of drug control policies also becomes more “normal.” In addition, illicit drug production and trafficking may produce what has been called negative forms of social integration—relationships of loyalty, reciprocity, and a strong sense of belonging and recognition, but based on crime and violence.

The drug trade also breaks down social cohesion by exacerbating the segmentation of urban spaces. Drug dealing and the most problematic drug use tend to be found in geographical clusters. This contributes to a pattern of area segregation that produces urban pockets of more intense violence, illicit activities, and problem drug use with greater harm to individuals, as well as the breakdown of families and communities. It is precisely in poor urban areas—where there is more marginalization, less education, more structural violence, emerging or consolidated networks of illegal activity, and less presence of law enforcement—that the illegal drug economy finds a breeding ground where it can take hold and generate a vicious cycle of vulnerability, violence, social breakdown, and drug dealing.\(^\text{51}\)

When drug use is criminalized or stigmatized, the population groups that are most vulnerable to problem use find themselves constrained from receiving timely information and from seeking out both public health services and prevention and treatment programs.\(^\text{52}\) Prohibition hides the reality of drug dependence from the community and from appropriate service providers, rather than making it more transparent and thus more able to be addressed in a timely way to prevent further personal, family, and community deterioration. Drug use can therefore be considered both a consequence and a cause of social exclusion. On the one hand, drug use can lead to a considerable deterioration in

living conditions; on the other, marginalization may be a determining factor in problem drug use.

While vulnerability to drug dependence may to some extent have its roots in individual traits, it can also be aggravated by social vulnerability, characterized by structural conditions that make it more likely that nondependent drug use will turn into dependent use or to drug use that is more harmful for the user and for others. Educational deficits, limited access to employment, and more violent communities can make individuals more susceptible to falling into more problematic patterns of illicit drug use. As part of the same process of exclusion, the problem drug user tends to be stereotyped as “socially handicapped, immature and deviant,” someone generally associated with crime, violence, and danger and who represents a threat to others. The problem drug user is thus excluded from daily life, from social and emotional situations, and from places for social integration, and in many cases the person may even be excluded from drug dependence treatment programs.

Considering the weak systems in place for treating drug dependence in the region, as seen in the chapter on Drugs and Public Health, the recovery cycle for drug-dependent persons is never complete. As of yet, few significant inroads have been made in the area of social integration, which has been absent from public policies on drugs in most of the hemisphere. Partly because of this, significant percentages of relapses and readmissions occur, greatly limiting the possibility of overcoming the problems of addiction and substantially reducing the efficacy of investments, however small, in treatment.

In some cases, conditions of exclusion can psychologically reinforce such problems as low self-esteem, lack of self-confidence, and a fatalistic view of the future, which in turn can weaken self-control when it comes to drug use. For example, in Uruguay the prevalence of cocaine base is 1.8 percent, but up to 8 percent in youth from vulnerable areas. In these circumstances, the stigma or criminalization associated with drug use-related activities aggravates the problem, because it does not prevent problem drug use but rather mires it in marginalization and lack of opportunities.

Another troubling practice is to associate the excluded person (particularly if he or she is young and lives in a low-income urban area) with the drug addict or drug dealer. This reinforces the stigma and makes it easier for an excluded person to be discriminated against and to lose his or her full rights vis-à-vis the justice system, law enforcement, local governments, and the media. The symbolic association has a negative effect on social cohesion. Exclusion is not only an indicator of an unjust and inequitable system that fails to provide opportunities for development; it also has the double effect of stigmatizing the excluded person as a potential problem user or drug dealer. For example, a

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53 Ángela Tello, “La adicción a las drogas y la exclusión social,” Corporación Viviendo.
54 Southern Cone Outreach Meeting.
A vicious circle in the area of exclusion hinders resilience and social reintegration. The stigma against a drug addict or someone with a criminal record of drug use or trafficking has a negative effect on the person’s options for finding and remaining in lawful employment and having access to different social services and government benefits. Society reacts negatively to these individuals and tends to discriminate against them and close the door to inclusion, despite their wish to rehabilitate themselves. For instance, in some U.S. states, people convicted of felony drug trafficking lose their voting rights and social benefits. They may be relegated to an underclass that cannot participate in the society in which they live.

**Damage to Democratic Governance**

Good governance and social cohesion are affected by three additional institutional factors: The first is the corruption produced by the effects of the drug economy. Since it is a business with large risks and related rewards, its agents seek to “buy” political power or at least protection from law enforcement and judicial authorities. To do so, they develop an increasingly complex scheme of threats, bribes, and political financing to the point of endangering the integrity of state institutions. Organized criminal enterprises typically have the monetary resources, the information networks, the weapons, and the inclination to be a law unto themselves. Countries in which democratic institutions are weak and lack transparency are particularly at risk, and the consequences may well be devastating in terms of the extent of public corruption, penetration of state institutions, influence peddling, and manipulation of the justice system.

This leads to a second area in which governance is harmed, namely transparency and accountability. The more the state is permeated with the influence of the drug trade (through corruption, influence peddling, and gaps in oversight), the more difficult transparency and accountability will become. This produces a vicious cycle of erosion of democratic governance: the more that

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57 Work and income generation are key to the social integration process, always provided they are decent alternatives that give identity to individuals and communities. The idea is to link individuals and communities to formal economic networks in a dignified and fair way. The concept of decent work refers to work that meets the objectives of guaranteeing workers’ rights, creating jobs, extending social protection, and promoting social dialogue (International Labour Organization). See also C.C. Storti et al., “Unemployment and drug treatment,” International Journal of Drug Policy (2011), Vol. 22(5):pp. 366-373.


public institutions and procedures are weakened, the more state institutions are susceptible to being permeated by the illegal drug economy.

A third area related to both governance and social cohesion is the violence associated with the illegal drug economy. High profits from illegal activities enable producers and traffickers to secure the resources needed to manage the risks of illegality. They can hire their own security forces and watchmen, set up defenses against police pursuit, and develop offensive tactics to secure markets, reduce competition, and ensure compliance with contracts. All this increases the likelihood that violence will accompany that illegal economic activity.

As the Chapter on Drugs and Security shows in more detail, the consequences of drug-related violence can be devastating. The cases of Colombia, Mexico, and Central American countries speak volumes in this regard. Crime networks—particularly those involved in drug trafficking—expand, take over territories, and engage in homicide and the settling of scores on a daily basis. They sow deep insecurity throughout society, construct parallel power structures that destroy the state’s monopoly on violence, and resort to the expedient of war between groups to take over drug transit routes and sales venues. The illegal nature and size of this economy (and to some extent, the use of drugs themselves as currency and a symbol of power) combine to have a lethal effect on social cohesion, citizen security, and governance. The drug trade and crime operate through networks more than through markets. These networks function by using violence and undermining the efforts of those who promote democratic systems.

There needs to be an approach to the drug problem that is consonant with policies to deal with the many forms of social exclusion—lack of a public voice, lack of access to services, lack of income to satisfy basic needs, lack of a formal job, lack of prospects for the future—and with policies on governance (transparency, security guarantees, presence of the state, an operating justice system). Structural problems need structural responses. This does not, of course, mean that policies on the drug problem should be less specific or become watered down within policies on social inclusion and governance. On the contrary, it means that there should be dialogue and interface among these policy areas in order to develop needed synergies. Above all, it means asking to what extent the policies pursued thus far under the paradigm of prohibition reduce harm and to what extent they precipitate it.

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60 F. Thoumi, “Los efectos económicos de la industria de drogas ilegales y las agendas de política en Bolivia, Colombia y Perú” Colombia Internacional, 29: 7-17 (January-March 1995).
61 Internal Displacement Monitoring Centre, ‘Briefing paper by the Norwegian Refugee Council’s Internal Displacement Monitoring Centre on forced displacement in Mexico due to drug cartel violence” (December 2010).
The illicit drug trade also has a major impact on the environment. Plant-based drugs are often grown in ecologically valuable forest areas, producing immediate and devastating consequences: deforestation, degradation of the soil, and pollution.

Many traditional economic activities—such as agriculture, mining, and cattle ranching—have a negative impact on natural ecosystems, in part because they tend to replace native forests with croplands. But this process is accelerated with illicit crops. Because they are usually grown in isolated areas far from urban centers, where there are often no roads and the state has difficulty maintaining a presence, these crops tend to expand the agricultural frontier. Moreover, the pace and methods used to produce illicit crops, which do not include measures to promote sustainability of the land, exacerbate the environmental impact.63

Beyond the effects that can be attributed directly to drug production, the process of drug control itself can complicate the situation. Some studies64 have maintained that aerial spraying of the herbicide glyphosate causes a negative impact on the environment and human health, which has been a particular cause for concern in regions of Colombia where this method is used to control illicit crops. However, an independent scientific review conducted in 200565 found that, overall, the risks to sensitive wildlife and human health “are small to negligible, especially when compared to the risks to wildlife and humans that result from the entire process of the production of cocaine (and heroin) in Colombia.”66

Manual eradication, which is more widely used in the region, can also have an effect on the environment. Traditionally, drug control has largely been a police and military undertaking, and it has contributed to the so-called “balloon effect,”67 displacing crops to even more remote areas, with social and environmental consequences.68

64 “Observaciones al “Estudio de los efectos del programa de Erradicación de Cultivos Ilícitos mediante la aspersión aérea con el herbicida Glifosato (PECIG) y de los cultivos ilícitos en la salud humana y en el medio ambiente,”’ Instituto de Estudios Ambientales (IDEA) and Universidad Nacional de Colombia, Bogotá (May 2005): http://www.idea.unal.edu.co/public/docs/Observ_IDEA_a_doc_CICAD.pdf
66 Ibid., Overview and Conclusions.
68 M. Jelsma, Vicious Circle – The Chemical and Biological “War on Drugs” (Transnational Institute, March 2001).
In response to the fear of eradication, illegal drug cultivators may seek to speed up production cycles to obtain the highest possible yield in the shortest period of time. They also tend to locate in places that have plenty of bodies of water that can be used in processing and waste disposal. Navigable rivers also make it easier to bring in chemical substances, including through contraband from neighboring countries, and to ship out large volumes of finished product. Drug producers opt for ecosystems with abundant plant biomass that make it difficult for authorities to locate crops, laboratories, and storage facilities for chemical substances and that meet the climate conditions needed by the plant varieties to be cultivated.

In some countries, such as Colombia, production takes place in areas where armed insurrectionist groups are present. These groups make it difficult for the authorities to take action and purportedly provide security services for the crops and processing facilities. When assessing the chosen areas, drug traffickers select sensitive and environmentally significant ecosystems, since they are not concerned about whether the deforestation and cultivation systems they use preserve the soil’s fertility.

In many cases, their crops and activities end up moving ever deeper into the forests, including into national parks and protected natural areas. In the United States, for example, national forests in California, Texas, and Arkansas have been used by drug cartels to grow marijuana. Other examples are found in national parks in the Tropic of Cochabamba, Bolivia—in Isiboro Sécure, where a clandestine cocaine factory was found, and in Carrasco, which has the largest share of coca crops established in areas designated for protection. These are areas in which cultivation of coca is not permitted, and eradication is compulsory. Illicit crops have also been found in Guatemala’s El Mirador-Río Azul National Park and in the San Luis and Caazapá National Parks in Paraguay. In Peru, the presence of illicit crops, chiefly coca leaf and poppy, poses a serious ecological threat in a number of biodiversity-rich areas: Manu National Park, Bahuaja Sonene National Park, Cordillera Azul National Park, Otishi National Park, Tingo Maria National Park, Tabaconas National Park, and others.

69 For example, to produce one gram of cocaine requires 84 grams of cement, 0.12 liters of gasoline, and 35.2 grams of other precursor chemicals, which are then often discarded into rivers or poured onto the ground.
70 N. Ortiz, Cultivos de uso ilícito, orden público y conflicto armado, in Chaves and Santamaría (eds), Informe Nacional sobre el Avance en el Conocimiento y la Información de la Biodiversidad 1998 – 2004, Tomo I (Bogotá: Instituto Alexander von Humboldt, 2006).
75 UNEP Bolivia Monitorio de Cultivo de Coca 2011
77 National Anti-Drug Secretariat (SENAD) Communications Office (November 2012).
Sanctuary, and Yanachaga-Chemillén National Park. These areas continue to be affected by the drug trade; in some cases there are even maceration pits for coca leaf processing.  

Deforestation is not confined to areas where illicit crops are grown; illegal producers also clear other areas to grow products for their own consumption and survival, to have a place to sleep, and to develop transportation routes, including airstrips. It is not only the illicit crops that harm the environment, but also related trafficking and marketing activities. An example of the environmental impact of the drug trade can be seen in the vast Mayan Biosphere Reserve in Guatemala, where conservationist groups are fighting to preserve a unique forest that is under threat from Mexican drug cartels and Salvadoran drug gangs, among others. Northern Guatemala is in an ideal location for planes transporting drugs from South America to refuel and transfer the drugs into trucks that can easily be driven into Mexico. Traffickers built dozens of landing strips, including one nicknamed the “international airport,” which had three runways and more than a dozen abandoned aircraft. The result was the loss of 40,000 hectares of forest. Guatemalans have coined a new word for what is going on in the region: narcoganadería, or narco-cattle ranching. The cartels launder drug money by investing in cattle ranching and reap the profits from selling cattle in Mexican markets.

Although it is very difficult to find reliable information on the magnitude of deforestation caused by illicit crops, some studies suggest that in Peru, 2.5 million hectares of Amazonian forest have been destroyed in order to grow coca. In Colombia, it is estimated that more than one million hectares of native forest have been eliminated as a result of illicit crops, and that for each hectare of coca, four hectares of forest are cut down, almost always by the slash-and-burn method. This deforestation, in turn, causes soil erosion. In the United States—particularly in Humboldt and Mendocino counties in California, an area known worldwide for its giant redwoods—several media outlets, academic studies, and state agencies have recently reported a troubling expansion of illegal logging, illegal stream diversion, and the use of pesticides and fertilizers that are contaminating waterways and killing wild animals because of ever-expanding marijuana crops.

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82 Humboldt Institute for Interdisciplinary Marijuana Research.
83 A “Growing” Issue: Environmental Impacts of Medical Marijuana in Northern California, California Department of Fish and Game – Northern Region, Draft Briefing, July 2012.
Another case that has produced a number of scientific studies and international campaigns is that of Colombia, the second country in the world in terms of biodiversity, outranked only by Brazil, and the first when measured by area. Among the parts of the country most affected by advancing illicit crops are the Andean region, the tropical rainforest biome of the Magdalena River Valley, the forests in the piedmont of the Pacific Coast (in the department of Nariño), and the Amazon region (departments of Nariño and Putumayo)—all recognized as areas of great biological diversity. As Colombia has the world’s highest number of native bird and butterfly species, a number of studies have been conducted to assess the adverse impact of advancing illicit crops on these taxonomic groups. The locations given the highest priority for protection of birds affected by illicit crops have been found in the southern Colombian Andes, the northern part of the Western Cordillera, the low-lying areas adjacent to the Darién, the Sierra Nevada of Santa Marta, the Serranía del Perijá, and the Serranía de San Lucas (Central Cordillera). The largest forest areas threatened by illicit crops are in the Amazon region and in the Amazon foothills of the Eastern Cordillera. Some of these diverse ecosystems are perhaps unique on the planet, since they combine elements of several natural regions.

Environmental impacts extend beyond borders: the slash-and-burn method of clearing forests contributes to changes in atmospheric gases. The burning of tropical forests gives off large amounts of methane, carbon dioxide, carbon monoxide, and nitrogen oxides, the so-called greenhouse effect gases. Conserving tropical plant species is important to ensuring the health and productivity of future food resources. The world depends essentially on 20 species of plants as primary sources of food, and many of them come from genotypes of tropical origin. The expanse and biological diversity of the tropical forests are also essential to the development of new pharmaceutical products. One out of every six pharmaceutical products available by medical prescription has raw materials of tropical origin. The chemicals and components used in the production of illicit drugs are non-biodegradable and toxic, and also travel quickly. Once released into the environment, they can

86 Nariño is the department in Colombia most affected by illicit crops. Over a period of 10 years (2001-2011), 380,000 hectares have been fumigated and more than 2.2 million gallons of Glyphosate sprayed; in the same period, the number of hectares of coca went from 15,000 to 17,000 (UNODC, June 2012).
87 Colombia Coca Cultivation Survey 2011. UNODC (July 2012).

36 The Drug Problem in the Americas: Studies
travel long distances by means of a process of successive evaporation and condensation cycles known as the “grasshopper effect.”

Similarly, the production of methamphetamines has environmental effects in major producing countries including the United States, Mexico, and, increasingly, Central America. According to the U.S. Drug Enforcement Administration (DEA), some 12 dangerous chemicals are used in making methamphetamines; these include sulfuric acid, ether, toluene, acetone, and anhydrous ammonia. The production of one kilo of methamphetamine may produce five or six kilos of toxic waste, which is sometimes dumped directly into wells, contaminating the domestic water supply and farm irrigation systems. The case of heroin is similar: it requires the use of toxic substances such as ammonia, acetone, and hydrochloric acid, which also cause environmental damage.

As was seen earlier in the context of eradication efforts, the state of illegality also plays a role when it comes to environmental contamination in drug processing, whether on a small or industrial scale. In a legal industry, a factory could recycle its waste materials, using them until their most active properties are eliminated then disposing of them in a way that would cause minimum environmental damage. But an illegal cocaine factory, which is normally set up temporarily to evade police action, pours waste into rivers or streams and abandons the plastic containers used in the process.

As if the pollution caused by drug producers and traffickers were not enough, when the authorities find these “factories,” they frequently destroy them using the easiest means available, given prevailing security conditions. This usually means that they dump barrels of liquid components and plastic containers onto the ground or into streams, or burn them. The extent of damage from this practice has never been quantified, but the geographical expansion of illegal production suggests that it could be a concern.

Environmental and development consequences of illicit drugs production should not be viewed in isolation. The environment has an impact on economic development, and economic development has affected and continues to affect the environment. The environment is under serious threat for many reasons, including illicit drugs. Economic policy focused on human development could help reduce the impact that drug production is having on the environment.

89 Ministry of the Environment, Peru.
PART 4
COSTS ASSOCIATED WITH DRUGS

Drug costs can be measured in different ways: for example, by examining broad societal costs of the drug problem (mortality, morbidity, and lost productivity) or calculating direct financial costs of different aspects of drug control. Unfortunately, very few countries in the hemisphere have conducted studies of overall costs to society of the drug problem. Discussion continues over what methodologies to use in calculating budgetary costs and savings, and to what extent these costs and savings are transferable.

Broader Social Costs of Drugs

Drug use exerts economic impacts on society through a variety of channels, including labor productivity, crime (beyond that related to drug use), and health care costs. The economic costs of drug use are borne privately by users and by societies more generally. Because individuals often do not account for the costs that their behavior imposes on others, the presence of such costs creates a rationale for public involvement. Thus, much of the public debate has focused on the social costs of drug consumption, such as criminal activity, reckless driving, the spread of diseases such as HIV/AIDS, and other forms of potentially aggressive or socially irresponsible behavior by drug users.

Health care costs and reductions in labor productivity resulting from drug use may also be partially borne by society. The costs may be particularly high in developing countries, where there are fewer resources to devote to policing, health care, and drug treatment, and where the opportunity costs of using these resources to treat drug abuse rather than investing them elsewhere—such as in education or infrastructure—may be particularly high.

Aggregate quantitative estimates of the economic costs of drug use, including indirect public costs associated to crime, health and lost productivity, are difficult to calculate given the lack of good data. The first challenge to constructing estimates of aggregate economic costs is that there are large differences in how the requisite data are collected across countries and time. Data inconsistencies alone have led researchers tasked with estimating these economic costs to conclude that the exercise is infeasible.

However, several countries in Latin America, Europe, and North America have carried out studies to estimate the social and economic costs of the drug

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problem. These studies show constantly that the social impact of the drug problem goes well beyond what could be calculated through national accounting exercises. Research on the costs of the drug problem consistently shows that the largest proportion of costs in almost any country is due to productivity losses. In most cases lost productivity is a result of death and disability due to the drug problem, although the United States stands out because a large proportion of its productivity losses are a result of imprisonment for drug crimes. The United States has estimated that in 2007, the economic cost of illicit drug use was more than $193 billion, including the direct and indirect public costs related to crime ($61.4 billion), health ($11.4 billion), and lost productivity ($120.3 billion).

Lost productivity resulting from morbidity and mortality attributable to drug abuse has the largest economic impact in the majority of countries. This is true independently of whether drug use prevalence is high or low in the country, and regardless of whether national policies are oriented toward supply control or demand reduction.

In countries where costs due to licit and illicit drug use can be differentiated, it is possible to determine that greater costs are imposed on society by legal drugs. A 2010 study from Peru estimated that 55 percent of drug costs were attributable to alcohol use alone. A similar study from Argentina in 2008 estimated that alcohol and tobacco use combined accounted for 67 percent of total drug costs.

With respect to economic development, research has demonstrated that increases in national drug use appear hand in hand with economic development. Development indicators for South American countries correspond very closely to drug use prevalence—the more developed the country, the greater the drug prevalence. This is not to say that development causes drug use, but rather raises the possibility that development increases opportunities for individuals to access and use drugs.

Costs of Drug Control Programs

Drug control policies aim to improve public health, public safety, productivity, and other outcomes that are negatively impacted by drug abuse. Like all policies, drug control policies have costs as well as benefits. Similar to the health, crime, and productivity costs of drug use, they tend to be difficult to precisely quantify and aggregate but are nevertheless important to consider.

The direct monetary costs of drug control policies are substantial, both in absolute terms and as a percentage of gross domestic product (GDP). The U.S. federal government, for example, spent approximately US$26 billion in 2012 on its national drug control strategy, 59 percent of which supported supply

96 FY 2013 Budget and Performance Summary: Companion to the National Drug Control Strategy (White House, 2012).
reduction activities. This amount hides the true public budgetary expense, especially when considering that state and local expenditures, which have not been accurately tabulated, probably equal a similar sum.

While the budgetary cost of drug control for consumer countries appears to be quite high, drug control policies can impose even higher budgetary costs relative to GDP for some developing countries. The Mexican government spends more than three times the amount the United States spends relative to GDP to combat drug trafficking, about $9 billion.\(^{97}\) Colombia provides another example of significant spending on drug enforcement, with most of their outlay drawn from the national treasury.\(^{98}\) Colombian drug-related resources are concentrated on supply reduction strategies, particularly in agencies within the defense and security sector, in legal and institutional strengthening, and in justice sector agencies.

To fully assess the economic costs of such monetary outlays, it is necessary to consider the alternative expenditures that would have been made if the resources were not spent on drug enforcement. These include a range of potential public investments, in health, education, infrastructure, and poverty alleviation. Such investments plausibly have particularly high returns in lower income countries, suggesting that the opportunity costs of drug enforcement per dollar spent may be particularly high in countries where the needs for poverty alleviation programs and public investments are acute.\(^{99}\)

In addition to the opportunity costs of allocating scarce resources to drug enforcement instead of alternative uses, drug enforcement policies can also impose other costs. Human resources are lost due to violence and incarceration.\(^{100}\) Moreover, the illegal nature of drugs undermines the usual vehicles for product quality control. The quality of illicit drugs is often poor and uncertain, and poisoning and overdoses caused by adulterants and unknown potency can result.\(^{101}\) Costs of drug enforcement policies do not stop at national borders. For example, effective enforcement in one region may lead transit to be diverted elsewhere. Drug use may in turn grow along the new transit routes because the marginal cost of distribution is low.\(^{102}\) This is just one of many examples of how drug policies that may be beneficial in one region can impose costs in another.

Finally, the fact that drugs are illegal may impose costs through weakening the quality of judicial and policing institutions, although ex ante it is not clear which way the effects will go. On the one hand, the significant resources that drug traffickers control may overwhelm already weak judicial and public

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99 Innocent Bystanders: Developing Countries and the War on Drugs.
100 “The War on Drugs: Undermining international development and security, increasing conflict,” briefing paper by the Count the Costs project (2011).
102 Caribbean Outreach Meeting for the Study of the Drug Problem in the Americas.
security institutions, making it very difficult for states to combat corruption in the courts and law enforcement. On the other hand, drug enforcement could spur important judicial and policing reforms and lead more resources to be devoted towards these institutions, potentially strengthening them and increasing the central state’s presence in areas that have traditionally been outside its control. To the extent that spending on drug enforcement improves these institutions in the long run, drug policies could have benefits that extend beyond reducing illicit drug production, trafficking, or consumption. In deciding the type and intensity of resources to devote to drug enforcement, a careful consideration of these costs as well as the benefits is imperative.
PART 5
APPROACHES TO CONSIDER BASED ON CHALLENGES INVOLVING DEVELOPMENT AND DRUG POLICY

Managing the drug problem effectively requires a comprehensive approach that first seeks to understand why some people break the law by consuming, producing, or trafficking in banned drugs. Only by understanding the root causes will it be possible to prevent the substitution of one drug for another when the first is eliminated or the replacement of illegal criminal activities whenever the riskiness of a single activity increases. The factors that induce an individual to become dependent on drugs or to seek illegal profits constitute a serious social problem. A comprehensive approach centered on the individual is one that recognizes the need to address those factors. Social integration and alternative development strategies may provide useful lessons for responding to the policy challenges.

A Social Integration Approach

Everything laid out in this chapter provides just a small example of the enormous complexity of the connections that people and communities in the region have to drugs. Complex problems demand complex solutions. Drug policy responses cannot be separated from factors related to a society’s human development. In places where conflicts and tensions arise, where the various aspects of the drug phenomenon come up against the dynamics of development, it is essential to apply a broad, comprehensive perspective—one that takes into account the many factors involved and seeks solutions that will value quality of life and social integration for everyone.

Social integration begins with an analysis of the weak points in each society to determine specific ways to build up defenses against drugs and crime. This means understanding the causes of undesirable behaviors and crafting social integration policies that draw these individuals into participating as citizens, with social and political rights and duties.

In order to discourage illegal cultivation, small-scale farmers must have viable opportunities in the legal economy. Young people in search of a sense of belonging and identity must find hope that they can become contributing members of society. In order for the drug trade not to become a life choice, all

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104 F. Thoumi, “Necessary sufficient and contributory factors generating illegal economic activity, and specifically drug-related activity, in Colombia.”
citizens should be able to identify with a culture that values human rights, dignity, and equal opportunities—a culture that respects and actively promotes the rule of law.

Viewing the drug problem from the standpoint of social integration is not intended to exclude other perspectives. Rather, it underscores the importance of a comprehensive approach to address the broad adverse consequences that drugs bring to individuals and communities.

The Hemispheric Drug Strategy itself, adopted by CICAD member states in 2010, points in this direction. It stresses the need to address a complex social problem using a balanced approach that is geared toward the well-being of the individual and that includes strategies for institutional strengthening, supply reduction, demand reduction, and international cooperation. Among its principal steps forward, the strategy introduces three basic elements on which drug policies in the region should turn. First, it acknowledges that a drug-dependent person suffers from a chronic, relapsing disease caused by many social and other factors, thus introducing an approach based on public health principles. Second, it establishes respect for human rights as the basis for any drug policy or action. Third, it stresses the need to develop policies that are based on scientific evidence. In its opening paragraphs, the strategy also includes a clear social perspective: “In addressing the world drug problem, its impact on poverty and exclusion must be given special emphasis while encouraging the implementation of policies and actions that foster social inclusion and a reduction in those vulnerabilities.”

A real debate on drug policy needs to address the underlying factors of discrimination, inequality, and exclusion that contribute to the drug problem, in order to produce lasting change. The focus must be on individuals and communities, with an approach that expands opportunities for individuals and leads to sustainable, long-term growth.105

The Lessons of Alternative Development

Alternative development is a key component of any discussion on drugs and development and has been a cornerstone of the international response to the illicit drug trade for decades.106 The basic idea is to encourage producers of drug crops to shift to remunerative alternative crops such as cacao or coffee. When properly implemented, alternative development can help farmers involved in illicit crops make the transition to livelihoods not related to drugs.

The concept and practices of alternative development have provoked sometimes harsh criticisms, some of which have focused on the lack of a sufficiently clear, consistent strategy and the difficulty of obtaining sufficient funding to meet the magnitude of the task.

105 M. ul Haq, Reflexiones sobre Desarrollo Humano, Chapters 2 and 3 (Oxford: Oxford University Press, 1995).
106 One of the first programs, if not the first, began in Thailand in the early 1970s. (Agricultural Research Service, 1993).
44 The Drug Problem in the Americas: Studies
AD projects often fail to take sufficient account of the social, political, economic and cultural milieu and conditions in the country in question. Integrated solutions are needed to address the structural problems underlying the drug menace. Drug crop cultivation both in Latin America and in Asia usually takes place in regions that suffer from widespread poverty, poor accessibility and infrastructure, fragile ecological conditions, limited state presence and often violent conflict. In Latin America, the poorest strata of society are involved in drug crop cultivation, and counter-strategies therefore need to focus on reducing poverty and increasing access to markets.\footnote{GTZ, “Lessons Learned from Alternative Development in Latin America,” Briefing paper (Deutsche Gesellschaft für Technische Zusammenarbeit, 2006).}

In addition, the association of alternative development with specific law enforcement activities, including crop eradication and aerial spraying, has had an impact on attitudes among the communities directly involved. Without the participation of the affected communities, there is no possibility of developing effective alternative crop programs.\footnote{D. Mansfield, “Development in a Drugs Environment: A Strategic Approach to ‘Alternative Development,’” A discussion paper (GTZ, 2006).}

Whenever alternative development has produced results, these have been local. While some communities have successfully stopped growing illegal crops, this has generally not been enough to influence national cultivation and production\footnote{World Drug Report 2012.} of drugs, as was the case with Milagro San Martín en Perú.\footnote{UNODC, Alternative Development Model for the San Martin Region.} To date, production of illegal crops has largely been displaced elsewhere.

These experiences and criticisms have led agencies promoting alternative development to carry out projects that are ever more complex, in an effort to make them viable and sustainable over the long term. These projects first incorporated investments in health, education, and infrastructure, as well as programs for the economic and social development of women. More recent projects go further and refer more broadly to “alternative livelihoods” as opposed to “alternative development. This approach recognizes that solving the problem of illicit crops goes to the governance and social structures of crop-growing areas.

While the results of alternative development are not immediate, they can be made more sustainable. If the producer himself eradicates the crop, and if his new activities are linked with a sustainable and profitable economy, the farmer will not move away to another place and resume cultivating illicit crops.

Along these same lines, innovative alternative development mechanisms have been developed around the world in recent years, such as conditional cash transfers,\footnote{These conditional cash transfers are used by governments as social policy tools for the poor in rural areas of Colombia and Mexico; but in general, have been used in a total of 14 countries in the region, namely: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Nicaragua, Dominican Republic, Paraguay, and Peru.} formerly used only in social policy. In Colombia, through the Family Forest Ranger Program (Programa de Familias de Guardabosques),

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110 UNODC, Alternative Development Model for the San Martin Region.
111 These conditional cash transfers are used by governments as social policy tools for the poor in rural areas of Colombia and Mexico; but in general, have been used in a total of 14 countries in the region, namely: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Nicaragua, Dominican Republic, Paraguay, and Peru.
payments were made to more than 122,000 families, on the condition that they maintain 222,000 hectares of forest that had been damaged by illicit crops. The conditional cash incentives in the program have been evaluated by Colombia’s National Planning Department and by UNODC, with satisfactory results.

Another relevant example is Bolivia, where the rationing or eradication of coca crops has become a state policy, based on dialogue, consensus building, and social controls. Coca producers are involved in a collaboration effort that includes Bolivian authorities and their counterparts from neighboring countries, particularly Brazil, as well as international organizations and foreign funding agencies. The policy has helped reduce coca cultivation over the last several years and has also improved the effectiveness of monitoring efforts. The Plurinational State of Bolivia applies two different concepts in its control policy for coca crops: crop rationing, in which producers voluntarily participate in or agree to a strategy to reduce the cultivated area; and eradication, which is carried out in national parks and areas where coca crops are not permitted. Both practices are done exclusively by hand and involve extensive manual labor, and no chemical spraying is done.\textsuperscript{112}

Expanding the Concept of Alternative Development

The traditional concept of alternative development\textsuperscript{113} refers explicitly to rural areas; however, a broader concept of alternative development would bring together drug-related actors at every stage (production, use, trafficking). It would also include also all types of production, not simply agricultural production—bearing in mind, for example, the production of synthetic drugs such as methamphetamines.

Poverty and problem drug use are closely associated.\textsuperscript{114} Poverty can be a cause of drug abuse—when drugs are used to reduce the suffering and consequences of poverty (see, for example, the use of paco in Argentine slums)\textsuperscript{115}—or a consequence of it. Drug use may also need an alternative development approach. When policymakers consider “integrated solutions”\textsuperscript{116} to the drug problem, they should think in the broadest possible terms.

Under these conditions, public and private investment, with the support of the international community, could become a win-win proposition for the states

\textsuperscript{112} UNODC, Bolivia Monitoreo de Cultivo de Coca 2011.
\textsuperscript{113} An officially recognized definition of alternative development, endorsed by the UN General Assembly at its twentieth special session, devoted to countering the world drug problem together, held from 8 to 10 June 1998: “...c through specifically designed rural development measures in the context of sustained national economic growth and sustainable development efforts in countries taking action against drugs, recognizing the particular socio-cultural characteristics of the target communities and groups, within the framework of a comprehensive and permanent solution to the problem of illicit drugs”\textsuperscript{115}
\textsuperscript{115} Epele (2008).
\textsuperscript{116} GTZ, “Lessons Learned from Alternative Development in Latin America.”
and the communities most affected. It would promote focused development with a comprehensive, sustainable approach that offers at-risk populations, especially youth, opportunities for remaining in their own communities and generating a decent income. This would help reduce the massive unemployment rate among young people who today are ripe for recruitment by drug traffickers and organized crime, or for illegal migration.

Many regions with extensive drug trade activity have a high potential for developing significant value chains of traditional and non-traditional products which could be brought into profitable markets, with special treatment given to the products and services produced by this type of initiative. These value chains have links in both rural and urban areas, and could be developed through investment by governments, the local private sector, and international donors to involve the at-risk population and facilitate the transition to a licit economy.

Advances in the understanding of alternative development and its problems find their expression in the recent Lima Declaration and the International Guiding Principles on Alternative Development, approved by the High Level International Conference on Alternative Development, held in the Peruvian capital in November 2012. This declaration reaffirms the need to undertake drug policies and programs that are development-oriented and that are in line with, among other things, the United Nations Millennium Development Goals. The principles that were adopted recognize that policies on this issue are an important component of enhancing development in states affected by or at risk of being affected by illicit crop cultivation for drug production and manufacture. They also stress the important role these policies play in national, regional, and international development, as well as in integral policies for poverty reduction and cooperation.

Alternative development as a strategy for social integration should build human and social capital by implementing production projects that incorporate criteria for economic, environmental, political, and social sustainability. In short, alternative development in the area of drug production makes sense if it is part of a broader development plan. It is in the framework of such a plan that initiatives on the ground, in actual communities, families, and small organizations, will find the resources and partnerships they need to place their products in a market from which they can receive fair compensation.