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THE DRUG PROBLEM IN THE AMERICAS

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Secretary General
José Miguel Insulza

Secretary for Multidimensional Security
Adam Blackwell

Executive Secretary of CICAD
Paul Simons

Editors
Alvaro Briones
Francisco Cumsille
Adriana Henao
Bryce Pardo

Graphic Design
Alejandro Ahumada

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THE DRUG PROBLEM IN THE AMERICAS

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INTRODUCTION

The past two years have seen a much more active and intense hemispheric discussion of drug policies. There appears to be greater openness now to a dialogue on current policies and, in some sectors, a willingness to explore nontraditional approaches to the subject.

The intensity of the violence associated with drug trafficking - especially in countries affected by the production, transit, and trafficking of illegal drugs - has been the principal factor in driving the concern of senior level officials in becoming more actively engaged in this debate. Other factors include shifts in drug consumption patterns in the Hemisphere, increased prevalence of drug use, violence affecting the most vulnerable segments of society, and growing demand for health care services to treat addictions.

Reflecting their concerns over the impact of drug-related violence and the continuous flow of drugs in the region, hemispheric leaders, former Heads of State, academics, and representatives of civil society have supported the adoption of policies geared to downplaying the role of the criminal justice system in drug control. Reports by high-level groups, such as the Global Commission on Drug Policy, emphasize the need to reduce the harms done to the health, security, and well-being of individuals and society, and favor an approach in which drug use is treated as a public health issue and consumption reduced through evidence-based prevention campaigns. Among other recommendations, they also encourage experimenting with legal regulation models for certain drugs.

At the same time, other voices suggest it is premature to assume that current approaches to the subject have failed. While acknowledging shortcomings in the implementation of current approaches, they maintain that, at the domestic level, countries are only now beginning to execute policies that are consistent with the "Hemispheric Drug Strategy" and its "Plan of Action 2011-2015," adopted in 2011 by the member states of the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States. This Strategy calls for an integrated and balanced approach to the formulation of drug policies: one that emphasizes supply and demand reduction, paying particular heed to control measures and international cooperation in line with United Nations Conventions on the subject.

There are points of consensus between the two approaches: both recognize that dependence on drugs is a chronic (or recurrent) illness that requires a public health response (treatment) and both agree on the need to promote evidence-based drug control policies and to incorporate gender issues and civil society participation in policy formulation. Both approaches focus on the human dimension of the problem by refraining from characterizing drug users merely as objects of the criminal justice system, and by promoting alternatives to imprisonment for drug-dependent individuals who have committed crimes.

As the discussion progresses, it is becoming clearer that, despite international interest in the subject and all the resources allocated to its analysis, little is actually known about what works or how to deploy best practices that are not just well known but are also available for implementation and replication.

There are numerous good examples of this: initiatives that enrich dialogue and can inspire each country to understand how it can successfully manage the various challenges posed by drugs within its particular context and economic, political, and social circumstances. Examples worth citing include: the recovery of a State presence in rural areas and drug corridors in Colombia; community-oriented policing models in Nicaragua and Brazil; The Peruvian Alternative Development Model in San Martin; the decriminalization of possession for personal use in many countries (which, while reducing the burden on consumers and the judicial system, has not resulted in increased use); innovations in criminal jurisdiction and overdose prevention in the United States; needle exchange and other harm reduction programs aimed at preventing unsafe needle use and HIV transmission in Canada; social oversight to contain coca growing in Bolivia; the development by the United Nations Office on Drugs and Crime of International Standards on Drug Use Prevention; and the forging of strong health promotion institutions in Chile and Costa Rica.

In addition, we have gained much better insight into many of the factors surrounding initial and ongoing drug use, along with increased scientific knowledge of the risk factors that help to explain why a minority of users develop problematic habits. We also now have a better understanding of the social setting and norms that contrubute to addiction and may harm both individuals and society as a whole.

We also now know that usage patterns are evolving. For instance, cocaine use is increasing in Southern Cone countries and declining in the United States, whereas marijuana use is on the rise and the unlawful use of pharmaceutical drugs has become the principal concern. With respect to the United States, it is worth noting that, although marijuana use is still illegal in most states, changes in public opinion were reflected in the 2012 vote to legalize that substance in two states and most citizens agree that marijuana should be legalized and regulated. This is not reflected in the public opinion of most other countries in the Hemisphere.

Growing media attention regarding this phenomenon in many countries, including social media, reflects a world in which there is far greater awareness of the violence and suffering associated with the drug problem. We also enjoy a much better grasp of the human and social costs not only of drug use but also of the production and transit of controlled substances. The world is also conscious of the vast illicit economic structures forged by profits from the illegal drug trade: a business with profits that distort economies, enrich and empower organized crime, and foster public sector corruption. Part of that concern also relates to the economic and social costs associated with drug control laws and policies currently in place. Investments designed to expand police, judicial, and prison capacities in this regard may detract from investments in health, education, and other social goods.

The above concerns are reinforced by the finding that the impacts of the drug problem on individual countries are varied, such that reactions to that problem also vary, as do the effects of those reactions. Domestically, some countries are facing relatively high rates of illicit drug use and its related consequences in terms of public health and criminal behavior. Other countries are not among the leading users of controlled substances, but are exposed to higher levels of violence, triggered in part by actions by the security forces to counter illegal drug production, trafficking, and transit and the criminal violence associated with them. While some countries are financially and institutionally better equipped to address the harms

caused by drug use and the illegal market and to defray the costs of drug control, other countries find it more difficult to cope with these problems. That is why policies that might be useful for some countries (such as cutting funds for transit control) may be regarded by other countries as highly dangerous, thereby rendering international cooperation very difficult. Undoubtedly, therefore, future discussions of drug policy will yield not only agreements, but also major disagreements.

Nevertheless, major advances have been achieved. There is a much better understanding of drug dependence, which is now treated as a public health problem. Cocaine use has declined in what were once significant markets. Huge drug-trafficking organizations have been dismantled, and their leaders tried and convicted. Countries have set up financial intelligence task forces to fight money laundering. International cooperation mechanisms have improved. Over half the countries in the Hemisphere have put into place national drug control strategies. Primary and secondary school prevention programs are on the rise. Countries have enhanced their ability to conduct periodic national drug use prevalence surveys. Finally, the rule of law and judicial reforms have been strengthened in several countries.

The other side of the coin is that funding for drug control programs remains weak, especially with respect to prevention and treatment. Although drug seizures have increased, the overall flow of drugs remains stable and robust. Alternative development programs have achieved some local-level successes, which have not, however, been replicated nationwide.

Conscious of all these facts on the ground and the challenges they pose, the Heads of State and Government of the Americas decided to forge ahead in the quest for more effective ways to unravel and handle this complex problem. To that end, an explicit mandate was assigned to the Organization of American States.

> "We, the region's leaders, held an invaluable discussion on the global drug problem. We agreed on the need to analyze the results of the current policy in the Americas and to explore new approaches to strengthen this struggle and to become more effective. We have issued the OAS a mandate to that end."
>
> Closing Statement of the President of the Republic of Colombia, Juan Manuel Santos Calderón, Sixth Summit of the Americas, Cartagena de Indias, Colombia, April 15, 2012.

The purpose of this ***Report on the Drug Problem in the Americas*** is to reflect that agreement and fulfill that mandate. Our intention is to help the Heads of State and Government of the Americas establish a frame of reference to address this problem in their countries and to guide future multilateral policies and actions.

In order to fulfill that task as broadly and usefully as possible, we decided to adopt two different and yet complementary approaches. This involved, on the one hand, carrying out a technical study of drug use, production, transit, and trafficking and of the scope of the drug business in the Hemisphere, while at the same time examining the public policies adopted to address the problems of public health, illegality, and violence that they give rise to, as well as their social and

political impact on our societies. We refer to that part of the report as the ***Analytical Report***. As an important complement to this effort, we determined that it was important to develop scenarios for the ***Drug Problem in the Americas Report***, which, unlike the Analytical Report, would not examine the current state of affairs, but rather possible future drug trends. This report was developed based on opinions and perspectives of leading academics, political leaders, social leaders, and experts from all over the Americas, representing all schools of thought on the subject, who eagearly took part in this endeavor.

The ***Analytical Report*** presented in this volume synthesizes the studies – which are also published as annexes - carried out by high-level professionals during the second half of 2012. It is divided into 10 Chapters, starting with a definition of the problem and an explanation of how it will be examined. The analysis itself begins in Chapter 2 with a look at the reasons that led society to concern itself with the use of certain substances and to decide to control them, in other words the effects of drugs on human health. Recognizing that this necessary choice triggered the illicit economic activity designed to satisfy the demand for banned substances, we devote Chapters 3, 4, 5, and 6 to a detailed study of how, in our region, controlled substances are cultivated, produced, distributed and sold. In undertaking that study, we examined the volume of activity, its various manifestations, its environmental impact, and the State's response to it, including the consequences and limitations of that response.

Chapter 7 is dedicated to the examination of different drug consumption patterns in our countries, with a special focus on the reasons that lead people to use drugs, on possible and currently practiced forms of treatment and prevention, on the effects on social exclusion and the exercise of human rights, and on the ways in which our States have reacted, along with their consequences and shortcomings. Chapter 8 provides a detailed account of the different manifestations of criminal violence associated with the phases of the value chain in the illicit drug economy, including the violence found in the consumption phase. We focus, in particular, on possible reasons why that violence is more intense and virulent in some countries than in others, with inevitable comparisons between death rates from drug use and from other criminal activities. Chapter 9 examines legal and regulatory alternatives for addressing the problem; their origins and characteristics; current trends toward decriminalization, penalty reduction, and legalization; the likely costs and benefits of those various alternatives; and other, non-juridical, options.

Finally, in Chapter 10, we offer our own contribution to the dialogue commencing with the presentation of this ***Report***, setting forth the criteria that lead us to approach the Drug Problem in the Americas as a hemispheric issue that can be viewed as a single process which allows for different approaches to each of its phases and for each of the countries in which those phases take place. We conclude, too, that there is no absolute link between the drug problem and the insecurity experienced by many citizens in the Americas. While that relationship varies for each country or group of countries, it is clear that insecurity is more prevalent in societies in which the State is not in a position to deliver effective solutions. We also stress that a public health approach is needed to address drug use. Finally, we further conclude that the drug problem needs to be dealt with in a flexible, differentiated fashion, wherein countries adopt an approach tailored to the particular ways in which they are affected.

To do justice to the complexity of the Drug Problem, we needed to reach out to consult numerous differing points of view, and to allow ideas to flow freely in an open-minded setting. That was the justification for undertaking the second part of our report, entitled ***Scenarios for the Drug Problem in the Americas***. To

put together the Scenarios Report, we brought our partners in Reos Partners and Centro de Liderazgo y Gestión together with a large number of specialists and individuals deeply involved with the drug issue–intellectuals, government authorities, public health specialists, and social and community leaders–who were brought together in structured workshops to imagine how the Problem might evolve in the future. Since we also recognized that there is not just one future, but numerous possible futures that could be forged on the basis of the decisions we make today, we put forward four possible versions of what the "Drug Problem in the Americas" might look like in the future. **None of them represents what will in fact happen or what we would like the future to look like, but all of them could come about** if certain events occur and certain political decisions are taken. Familiarizing ourselves with these possibilities, analyzing their causes and effects, and drawing conclusions from them are tasks that we consider to be not just useful but essential for our individual and collective thinking about the Problem.

Three of the four scenarios –***"Together"***, ***"Pathways"*** and ***"Resilience"***- describe different future alternatives, depending on whether the focus is largely on institution building, experimentation with legal changes, or the community's capacity to respond to the problem. The fourth, ***"Disruption,"*** alerts us to what could happen if we are incapable in the short run of reaching a shared vision that allows us to join forces to address the problem, while respecting diversity in our approaches to it.

Each of these scenarios poses an enormous variety of collective and multilateral opportunities and challenges that should lie at the heart of subsequent debate. With drugs, as with any other complex social phenomenon, there is a wide range of motivations and convictions that shape the social fabric. Consequently, these scenarios provide a useful starting point for helping our leaders and, ultimately, our peoples establish collective and sustainable roadmaps within the diversity of approaches.

Both the ***Analytical Report*** and the ***Scenarios Report***, which together constitute this ***Report on the Drug Problem in the Americas*** are the fruit of a collective effort by a large number of specialists, social leaders, academics, politicians, business leaders and civil servants from all the member states of the Organization of American States, and of the invaluable support provided by the staff of the General Secretariat of our Organization. I wish to commend and thank all of them for the devotion and skills they have demonstrated in bringing this collective endeavor to fruition.

In this way, we have responded to the explicit mandate conferred upon us by the Sixth Summit of the Americas. In bestowing on us the privilege of compiling this Report, the Heads of State of the Americas entrusted us with an enormous responsibility while, at the same time, setting very precise limits on the scope of our response. For that reason, in this Report, we lay out facts that can support decision-making, but we do not propose solutions. It is up to our leaders to develop those solutions, knowing that, in the debates to come, they can rely on a firm basis for their deliberations. **This Report, does not, therefore, provide a conclusion, but rather the start of a long-awaited discussion**.

José Miguel Insulza
Secretary General of the
Organization of American States

ANALYTICAL REPORT

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STARTING POINT:

WHAT IS THE "DRUG PROBLEM" AND HOW SHALL WE ANALYZE IT?

01

1. STARTING POINT: WHAT IS THE "DRUG PROBLEM" AND HOW SHALL WE ANALYZE IT?

Few contemporary global concepts are as hermetic and unclear as "the Drug Problem." The term is not found in any of the quasi-obligatory official references to the subject from the International Opium Convention signed at The Hague in 1912 to the more recent United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.

Nevertheless, "the Problem" exists and is a cause of concern. It worries not just the Heads of State and Government who commissioned this Report, but ordinary citizens as well. It worries women who see the drug trafficking in their neighborhood as an imminent threat to their children and to the integrity of their home; judges who have to convict a seller or, in many countries, a user of drugs; volunteers in NGOs trying to help drug-dependent youths; and legislators trying to make sense of the conflicting desires of their constituents vis-à-vis the problem.

All of them experience the problem, albeit in different ways. And the same is true of countries, in which the problem manifests itself in different ways, depending on their particular circumstances. Degrees of economic development, institutional structures, and political priorities all vary from one country in our region to another, as do drug use patterns, health issues, and the impact of organized criminal activities associated with the problem. The reality is that our countries feel and live in very different ways the "Drug Problem" which can even take on different forms within a country, for example, in rural as opposed to urban areas.

This is not just because of the diversity among each country of the Hemisphere, but because the problem itself comprises different manifestations. These also have varying impacts on our countries, so much so as to render it difficult, if not impossible, to encompass in a single set of policy recommendations the variety and extent of the challenges posed by the problem in its numerous manifestations.

The baseline for this analysis is, therefore, that there is not just one drug-related problem but rather a host of problems which are, in turn, related both to the diverse characteristics of our countries and the position they occupy in relation to it.

Consequently, to embark on this Report, we need to organize the whole set of facets and components that we refer to, in generic terms, as the "Drug Problem," that our countries in the Hemisphere experience and perceive with varying degrees of intensity depending on the extent to which they are impacted. Only by identifying those components and the ways they intertwine will we be able to explain the problem as a whole and its effect on our countries and peoples, and answer the crucial questions it poses.

What are the component parts of the "Drug Problem"? The use of sub-

stances considered by international conventions to be illicit, and its consequences for the health of the human beings who consume them, are a major, but not the only, part of that problem. History is replete with examples illustrating that whenever goods and services for which there is a demand in a society are prohibited, there will be incentives to develop economic activities satisfying that demand. Being associated with a prohibition, that economic activity automatically qualifies as illegal and, equally automatically, its practice is a crime and, at almost all stages, is classified as organized crime. And because that illegal economy generates markets that are likewise illegal, those markets are not governed by regulations or socially imposed standards; nor are they open to regular competitive processes.

Consequently, the rules and regulations governing production and trade are those imposed by the criminals themselves and the only "competition" to ensure that the business prospers and expands is violence. That whole set of illegal activities designed to provide access to prohibited substances also forms part of the "Drug Problem."

So, for the purposes of this Report, we shall define the "Drug Problem" as all activities associated with the concoction, marketing, and use of substances banned under international conventions on drugs or narcotics.

In the course of our review of each of the parts in this process, we shall also examine how they are organized economically. The process as a whole constitutes an economic activity (a value chain), for which we need to identify the profits generated and who benefits from them, and to what extent, at each part of the chain. We shall also examine the criminal activities protecting each stage in the process, the damage they wreak, and the State's response to them. We will also describe the impacts that the various parts of the "Drug Problem" have on the environment. Finally, in respect of each of these parts of the problem, we will examine the State's capacity to respond, the forms it takes, and its limitations.

Specifically, we will analyze:

a) Cultivation, in the case of substances of vegetable origin or when products from crops serve as the raw material to produce an illicit substance.

b) The production not just of the drugs regarded as end-products but also of the goods needed to produce them, the production of which is also banned.

c) The distribution or transit of substances and of the inputs needed to produce them.

d) The violent acts perpetrated by organized crime which, although they accompany the entire process, are mainly manifested at the trafficking phase, making it the most violent stage in the process and the one that results in the largest number of victims.

e) The marketing (or sale) of the substances to their end-users, the phase generating the greatest profit.

f) Drug use. We examine, in particular, why drugs are used, how many people use them in our region, what drugs they use, and the harm they do.

DRUGS AND HEALTH

02

2. DRUGS AND HEALTH

As mentioned earlier, the consequences of drug use for human health are a major part of the "Drug Problem." It is those consequences that led society to control such use, a decision that, as we also pointed out, generated an illegal economy with far-reaching repercussions in terms of violence and crime. Society's efforts to prevent the damage done by drug use to human health are, consequently, at the very heart of the "Drug Problem" and thus it is logical that this report should begin by examining that harm.

Drugs impact and change multiple systems and organs, especially the brain, and have even more dire effects on young people. Research over the last few decades in the field of the neurosciences has yielded evidence that shows a close relationship between the structures of the brain and drug-using behaviors, in addition to predisposition to drug use; potential short- and long-term effects of substance use; and the important role of environmental factors.[1]

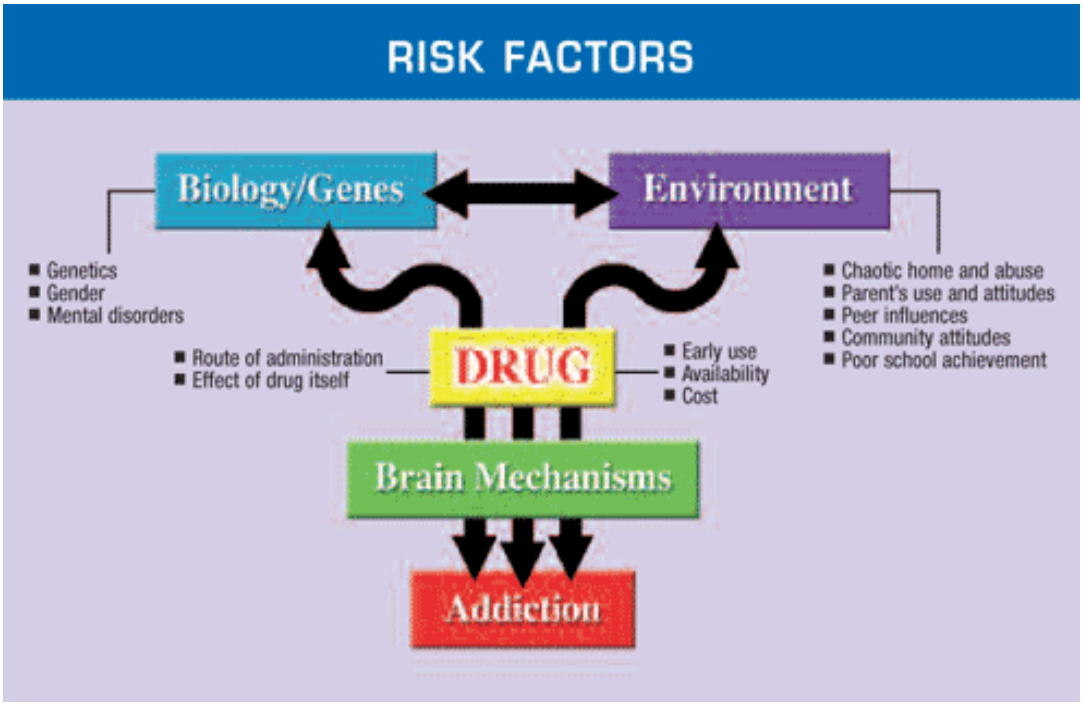
What leads someone to initiate drug use and the reasons a person may become drug-dependent involve powerful interactions between the brain and a series of biological, psychological, and social factors in that person's environment. Drug dependence manifests itself as a compulsive drive to take a drug despite serious adverse consequences. Such behavior was traditionally regarded as reflecting "bad choices" made voluntarily by the addicted individual. However, recent studies of the neurobiology of addiction have shown that repeated drug use leads to long-lasting changes in the central nervous system. [2]

Drugs, whether legal or illegal, can produce dependence. In this process, a key mechanism is that drugs increase the concentration of a neurotransmitter called dopamine, in a specific area of the brain, the *nucleus accumbens*—probably the brain's most important pleasure center. The brain also has areas and circuitry linked to the capacity to assess risks in a situation and inhibit potentially harmful behavior. Brain imaging studies show that individuals dependent on psychoactive drugs present a dysfunction in those areas of the brain that are critical in decision-making, learning, memory, and behavior control. [3]

1 N.D. Volkow and T.K. Li, "Drug addiction: the neurobiology of behaviour gone awry," Nature Reviews Neuroscience (2004), 12:963-70; R.Z. Goldstein and N.D. Volkow ND, "Dysfunction of the prefrontal cortex in addiction: neuroimaging findings and clinical implications," Nature Reviews Neuroscience (2011), 12(11):652-69; N.D. Volkow, J.S. Fowler, and G.J. Wang, "The addicted human brain: insights from imaging studies," Journal of Clinical Investigation (2003), 111(10):1444–51.

2 Volkow and Li (2004).

3 Volkow, Folwer, and Wang (2003); Goldstein and Volkow (2011).



Source: NIDA/NIH – Drugs, Brains, and Behavior: The Science of Addiction. NIDA/NIH

While no single factor determines whether a person will become drug-dependent, science has identified a variety of risk factors that contribute to drug addiction. One of the most important is age of first use: neuroscience has shown that children's and adolescents' brains are still in development, and drug use during this developmental period can have significant long-term consequences.

Certain structural areas of the human brain continue to mature up to the age of 25, particularly those areas related to complex mental functions and impulse control. Drugs alter the brain's neurochemical balance and the signals that drive the complex maturing process of those structures. Drug use during this stage can lead to long-term repercussions, as it can also alter the selection of the neurotransmitters that will enable the brain to function fully in the future[4]—hence the importance of preventing use, or at least delaying the age of first use. The longer substance use is delayed, the more it can be postponed until after the brain develops, the greater the preventive impact.

Cannabis sativa, or marijuana has an active compound, tetrahydrocannabinol (THC), that affects regulation of emotion, memory, attention, and perception.[5] Heavy marijuana use increases the likelihood of developing psychotic symptoms, depression, and suicidal behavior.[6] Some research indicates that the cognitive impairment associated with marijuana use may be reversible once a person stops using marijuana; however, other studies show that heavy marijuana use during adolescence may produce lasting changes.[7] The scientific evidence avail-

4 T. Paus, M. Keshavan, and J.N. Giedd, "Why do many psychiatric disorders emerge during adolescence?" Nature Reviews Neuroscience (2008), 9(12):947-57.

5 D. Piomelli, "The molecular logic of endocannabinoid signaling," *Nature Reviews Neuroscience* (2003), 4(11):873-84.

6 T.H. Moore, S. Zammit, A. Lingford-Hughes, T.R. Barnes, P.B. Jones, M. Burke, and G. Lewis, "Cannabis use and risk of psychotic or affective mental health outcomes: a systematic review," *Lancet* (2007), 370(9584):319-28.

7 It has been reported that cannabis use before the age of 26 increases the likelihood of presenting with psychotic symptoms by 1.20 to 7.04 times, or even more when the individual has a genetic susceptibility. See A. Caspi, T.E. Moffitt, M. Cannon, J. McClay, R. Murray, H. Harrington, and A. Taylor, "Moderation of the effect of adolescent-onset cannabis use on adult psychosis by a functional polymorphism in the catechol-O-methyltransferase gene: longitudinal evidence of a gene X environment interaction," *Biological Psychiatry* (2005), 57(10);

able indicates that it is a drug associated with a lower mortality rate than other substances, but that it is capable of doing potential damage and carries greater risks if used in adolescence.

Therapeutic use of this drug is already found in certain places in the United States and in some Western and Central European countries. The evidence on therapeutic use is still being gathered and currently shows mixed results, which will have to continue to be studied using appropriate scientific methods.

Cocaine is a powerful, highly addictive stimulant extracted from the leaves of the Erythroxylon coca plant. Cocaine use has a wide range of adverse effects on health. Short-term effects include changes in nerve impulse transmission, clots inside the blood vessels, heart rhythm and heart contraction disorders, and stroke in especially susceptible organs such as the heart and brain. Long-term effects include cerebral atrophy, memory impairment, and sleep and mood disorders, such as depression.[8]

Heroin belongs to the class of opiates and is obtained from processing poppy. It is often consumed intravenously and quickly reaches the brain, where it turns into morphine and activates specific cellular receptors. Heroin is a highly addictive psychoactive substance that quickly leads to physical and psychological dependence among users. Its use is associated with large numbers of deaths due to overdose and transmission of infectious diseases from needle sharing.[9]

Alcohol is the main factor behind more than 60 types of illnesses and injuries, and is responsible for approximately 2.5 million deaths per year worldwide.[10] Heavy alcohol use over long periods of time presents serious health risks. Alcohol use during adolescence is particularly harmful to health. Evidence shows that people who begin to drink before the age of 15 are four times more likely to become dependent at some point in their lives. Given how the brain develops, alcohol use in adolescence, particularly heavy use, may cause changes in the brain, affecting both its structure and its functioning. This may lead to cognitive or learning problems that make an adolescent more prone to dependence.

Inhalants include a diverse range of substances that have differing psychoactive and toxicological effects. Long-term use is associated with a variety of neuropsychological disorders, including loss of muscular coordination and widespread brain damage.

A useful tool for analyzing the health consequences of substance use is a WHO indicator called the Global Burden of Disease (GBD), which assesses the impact of diseases, injuries, and other risk factors in terms of premature death and days of healthy life lost. Worldwide, drug use disorders rank 31 out of 88 conditions on the GBD list, with alcohol disorders at 35. Illicit drugs and alcohol account for some 0.8 percent and 0.7 percent, respectively, of the worldwide burden of death and disability.

While in all regions of the Americas alcohol and controlled drugs account for a greater burden of disease than the global average, they are not among the top contributors to that burden when compared with other diseases.

R.D. Crean, N.A. Crane, B.J. Mason, "An evidence based review of acute and long-term effects of cannabis use on executive cognitive function," *Journal of Addiction Medicine* (2011), 5(1):1-8; M.A. Fontes, K.I. Bolla, P.J. Cunha, P.P. Almeida, F. Jungerman, R.R. Laranjeira, R.A. Bressan, A.L. Lacerda, "Cannabis use before age 15 and subsequent executive functioning," *British Journal of Psychiatry* (2011), 198(6):442-7; B. Becker, D. Wagner, E. Gouzoulis-Mayfrank, E. Spuentrup, J. Daumann, "The impact of early-onset cannabis use on functional brain correlates of working memory," *Progress in Neuro-Psychopharmacology and Biological Psychiatry* (2010), 34(6):837-45.

8 SOCIDROGALCOHOL, Cocaína: Guías Clínicas SOCIDROGALCOHOL basadas en la Evidencia Científica (Valencia, España: SOCIDROGALCOHOL, 2007); NIDA, *Cocaine: Abuse and Addiction*, Research Reports (Bethesda, Md.: National Institute on Drug Abuse, 2010).

9 NIDA. Heroin: Abuse and Addiction, Research Reports (Bethesda, Md.: National Institute on Drug Abuse, 2005).

10 WHO, *Global Status Report on Alcohol and Health* (Geneva: World Health Organization, 2011).

Of particular note, controlled drugs in the United States and Canada rank in 11th place, while alcohol ranks 19th. For the countries of Southern Latin America (defined as Chile, Argentina, and Uruguay) drugs and alcohol rank in 18th and 19th place respectively on the GBD list, while for Tropical Latin America (Brazil and Paraguay) drugs and alcohol fall in 22nd and 17th place, respectively.[11]

Alcohol and drug use is a significant risk factor among 60 illnesses and injuries from accidents and violence. Hemisphere-wide, drug use ranks 19th among the 43 risk factors analyzed, though it is a bigger factor in Canada and the United States (ranked 10th), the Andean countries (11th), and the Southern and Tropical countries of Latin America (both 13th).[12]

Opioids are responsible for just over half the deaths related to illicit drugs (55.4 percent), with opioid-related deaths increasing by 385 percent between 1990 and 2010, reflecting the growing abuse of opioid prescription drugs. Cocaine's share of overall mortality remains marginal (0.6 percent) and has declined since 1990.[13]

Mortality due to marijuana appears to be insignificant and has not been reported on separately.

11 C.J. Murray et al., "Disability-adjusted life years (DALYs) for 291 diseases and injuries in 21 regions, 1990–2010: a systematic analysis for the Global Burden of Disease Study 2010," *Lancet* (2010), 380(9859):2197-223. The authors of this article examined the relative importance of mortality for six regions of the Americas: high-income North America (United States and Canada); Southern Latin America (Chile, Argentina, and Uruguay); Tropical Latin America (Brazil and Paraguay); Andean Latin America (Bolivia, Peru, and Ecuador); and Central Latin America, which includes the countries of Central America, Colombia, Venezuela, and Mexico as well as the Caribbean, which includes the Guyanas and Suriname.

12 S.S. Lim et al., "A comparative risk assessment of burden of disease and injury attributable to 67 risk factors and risk factor clusters in 21 regions, 1990-2010: a systematic analysis for the Global Burden of Disease Study 2010," Lancet (2013), 380(9859):2224-60.

13 R. Lozano et al., "Global and regional mortality from 235 causes of death for 20 age groups in 1990 and 2010: a systematic analysis for the Global Burden of Disease Study 2010," Lancet (2013), 380(9859): 2095-128.

DRUGS AND DEVELOPMENT

The drug problem affects all aspects of development: productive, political, social, and environmental; even more so, if one considers the impacts on society of the different phases or links in the chain (production, trafficking, sale, and use), as well as the costs and effects of the way in which States address the situation. To grasp this relationship between drugs and development, one has to bear in mind that, like drugs, development is a complex process combining productive, social, political, and environmental dimensions that taken together generate long-term sustainable growth. Thus, the great challenge is to posit State policy alternatives to address the drug problem that are least detrimental to society and development.

The criminalization of large swathes of the population may have pernicious consequences in the sense of "naturalizing" crime and transgressions of the law in an ever larger segment of the population, in addition to the "normalization" of criminal activities as the illegal drugs economy expands, whereby both phenomena undermine social cohesion. First, this is because social cohesion implies adherence by citizens to norms and institutions collectively espoused by society and – in respect of both policies and the social response to them – that adherence is being eroded in connection with the drug problem. Making illegal activity "natural" and violating the rule of law are two ways of eroding adherence to standards and institutions. On the other hand, the production and trafficking of illicit drugs may give rise to what has come to be called "perverse" social cohesion, that is to say, ties of loyalty and reciprocity, and a strong sense of belonging and recognition, but based on crime and violence.

While vulnerability to drug dependence is very largely rooted in individual trait, it may also be exacerbated by social vulnerability, that is to say by structural conditions that render more likely the transition from non-dependent to dependent use, or to the use of drugs with greater dangers attached to them, for both the user and third parties. Thus, it has been observed that variables such as less education, less access to employment, greater ties to violence may make people more susceptible to more problematic patterns of illicit drug use. Such links may not be either necessary or inexorable; but those conditions of exclusion simultaneously reinforce psychological and subjective internalization processes, such as low self-esteem, lack of confidence in one's own abilities, and a fatalistic attitude to the future, all of which may weaken self-control with respect to drug use. In such circumstances, stigma or the criminalization of drug use may exacerbate the problem because, far from preventing problematic use, they encapsulate it in a setting of marginalization and lack of opportunities.

There is no doubt that the Drug Problem needs to be addressed in sync with policies that address the multiple forms of social exclusion: the inability to make oneself heard in public, lack of access to services, lack of the income required to satisfy basic needs, lack of a formal sector job, lack of future prospects. They also need to be aligned with governance policies (transparency, guaranteed security, presence of the State, a justice system that works). Structural problems need to be addressed with structural solutions. Obviously, this does not imply that policies to deal with the Drug Problem should cease to be specific and become watered down into social integration and governance policies. On the contrary, it means that those policy thrusts need to be in contact or dialogue with one another in a mainstreaming exercise that creates the necessary synergies. Above all, it means asking oneself to what extent current policies, geared to punishment and criminalization, trigger more harm than they prevent.

DRUG CROP CULTIVATION AND INPUTS FOR DRUG PRODUCTION

03

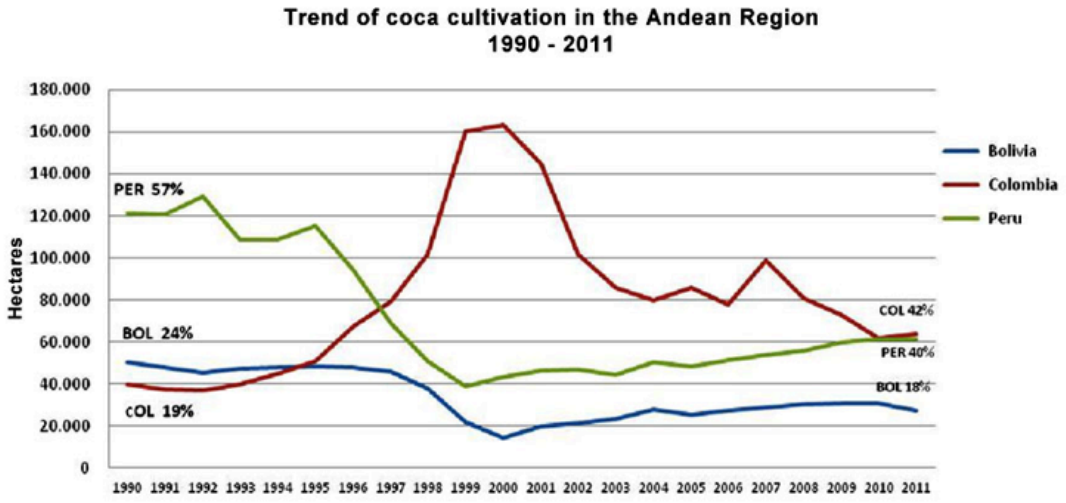
3. DRUG CROP CULTIVATION AND INPUTS FOR DRUG PRODUCTION

3.1 COCA CULTIVATION

Coca is grown in the Andean countries, mainly in Colombia, Peru, and Bolivia. Estimates as to how much is grown vary, depending on the source. The principal sources are the government of the United States and the United Nations Office on Drugs and Crime (UNODC). The latter's estimates are based on satellite images of the entire country surveyed, which means that crop areas of less than 0.25 hectares cannot be detected. The U.S. estimates, on the other hand, are based on high-resolution pictures of areas randomly selected in regions in which coca is known or presumed to be cultivated. Both estimates have their limitations and can only approximate reality, the real dimension of which remains unknown.

It is estimated that coca growing areas in the Andean region have declined by approximately 30 percent since 2000 due to eradication and, in particular, a more than 50 percent reduction in areas under cultivation in Colombia. These drops are due to state intervention.[1]

Figure 1:



Source: World Drug Report

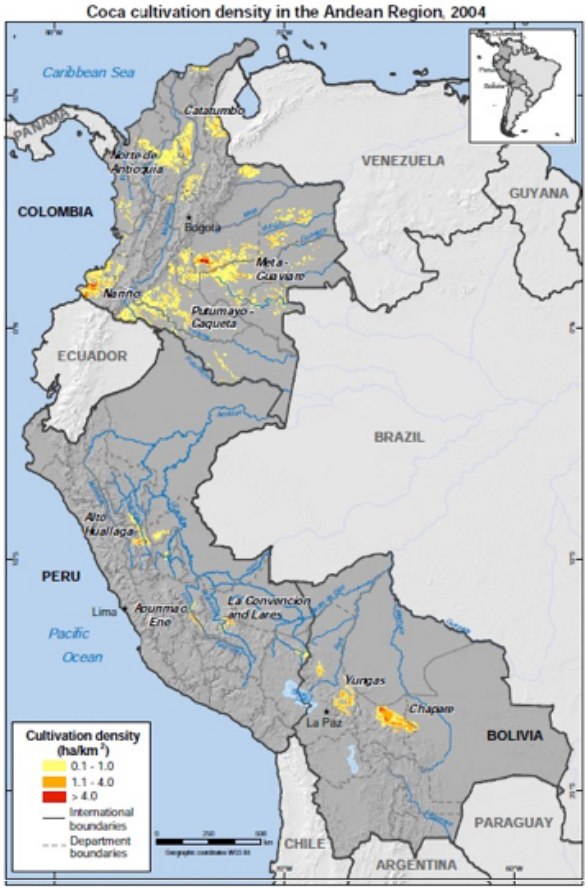
1 Statistics for Colombia, Peru, and Bolivia at: http://www.whitehouse.gov/ondcp/targeting-cocaína-at-the-source. Total Andean compiled by adding country data.

The zones where coca is grown remained relatively constant during the period of decreasing overall cultivation, but the density and extent of cultivation changed. As the maps below illustrate, the expanse of production areas in Colombia decreased, while cultivation density in Peruvian and Bolivian production zones generally increased.

In Colombia, coca cultivation generally takes place in severe isolation, both physical and economic, from surrounding communities, since coca growers from the beginning sought to avoid detection of their illicit activities. Coca-growing communities have traditionally had limited access to services from state institutions. Furthermore, they are plagued by a significant presence of illegal armed groups that exploit both the land and those who live on it.

In Peru and Bolivia, by contrast, coca crops are frequently grown within agricultural areas close to rural townships and markets that are well-connected to the rest of the country's transportation and economic systems. In both countries, coca crops are found in remote locations as well as alongside licit crops, pastures, and uncleared land. In Peru, significant coca fields exist in the Upper Huallaga valley as well as in regions controlled or influenced by the guerrilla organization Sendero Luminoso (Shining Path) or its remnants. Farmers who have migrated out of traditional coca-growing areas have settled in new areas and expanded cultivation.

Coca cultivation density in the Andean Region, 2004



Coca cultivation density in the Andean Region, 2010

Traditional Use of Coca: Bolivia and the 1961 UN Convention

Coca leaf is native to the Andes and is an element of some Andean indigenous cultures. But cultivation for cocaine production has developed parallel to traditional use in several South American countries.

Coca leaf was listed as a Schedule I (highly restricted) substance under the 1961 United Nations Single Convention on Narcotic Drugs, in order to limit coca production, processing, and export. Article 49 calls for the abolishment of coca leaf chewing within 25 years of the treaty's coming into force.

In 2009, Bolivia proposed an amendment to the 1961 Convention to remove controls on the traditional use of coca leaf. After rejections were submitted by 18 other parties, the amendment failed in 2011. The Plurinational State of Bolivia withdrew from the treaty that year in opposition to coca leaf's classification under Schedule I. It then filed for re-accession with a reservation on coca leaf cultivation for traditional use. The International Narcotics Control Board (INCB), in its 2011 annual report, expressed its concern that "while that course of action is technically permitted under the Convention, it is contrary to the fundamental object and spirit of the Convention."[1] The INCB raised further concerns with respect to the integrity of the international drug control system.

With fewer than the required 62 objections to re-accession having been filed, the Plurinational State of Bolivia successfully rejoined the Single Convention with a reservation, reconciling its international obligations with its Constitution. Among OAS member states, only the United States, Canada, and Mexico opposed Bolivia's proposed amendment or its re-accession.

While traditional use of the coca leaf is common in Bolivia and Peru, no surveys have been completed to determine how much coca leaf is needed to satisfy demand for traditional use. Both Bolivia and Peru have, under their domestic law, designated areas where legal coca growing is permitted.

1 INCB, Report of the International Narcotics Control Board for 2011 (New York: United Nations, 2012), p. 37.

3.2 POPPY CULTIVATION

UNODC estimates that in 2010, Mexico cultivated about 14,000 hectares of opium poppy (post-eradication), and Colombia had between 300 and 400 hectares—about the same amounts as both countries had under cultivation in the two previous years. This marks a substantial reversal of roles from just a decade ago, when Colombia produced virtually all the opium poppy in the hemisphere.

Mexican opium poppy is cultivated on the slopes of the Sierra Madre in the states of Durango, Chihuahua, and Sinaloa, as well as south into Guerrero and Michoacán. Plots are generally small and located in hard-to-reach areas. Guatemalan poppy has been found near its border with Mexico, but there are no reliable estimates of the amount of land under cultivation.

Total cultivation of heroin in the hemisphere yields a pure heroin production potential[1] of 50 metric tons, according to U.S. calculations[2] —an estimate that exceeds estimated U.S. and Mexican consumption.[3] Mexico reported eradicating 15,484 hectares in 2010, Colombia 711, and Ecuador 918, figures consistent with the estimated production rates. Guatemala reported eradicating 1,490 hectares of opium poppy in 2011.[4]

Colombia and Ecuador reported record yearly heroin seizures of 1.7 tons and 0.9 tons, respectively, in 2010.[5] That is a large amount of interdiction for the amount of poppy thought to be cultivated in those two countries.

3.3 MARIJUANA CULTIVATION

Cannabis or marijuana is a preparation of the cannabis plant used as a psychoactive drug and by some for its therapeutic effects. It is the most widely produced and consumed illicit drug in the Americas. Cannabis is included in both Schedule I and VI of the Single Convention on Narcotic Drugs, which prohibits production and possession of the substance except for medical and scientific purposes.

The cannabis plant flourishes in a variety of climates and at altitudes ranging from sea level to 3,000 meters. In practical terms, it can grow in any geographic area, especially since indoor production is increasing. Yield per plant depends on the quality of cannabis, or the concentration of the psychoactive constituent THC. Cannabis with a higher THC concentration fetches higher prices per weight unit, but also produces a significantly smaller yield per plant. Lower-quality cannabis may include leaves and small stems, which dilute THC concentration, but can be produced in greater quantities. Higher-potency cannabis such as Sinsemilla (Spanish for "without seed") consists of dried, seedless inflorescences of female cannabis plants. Sinsemilla requires labor-intensive cultivation and harvesting techniques.

Mexico, the United States, Colombia, Paraguay, and Canada are the largest cannabis producer countries in the Americas.[6] While Mexico is believed to supply about half of the cannabis consumed in the United States, there are considerable uncertainties regarding the exact percentage of imported U.S. cannabis coming from Mexico. Paraguay supplies much of the cannabis for the Southern Cone; Jamaica and St. Vincent and the Grenadines, meanwhile, continue to serve as a major source of cannabis in the Caribbean.

Because of variations in yield depending on the grade of cannabis, production potential is difficult to estimate. The United States has estimated cultivation in Mexico since the 1980s, but Mexico contends that the methodology is flawed and overestimates production. UNODC is working with Mexico to help the government better estimate cannabis eradication; meanwhile, it reported that 16,547 hectares were destroyed in 2009.[7] The United States, which tracks domestic eradi-

1 Production potential is the amount of heroin that could be produced if every plant were harvested and converted into 100 percent pure heroin. It is an artifice useful for making universal comparisons but it does not measure the weight of real heroin entering illicit commerce in a particular year or the amount available for consumers. The amount of harvestable poppy not harvested is unknown, as is loss due to waste in the manufacturing/transportation process including scuttling and damage by the elements. Conversion efficiencies for Mexican heroin are estimated.

2 U.S. Department of State, *International Narcotics and Crime Strategy Report. Available* at: http://www.state.gov/j/inl/rls/nrcrpt/2011/vol1/156361.htm#mexico.

3 U.S. heroin consumption, as differentiated from prevalence, is not known. The last published official study reviewed the years 1988 to 2000, basing consumption on an extrapolation of what drug users spent to purchase drugs. That study estimated U.S. consumption of pure heroin equivalent at between 11 and 17 metric tons per year, with 13 being about average: *What America's Users Spend on Illegal Drugs,* 1988–2000 (Washington, D.C.: ONDCP, December 2001).

4 UNODC, *World Drug Report 2012*, p. 27, Table 9.

5 bid., p. 32, Map 7.

6 UNODC (2011) World Drug Report 2011: The Cannabis Market.

7 Ibid.

cation by number of plants, eradicated nearly 10 million outdoor cannabis plants and more than 400,000 indoor plants in 2009.

Indoor cannabis cultivation has significantly changed the nature of the trade, especially in the United States and Canada. Information about cultivation, breeding, and harvesting is widely available on the Internet, as are seeds and specialized equipment. Sophisticated agronomic cultivation techniques are frequently employed to increase yield, quality, and potency, as well as to breed for other characteristics such as flavor or aroma. It is not currently possible to estimate the quantity of cannabis grown indoors worldwide.[8]

3.4 ENVIRONMENTAL IMPACT

Plant-based drugs are often grown in ecologically valuable forest areas, with immediate and devastating consequences for the environment: 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. The data provided below are, consequently, valid for both licit and illicit activities. While it is not possible to determine the relative importance of each, it is likely that because of their limited scope the harm done by illicit crops is probably less than that wrought by legal activities. However, it is also possible to assert that the environmental impact is likely 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.

Beyond the effects that can be attributed directly to drug production, the process of drug control itself can complicate the problem. Some studies 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.

At the same time, 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.

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.[9] 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 me-

8 Ibid.

9 Peru, National Commission on Development and a Drug-Free Life (DEVIDA): http://www.devida.gob.pe/images/documentos/Impacto_ambiental_del_cultivo_de_coca.ppt.

dia outlets,[10] academic studies,[11] and state agencies[12] 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.

Environmental impacts extend beyond the borders of the countries growing illicit crops: 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.

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 travel long distances by means of a process of successive evaporation and condensation cycles known as the "grasshopper effect."

3.5 THE STATE'S RESPONSE, THE DIFFICULTIES IT FACES, AND CONSEQUENCES

Reduction of illicit crops and alternative development

Colombia, Bolivia, and Peru have carried out forced manual eradication programs to control illicit crops. In Colombia, aerial herbicide spraying remains the principal method for eradicating illicit crops, though its importance is declining.

Mexico has manually eradicated marijuana and opium poppy as an integral part of its drug control strategy for decades; indeed, between 2008 and the first half of 2012, the number of hectares of poppy eradicated averaged 15,600 per year. Guatemala also eradicates poppy and marijuana; as mentioned above, at least 1,490 hectares of poppy were eradicated in 2011.[13]

Peru has been conducting alternative development programs since 1995, with a goal of providing incentives that will encourage farmers to stop coca cultivation.[14] In Bolivia, alternative development programs have been carried out since the mid-1970s, with the support of international assistance. However, in neither case has the economic value of alternative development products approached that of illicit crops.

In Colombia, the government has sought to counter coca growth by building a solid regional and local economic base for agriculture, agro-industry, and forestry work. In addition, Colombia is currently developing a land tenure policy for traditional coca-growing areas to help solidify local support for licit alternatives to coca.[15] For decades, alternative development has been a cornerstone of the international response to the illicit drug trade. The idea is to encourage drug crop farmers to shift to other profitable crops, such as cacao and coffee. However, the association of alternative development with law enforcement activities, including eradication and aerial spraying, has had a negative impact on the attitudes of the communities directly involved. That is a significant factor, because without the participation of these communities there is no chance of developing effective alternative crop programs.

Innovative alternative development mechanisms have been developed around the world in recent years, such

10 Josh Harkinson, "How Industrial Pot Growers Ravage the Land: A Google Earth Tour," *Mother Jones*, February 6, 2013: http://www.motherjones.com/blue-marble/2013/02/google-earth-tour-marijuana-farms-environment-video.

11 Humboldt Institute for Interdisciplinary Marijuana Research.

12 A "Growing" Issue: Environmental Impacts of Medical Marijuana in Northern California, California Department of Fish and Game – Northern Region, Draft Briefing, July 2012.

13 Prensa Libre (Guatemala), "Destruyen Cultivos de Amapola y Marihuana por US $318 Millones," May 24, 2012. http://www.prensalibre.com/san_marcos/Destruyen-cultivos-marihuana-US318-millones_0_706129666.html

14 Government of Peru, National Drug Control Strategy 2012-2016, DEVIDA.

15 See National Development Plan 2010-2014.

as conditional cash transfers, formerly used only in social policy.[16] In Colombia, through the Family Forest Ranger Program (Programa de Familias de Guardabosques), 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. 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. 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.

Impact of crop reduction policies and alternative development

While areas under coca cultivation have fluctuated over time in each of the major producing countries, overall production has generally remained stable. Progress in Colombia has been offset as production in Bolivia has remained stable and production in Peru has risen.

Cocaine production potential in Colombia has declined significantly in recent years, due in some measure to the success of efforts under Plan Colombia.[17] Expansion of state presence in previously under-served areas is believed to have cut coca yields,[18] since this effort has pushed growers onto smaller, less productive plots of land, further from settled areas, making it more difficult for growers to tend their fields and more difficult to acquire and apply fertilizers and insecticides.

Aerial eradication with herbicides reduces the productivity of coca cultivation by weakening or killing plants in an active field, although it seldom destroys all coca cultivation or causes the field to be immediately abandoned. Herbicides have a more measurable impact on coca productivity; repeated applications tend to significantly reduce crop yields, even though they may have a more limited impact on reducing area under cultivation.

Evidence to date from Colombia, Peru, and Bolivia suggests that eradication investments have had some success in curbing production of coca at the local level. However, critics argue that eradication alone pushes up the price of crops, stimulates further production in more remote zones, leads to increasing levels of instability, and ultimately has little impact on the price and availability of drugs in consumer markets.

Alternative development, as such, has provided needed assistance to low-income communities, but it has not dealt consistently or in a lasting way with the problem of coca farming. Colombia, due in part to the security restrictions that have been required for alternative development to take place, has had a relatively modest impact on limiting the area under coca cultivation with this technique.

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[19] of drugs, as was the case with Milagro San Martín in Peru.[20] To date, production of illegal crops has largely been displaced elsewhere.

16 These conditional cash transfers are used by governments as social policy tools for the poor in rural areas of Colombia and Mexico, but overall they have been used in 14 countries in the region: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, and Peru.

17 Plan Colombia combined economic strategy with fiscal strategy, a peace negotiation process, a defense strategy, judicial reform, an anti-narcotics strategy, development alternatives, a social inclusion and community strategy, expansion of health and education programs, and international cooperation based on the principle of shared responsibility. "Plan Colombia," (Bogotá: Imprenta Nacional, October 1999).

18 In Colombia, the average yield of coca leaf decreased from 6,300 kilograms per hectare per year in 2005 to 4,200 in 2011 (a decrease of 33 percent).

19 *World Drug Report 2012.*

20 UNODC, Alternative Development Model for the San Martin Region.

DRUG PRODUCTION

04

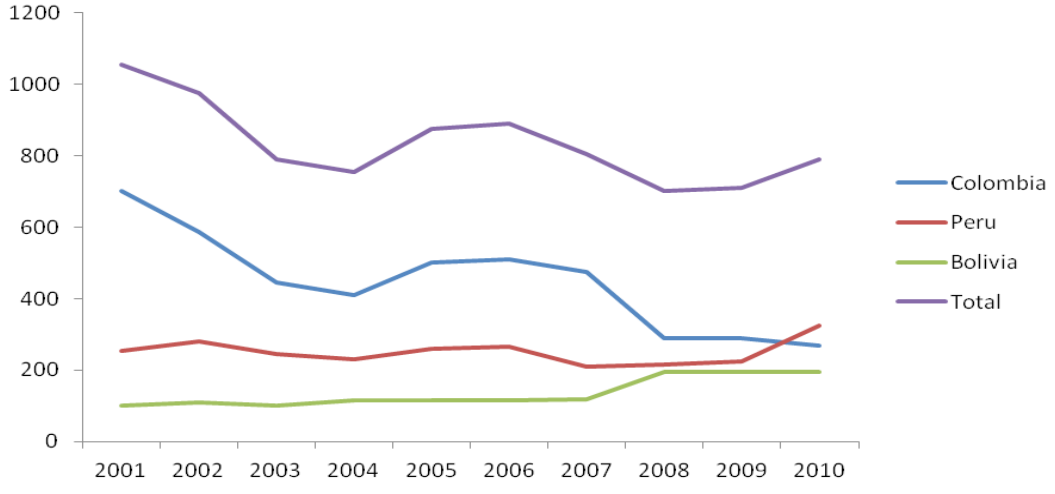
4. DRUG PRODUCTION

4.1 COCAINE PRODUCTION

Colombia, Peru, and Bolivia are the countries of origin of all the cocaine consumed in the world, either as an end-product or at some stage of its preparation before being processed somewhere else. According to U.S. sources, total global cocaine production, which fell between 2000 and 2008, has leveled off at about 800 metric tons per year. Colombia, which used to produce the most cocaine, reduced its output over the past decade, while cocaine production in Peru and Bolivia increased.

Production methods in Colombia have become increasingly efficient over the past decade, and similar improvements have emerged more recently in Peru and Bolivia. Given the increasing effectiveness of controls exercised by both domestic and international authorities, Colombian drug traffickers have now begun to clandestinely manufacture some precursor chemicals. Recycling and reuse of fuels and solvents have also been observed among Colombian producers. These practices have reduced the volume of chemicals required to extract the alkaloid from coca leaves.

Figure 2
Potential production of cocaine (metric tons)*



* The "production potential" concept has already been explained in Chapter 3, footnote 1. The volume of coca that could be, but was not, grown, is unknown, as is what was lost during production or in transit to the market.

Source: ONDCP

4.2 HEROIN PRODUCTION

As already pointed out, there are still significant gaps in information regarding poppy production and heroin production in OAS member states. Nevertheless, it is safe to say that Mexico has replaced Colombia as the principal producer of heroin in the Americas. Mexico has traditionally produced black tar and brown heroin, but may now have expanded into white heroin, a more concentrated form.[1]

4.3 PRODUCTION OF SYNTHETIC DRUGS AND EMERGING SUBSTANCES

Amphetamine-type stimulants (ATS) are among the most widely abused synthetic drugs. Unlike cocaine and heroin, they can be manufactured anywhere, easily and at low cost. Since 1990, more than 60 countries worldwide—including in Central and North America—have reported at least some ATS-related illicit manufacture, and more countries are detecting their production every year.[2] Production may be carried out in industrial-scale factories, in small mobile labs, or even in kitchens.

Synthetic stimulants include amphetamine, methamphetamine, methcathinone, and ecstasy-like substances such as MDMA and its analogues. Methamphetamine, the most widely used substance in this class of drugs, is a central nervous system stimulant. It is easy to make using ephedrine or pseudoephedrine, two chemicals used as ingredients in cold medicines and still legally available in much of the world. As authorities have strengthened controls on trafficking of the most commonly used precursors, illicit manufacturers have changed their methods and are replacing their traditional precursors of choice with alternate chemicals—"pre-precursors" not under international control. Amphetamine and methamphetamine are listed in Schedule II of the United Nations 1971 Convention on Psychotropic Substances, and can be obtained by medical prescription. Amphetamines are used for treating narcolepsy (a sleeping disorder) and attention deficit/hyperactivity disorder.

Some recent trends in the production of amphetamine-type stimulants are as follows:

- The United States has increased its controls over precursor chemicals used to manufacture synthetic drugs; as a result, manufacturing largely moved to Mexico.
- When the Mexican government tightened its controls, more precursors were diverted to and through Central America, specifically Guatemala and Nicaragua.
- ATS manufacture is controlled by drug trafficking organizations or other networks involved in organized crime. In Mexico, for example, the organization "La Familia Michoacana" is thought to have dominated methamphetamine manufacture. Mexico is the only country in Latin America to report ATS seizures that represent a significant percentage of the global total (20 percent in 2010), and there are signs of significant increase.[3]

1 National Drug Intelligence Center of the US Department of Justice. 2011 National Drug Threat Assessment. August 2011. 27 – 30. The case for white heroin production is circumstantial. With non-Mexican poppy cultivation in the hemisphere reported to be less than 2,500 hectares in 2010, and white heroin production potential in Colombia estimated at 2.1 metric tons (pure equivalent) in 2009, it is hard to escape the conclusion that at least some of the approximately 13 metric tons of pure heroin equivalent consumed in the United States is Mexican white. The U.S. 2011 National Drug Threat Assessment notes: "Investigative reporting suggests that heroin producers in Mexico may be using Colombian processing techniques to create a white powder form of heroin; however, signature analysis has not confirmed the existence of this form of heroin." National Drug Intelligence Center, National Drug Threat Assessment 2011, p. 27.

2 UNODC, *World Drug Report 2012.*

3 Ibid.

- Manufacturing is a globalized business. Most ephedrine shipped to Mexico is supplied by sources in China, the Czech Republic, Switzerland, Thailand, India, Bangladesh, and the United States.

- According to the UNODC, in 2009 Guatemala reported methamphetamine seizures totaling more than 10.6 metric tons. Although by 2010 the government reported a decrease to only 15 kilograms seized, authorities still consider Guatemala to be an important transit point for pseudoephedrine shipments coming from India and Bangladesh en route to Mexico.

- In 2009, the methamphetamine supply increased on U.S. streets and was sold at lower prices, as Mexican cartels began to manufacture the drug with less strictly controlled precursors such as phenylacetic acid, often used as a fragrance or flavoring in food. Several new indicators of ATS manufacture and trafficking are beginning to appear in countries in South America, Central America, and the Caribbean.

- Between 2001 and 2006, clandestine laboratories for ATS and other synthetic drugs were discovered in Argentina (2003), Suriname (2003), Chile (2002), and Colombia (2001 and 2002), with three more discovered in 2008 in Guatemala, Brazil, and Argentina. In 2009 another lab was discovered in Brazil and three in Guatemala.

4.4 PRODUCTION OF NEW PSYCHOACTIVE SUBSTANCES

New psychoactive substances (NPS) are a class of new narcotic or psychotropic drugs, in pure form or in preparation, which are not controlled by the 1961 United Nations Single Convention on Narcotic Drugs or the 1971 United Nations Convention on Psychotropic Substances. The substances include synthetic compounds such as synthetic cannabinoids, synthetic cathinones, piperazines, and traditional plant-based psychoactive substances such as khat (Catha edulis), kratom (Mitragyna speciosa), and Salvia divinorum.

Some of the new psychoactive substances have pharmacological properties and effects similar to controlled drugs such as cocaine, ecstasy, and amphetamines, and are therefore frequently marketed as "legal alternatives" to scheduled drugs. They are sold as "plant food," "bath salts," or "research chemicals," in powder, tablet, or capsule forms, or as smoking blends. NPS seizures have been made in all regions of the world, including Australia and New Zealand, East and Southeast Asia, the Near and Middle East, Africa, Europe, and North[4] and South America.

Although many of the psychoactive substances have been on the market for a long time, the diversity of products has increased considerably, as manufacturers are highly adaptive and flexible. The variety, changing physical forms, and constant modifications in labeling make it difficult for law enforcement and other authorities to identify these substances. Laboratories often do not have the analytical, forensic, and toxicological capabilities to identify them. In addition, there are only a small number or no reference standards available which could help in the identification process. Often, the actual composition of the drugs is unknown to users as well as to health workers or law enforcement officers. The listed contents on the package do not always match the active ingredients present, and generic terms are used.

4 This subregion comprises the United States, Canada, and Mexico.

4.5 PRODUCTION OF PHARMACEUTICAL DRUGS

Pharmaceutical drugs are normally prescribed or administered by health professionals to treat many medical conditions, but their psychoactive properties make them attractive targets for diversion and "non-medical use." This includes the use of these drugs when they are obtained without medical consultation or prescription or when they are not used in the prescribed manner or dosage or for the condition for which the medication was prescribed. In the United States and some Latin American countries, the non-medical use of pharmaceutical drugs is more prevalent than the use of any other controlled drug, except marijuana.

Worldwide, the licit production of many opioids—including morphine, codeine, thebaine, hydrocodone, oxycodone, and methadone—has increased dramatically over the past two decades. For example, global manufacture of oxycodone, a commonly misused opioid marketed as OxyContin in the United States, increased from 2 tons in 1990 to more than 135 tons in 2009, more than two thirds of which was manufactured in the United States.

4.6 PRODUCTION OF CHEMICAL PRECURSORS

Essential and precursor chemicals, diverted from licit commerce or manufactured clandestinely, are required to produce illegal drugs. Recent years have seen a considerable increase in the production of amphetamine-type stimulants, which has caused increased concern about trends in precursors and chemical substances used in the production of these drugs.

Efforts to control precursor chemicals are complicated by traffickers' production of controlled precursors and essential chemicals from non-controlled chemicals. For example:

- Potassium permanganate, a major chemical used in cocaine processing, can be made from manganese dioxide and potassium manganate.
- Ammonia solutions are produced from urea, for use in the extraction of cocaine paste.
- Hydrochloric acid, used to convert cocaine base into cocaine hydrochloride, is made from sulphuric acid and kitchen salt.

4.7 ENVIRONMENTAL IMPACT

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.[5] 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.

Furthermore, when the authorities find these "factories," they frequently destroy them using the easiest means

5 Utah Department of Health, Resource Guide to Methamphetamine Decontamination (2008).

available. This usually means that they dump barrels of liquid components and plastic containers onto the ground or into streams, or burn them.

4.8 THE STATE'S RESPONSE, THE DIFFICULTIES IT FACES AND CONSEQUENCES

Though indicators are imprecise and fail to tell the whole story, the number of cocaine laboratories destroyed, seizures of cocaine, and global cocaine production have shown a modest but consistent downward trend since the middle of the last decade. Global seizures of cocaine in 2011 fell by 7.5 percent from the highest annual volume of 750 tons, reported in 2005. Most of the seizures in 2011 were in South America (52 percent) in countries where coca leaf originates and where most cocaine is manufactured in clandestine laboratories, followed by North America (25 percent) and Central America (12 percent). Most of the laboratories and precursors detected and destroyed were found in drug-producing countries, mainly Colombia.[6] However, cocaine hydrochloride laboratories have also been destroyed in a number of other countries in the hemisphere, including Argentina, Chile, Ecuador, Venezuela, and the United States.

Mexico reported seizing 48 metric tons in 2007, 19.6 in 2008, and 21.5 in 2009, with lower numbers in more recent years: 9.9 in 2010, 11.3 in 2011, and 1.2 in the first half of 2012. Heroin seizures averaged 394.7 kilograms per year between 2005 and 2011, with an unusually high seizure of 694.7 kilos in 2011.[7] Even at 695 kilograms, the amount is smaller than the amounts seized in Ecuador and Colombia, which cultivate much less opium poppy. In 2011, Mexico arrested 10,979 Mexican citizens and 218 foreign nationals on drug-related crimes, including 22 high-level drug traffickers.[8]

Los esfuerzos de interdicción han derivado en la confiscación de porcentajes importantes de ciertas drogas, incluido hasta 40% de la cocaína producida a nivel global en los últimos años. La mayor parte de estas incautaciones han sido realizadas en América Latina. La interdicción focalizada ha tenido como efecto, sin embargo, el traslado de actividades de tráfico y producción a nuevas localizaciones. De manera similar, los esfuerzos agresivos para contener la producción y el tránsito de cocaína en Bolivia y Perú, iniciados en los últimos años de los 80, probablemente ocasionaron el traslado del cultivo de la coca a Colombia a mediados de la década de los 90.

Interdiction efforts have resulted in the seizure of substantial percentages of certain drugs, including as much as 40 percent of global cocaine produced in recent years, most of which has been confiscated in Latin America. Focused interdiction efforts have been effective in moving the location of trafficking and production activities, as seen in the shift of cocaine trafficking routes from the Caribbean to Mexico. Similarly, aggressive efforts to contain cocaine production and transit in Bolivia and Peru starting in the late 1980s probably accounted for the shift of coca growing to Colombia in the mid-1990s.

Since 1999, when Plan Colombia began, Colombia has been implementing a coordinated strategy which includes military and police actions against illegal armed groups and traf-

6 Observatory on Drugs, Ministry of the Interior and Justice of Colombia. "In 2001, Colombia detected and destroyed 2,447 illegal premises for drug production and extraction, 2,200 of which were for the extraction of coca base and cocaine paste, 200 laboratories for processing cocaine hydrochloride, one heroin laboratory, 39 marijuana laboratories, 7 potassium permanganate, and 81 small-scale gasoline refineries."

7 Statistics from the Office of the President, available at: http://sexto.informe.calderon.presidencia. gob.mx/pdf/ANEXO_ESTADISTICO/02_ESTADISTICAS_NACIONALES/2_ESTADO_DE_DERECHO_Y_SEGURIDAD.pdf.

8 U.S. Department of State. 2012 International Narcotics Control Strategy Report (INCSR). March 2012.

fickers, judicial reform, social development programs, and crop eradication. The purpose of these efforts is to reduce violence and consolidate the presence of the State in areas in which illicit crops are traditionally located and other illicit activities are carried out, such as illicit felling of trees and illegal mining.

Efforts to strengthen institutional capacity remain critical and several such projects are currently under way. For instance, Mexico has advanced in its objectives of strengthening the police, particularly the organized crime division at the federal level. Judicial reform, while still embryonic, is under way in regular legislative channels.

DISTRIBUTION OR TRANSIT OF DRUGS AND OF INPUTS FOR DRUG PRODUCTION

05

5. DISTRIBUTION OR TRANSIT OF DRUGS AND OF INPUTS FOR DRUG PRODUCTION

5.1 COCAINE FLOWS

U.S. government analysis shows that 95 percent of the cocaine seized in the United States—the largest single market in the region—is of Colombian origin. Overall cocaine flow toward the United States probably diminished between 2007 and 2010, but the available evidence is imprecise. The 2007 range of flow toward the United States was between 400 and 600 metric tons, depending on whether measured by U.S. demand or potential Colombian supply.[1] Estimates drawn from both production and consumption data suggest that by 2010, about 400 metric tons of Colombian cocaine were moving toward the U.S. market on an annual basis.[2] This was consistent with a decline in U.S. consumption.[3]

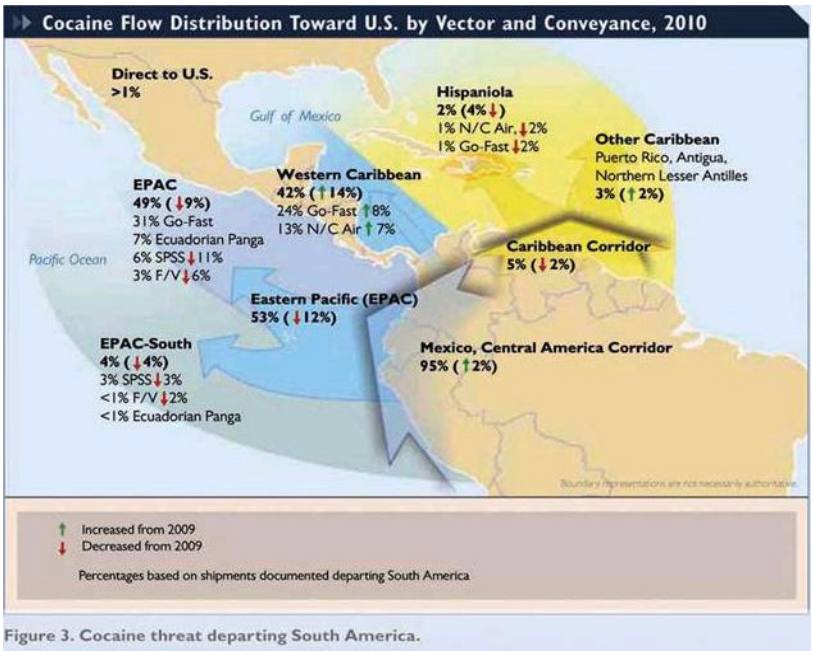


Figure 3. Cocaine threat departing South America.

Source: UNODC

Although the Caribbean was a major transshipment route for cocaine until the mid-1990s, today 80 percent of U.S.-bound cocaine moves through Central America and Mexico. It flows primarily from Colombia via the Caribbean and Pacific coasts. In the Pacific, cocaine moves north from Colombia and lands in Central America or in Mexico. Another route passes through Ecuador and heads west of the Galápagos, from where it heads north to rendezvous with vessels on the high seas that take the cocaine ashore in Mexico or Central America. With increasing use of semi-submersible cocaine transporters or submarines, it has become less clear what amount of cocaine still goes far west into the Pacific before turning north.

The Pacific route from Colombia to Mexico and the United States had become more important prior to 2009, and two-thirds of maritime and port seizures by Colombian authorities occurred in the Pacific corridor. However, beginning in 2009 there was a substantial reduction in Pacific seizures, and the route from Colombia's Atlantic Coast through the Western Caribbean to Central America and Mexico appeared to become more important for Colombian traffickers.

1 Cocaine Smuggling in 2010, produced for ONDCP (January 2012), p. 1.

2 Ibid.

3 White House Office of National Drug Control Strategy December 2012, Data Supplement 2012, Table 1.

Cocaine transited Venezuela in 2010 and 2011 bound for Europe by way of the Caribbean and West Africa, or bound for the United States via Central America.[4] Most cocaine departing Venezuela is transported by maritime routes, but there are indications that the preponderance of cocaine smuggling by air from Venezuela goes to Central America and the Caribbean. Honduras is a significant entry point.[5]

Flows to markets other than the United States have increased within the last decade. Peruvian and Bolivian cocaine moves through several South American countries for domestic consumption and for transshipment, via the Caribbean and West Africa, to Europe, Asia, and the Middle East.

Cocaine moves to Europe along multiple routes. The primary ones include:

- The Atlantic Ocean, via the Caribbean, with entry into Europe above all through Spain and Portugal.
- From South America to Cape Verde and the Canary Islands and on to Europe, primarily through Portugal.
- The African route, which goes from Venezuela and elsewhere in South America to West Africa, and from there primarily to Portugal and Spain.
- From Brazil, Venezuela, and Ecuador to ports in Spain, the Netherlands, and Portugal. [6]

European cocaine seizures declined from 2006 to 2009, according to the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA),[7] but prevalence and market price per gram (unknown purity) remained stable, suggesting that reduced seizures do not indicate a reduced flow.

INTERPOL reports that the West Africa route has become more important in the past 10 years, running through countries such as Guinea-Bissau, Guinea, Senegal, Sierra Leone, and Mali, and then on to Europe. However, UNODC reports a possible decline in the use of the West Africa route, based on recent data on seizures and arrests.

Along all sea routes to all markets, the principal means of trafficking are go-fast boats, pleasure boats, fishing vessels, cargo ships, and container vessels. The latter present particular challenges for cargo detection as well as the potential for carrying significantly greater volumes.

Trafficking by air uses human carriers (known as "mules") when transport takes place by commercial airlines. Aircraft controlled by traffickers use a variety of methods, such as dropping cocaine into international waters, where it can be picked up on the high seas; landing or dropping cocaine in remote areas in Central America or the Caribbean; or, for longer-range aircraft, transporting cocaine all the way to Africa. Land transport, meanwhile, takes place throughout Central America and Mexico to markets in the United States and Canada, as well as overland from the Andean region for consumption in Latin America and shipment to Europe and around the world.

5.2 MARIJUANA FLOWS

Cannabis is produced in nearly every country in the world and therefore grown mostly for domestic or nearby markets. Because of its multiple, diversified sources—both domestic and international—cannabis does not have a single distribution network or fixed geographic source. Users may grow their own, belong to a larger, cooper-

4 Report of the International Narcotics Control Strategy for 2012, Venezuela: Supply Reduction. Also, UNODC, World Drug Report 2012, p. 79.
5 U.S. Department of State. "Country Reports- Honduras." INCSR 2012. March 2012. <http://www.state.gov/j/inl/rls/nrcrpt/2012/vol1/184100.htm#Honduras>.
6 European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), 2012 Annual Report: on the state of the drugs problem in Europe. November 2012. p. 60-65.
7 EMCDDA, table SZR-10 Statistical Bulletin 2012,. November 2012.

ative-like growing operation, purchase from domestic producers or distributors, or buy from sophisticated international drug trafficking organizations that acquire their product in one country and sell it in another. International drug traffickers are diversifying their business lines to cover all drugs, and since marijuana tends to follow the same routes as other illicit products, drug interdiction at border areas or on maritime narco-trafficking routes affects all illicit commerce.

In addition to trafficking routes across the U.S.-Mexico border, Jamaican marijuana enters the United States through the Bahamas.[8] Within the Caribbean, though much of domestic cannabis demand is met by internal supply, Jamaica and Saint Vincent and the Grenadines are the two largest exporters. Some law enforcement agencies in the subregion have seen the importation of high-potency cannabis from the United States, according to experts attending a meeting held in preparation for this report. Though supplies are small, U.S.-sourced cannabis fetches a higher price and is widely seen as a premium product.

5.3 SYNTHETIC DRUG FLOWS

Trafficking in amphetamine-type stimulants remains largely intraregional, as manufacture can and does occur close to consumer markets. Internationally, the main flow of methamphetamine goes from Mexico to the United States, moving via air and land routes toward Baja California. Mexican drug trafficking organizations have expanded their distribution networks and consolidated many of the previously independent methamphetamine traffickers in various regions in the United States.

In addition to trafficking routes from Mexico to the United States, within the Americas methamphetamine flows from Colombia to Venezuela and Ecuador, as well as from Argentina to Uruguay. In May 2009, authorities at the Mexico City airport seized two suitcases coming from El Salvador that contained amphetamine and methamphetamine pills. In February 2010, Costa Rican authorities seized five kilograms of amphetamine smuggled by two Salvadoran citizens and thought to be en route to El Salvador. Some interregional routes can also be identified as running from Mexico, Brazil, and French Guyana to Europe, and from the Netherlands and Belgium to Chile and Brazil.

5.4 ENVIRONMENTAL IMPACT

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.

5.5 THE STATE'S RESPONSE, THE DIFFICULTIES IT FACES AND CONSEQUENCES

The State has responded in numerous different ways to the threats posed by the transit of drugs and chemical precursors. Each State has deployed

8 C.R. Seelke, L.S. Wyler, J. S. Beittel, and M.P. Sullivan. *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs* (Washington, D.C.: Congressional Research Service, 2011).

its own, usually complex, strategies combining a number of elements depending on its assessment of problems and needs.

In 2009, global cannabis seizures totaled 6,022 metric tons, with 70 percent of that in North America and an additional 10 percent in South America. The United States and Mexico accounted for the largest cannabis seizures worldwide. In Mexico, cannabis was seized primarily near the area of cultivation or near the U.S. border. In 2010, the U.S. Department of Justice seized 1,500 metric tons at the Mexican border, versus total U.S. consumption of some 2,500 to 3,000 tons.[9] According to the UNODC, Colombian seizures rose from 209 tons in 2009 to 255 tons in 2010; Brazil seized 155 tons in 2010; and in Paraguay, a large cannabis producer, seizures reached 84 tons in 2009. Seizures in the Bolivarian Republic of Venezuela rose from 33 tons in 2009 to 39 tons in 2010. Bolivia eradicated 1,069 tons of cannabis plant in 2010, more than eight times the amount eradicated in 2006.[10]

However, important to bear in mind is the fact that decisions and actions by institutions in response to the Drug Problem do not always result in a reduction of organized crime and that, at the same time, there are "integration" processes by organized criminal groups that seek to unite a series of different activities so as to place them under their control. Thus, attacks on the large criminal structures can trigger splits that weaken the criminal groups' capacity as the national level but also lead to the dispersal of criminal factions and hence of crime.

The aforementioned state of affairs may also lead to "turf" disputes, exacerbating tensions between criminal gangs at the local level.

There is a tendency for criminal networks to move from one district to another between or within cities, from one state or region to another within a country, or from one country to another, in search of places they consider safer and with less competent state authorities. The evidence shows significant increases in violence in those new areas, even though a reduction in violence is not always observed in the areas that are abandoned. For instance, pressure from the authorities in countries like Mexico and Colombia have had the effect of displacing criminal organizations, pushing them over the borders, to the detriment of countries in Central America, the Andean Region, the Caribbean, and possibly the Southern Cone.

In addition to the territorial displacement of the organizations, State interventions may also result in a diversification of criminal activity to new crimes. That is already happening in several countries in the region in which, following the fragmentation of the large organizations, groups emerge with less power and fewer resources. Finding themselves incapable of conducting activities related to international drug trafficking, these organizations uses their resources and knowledge of violence to commit other types of crimes, such as kidnapping, extortion and vehicle theft.

9 Jonathan P. Caulkins, Angela Hawken, Beau Kilmer, and Mark A.R. Kleiman, Marijuana Legalization: What Everyone Needs to Know New York: Oxford University Press, 2012. 41. Print.
10 UNODC, *World Drug Report 2012* Op. cit..

DRUG SALES

06

6. DRUG SALES

6.1 THE SIZE OF THE MARKET AND WHO PROFITS FROM IT

The retail sale of drugs is the moment or part of the "Drug Problem" when the economic value of the substances greatly increases. It is also the segment in which the transnational criminal organizations (or the big cartels) are least involved[1] and violence is at its lowest.

Measuring the value – as opposed to the volume – of the substances trafficked in those markets is certainly not easy. There are two commonly used methods for estimating the size of illicit drug markets, a supply side approach and a demand side approach. Both make maximal use of limited information— either about drug production or use—and both require a variety of assumptions to fill in missing information.

As noted earlier, the supply-side approach for calculating the size of cocaine and heroin markets utilize satellite data that estimate coca and poppy production. Construction of these estimates requires assumptions about the temporal frequency of coca and poppy harvests, the average drug content in coca and opium, and the efficacy of eradication efforts. Assumptions are also required about the quality of chemicals, the skills of chemists employed to convert coca and poppy into cocaine and heroin, the amount of drugs seized, and (for regional estimates) how these drugs are distributed across different markets. Constructing supply-side estimates is even more difficult for cannabis and synthetic drugs.

Demand-side estimates are derived from household surveys. Hospital admissions data, surveys of the prison population, and other data sources may also be used. In order to construct estimates of population drug use from these surveys, researchers must make assumptions about under-reporting, which is likely to be substantial. They must also account for the fact that heavy users are generally underrepresented in household surveys and often in other data sources as well. Moreover, the surveys generally ask on what days of the week drugs are used; they do not specifically inquire about the quantity of drugs used, so the quantity has to be estimated, as

1 The only exception to this, with respect to the participation of transnational organizations, would appear to be the heroin market, because heroin producers in the municipalities of Nayarit (Mexico) have developed markets for black tar heroin in Ohio and North Carolina (United States). They pass the substance over the border after paying Mexican drug-trafficking organizations for right of passage through their territories or concessions in northern Mexico. They then ship the heroin to cells in the United States controlled by individuals from the same areas of Nayarit, who sell it either directly to users or to small-scale retailers and remit part of the profits back to Mexico.

well as the potency and purity of the drug. Global estimates of demand are even more complicated because the information from different countries frequently refers to demographically different populations and different years, and some countries have no data at all.

Estimates have been made of the economic size of retail markets for some of the more widely distributed drugs. Taking a demand-side approach, the UNODC estimated that the total retail value of the global illicit drug trade was US$320 billion for the year 2003, equivalent to 0.9 percent of global GDP. Retail drug markets in the Americas were estimated to be worth $151 billion, or around 47 percent of the global total. The largest retail markets in dollar value were North America (approximately 44 percent of the global total) and Europe (33 percent), whereas South America, Central America, and the Caribbean were approximately 3 percent of the global total.

Who benefits from the revenue from drug sales and on what scale?

As pointed out, the illegal drugs economy comprises an extensive network of players stretching from the crop and production zones to points of sale, so that the profit margins for each of the participants vary according to the part they play in the chain.

Using a number of sources, especially the United Nations Office on Drugs and Crime and the National Drug Threat Assessment of the U.S. Department of Justice's National Drug Intelligence Center, it is possible to track the following drug route and profits along the way:

- Between 450 and 600 kilos of coca leaf are required to produce one kilo of cocaine hydrochloride paste. Since a Colombian farmer receives on average US$1.3 per kilo of coca leaf, it may be estimated that, in the Colombian jungle, the cost of a kilo of cocaine paste is between US$585 and US$780.
- In that same Colombian jungle, a kilo sells for approximately US$2,700; at the country's ports, the price rises to between US$5,500 and US$7,000.
- By the time it reaches Central America, that same kilo is worth around US$10,000.
- At Mexico's northern border, the price may have risen to US$15,000.
- In the United States, after crossing the border, that kilo has a wholesale price of US$27,000 or more.
- At some point along the way, what was once a kilo of cocaine paste underwent chemical adulterations that doubled its physical volume, so that the original kilo was transformed into two kilos.
- In 2010, a gram of refined cocaine cost US$165 in the United States.
- Thus, the original kilo costing on average 650 dollars (between US$585 and US$780) was transformed into two kilos with a total retail sales value of US$330,000. i.e., the value of the product increased approximately 500-fold along the value chain.

Significant profits were made at every link in the chain. But the available information we have cited suggests that most of the profit was made at the end. In this illegal economy, most of the value-added is generated in end-markets, so that presumably a major part of the profits is also generated in those markets, in which, paradoxically to be seen in chapter 8, there is noticeably less violence.

Reasonably reliable studies have been conducted of profits made along the supply chain, particularly as regards cocaine. According to UNODC, U.S. and global cocaine markets have total retail values of around $34 billion and $84 billion, respectively.[2] In both the global and U.S. cocaine markets, slightly over 1 percent of revenues are estimated to accrue to producers in the Andean countries, whereas retailers in the consumer countries receive around 65 percent of revenues. Around 9 percent of revenues accrue when the cocaine is trafficked from the producing countries to the transit countries (such as Mexico or West African countries).

2 UNODC, World Drug Report 2010; Op. cit.

Wholesale profits are divided between international wholesalers, who smuggle the product from the transit countries into the consumer countries (for example from Mexico into the United States), and national wholesalers, who divide kilogram purchases of cocaine into smaller ounce units, which are in turn sold to retailers and divided further before being sold to the final consumers. International wholesale revenues are somewhat higher in the global cocaine trade than in the U.S. cocaine trade, but in both cases wholesalers receive between 20 percent and 25 percent of total revenues.

Despite the limitations of the information available, one may assert that, in general and for all substances, markups in the illicit drug trade are orders of magnitude higher than markups for legal goods. For example, coffee beans cost around five times more at retail than at farm gate, whereas heroin costs around 170 times more.

6.2 WHERE THE MONEY GOES: CORRUPTION, MONEY LAUNDERING, AND DEMOCRATIC GOVERNANCE

These huge profits also represent huge volumes of cash, which trigger additional serious problems in our region – albeit, once again, mainly in the producing and transit countries – by feeding two forms of corruption. One is the corruption of individuals – public or private employees – who end up as facilitators or operators at some point in this economic process. The other is the corruption of institutions, particularly financial institutions, which become increasingly entangled in activities seeking to "launder" that money, thereby establishing dangerous linkages between legal and illegal spheres.

The evidence shows that the illicit drug problem had led, chiefly at the production and transit stages, to the corruption of government officials at various levels. When drugs are banned, the illegal drugs economy requires bribery and collusion, as well as omissions, on the part of civil servants in order to protect its operations and guarantee that its actions go unpunished. One finding that everybody agrees on, with respect to the illegal drugs economy, is that it and organized crime cannot survive without corruption. Both violence and corruption can only thrive in a context of extensive impunity, in which there is no certainty that the law will be enforced and the State lacks the capacity to identify and try those responsible for breaking the law. As the Inter-American Commission on Human Rights (IACHR) pointed out in its "Report on Citizen Security and Human Rights," "In various countries of the region, corruption and impunity have enabled criminal organizations to develop and establish parallel power structures." The IACHR underscores the fact that in most countries in the region not enough resources are allocated to endow the justice system with the human resources and infrastructure it needs to be able to investigate, try, and punish. Corruption and impunity form part of the structural weaknesses of States in Latin America and the Caribbean and organizers of the drug trade exploit that state of affairs and expand its scope and consequences. This matter of the frailty of State institutions vis-à-vis violence is taken up again in Chapter 8 of this Report.

According to Transparency International, which prepares a perception of corruption index ranging from 1 to 10 (10 being the country with the greatest transparency), three-quarters of the countries in the Hemisphere that were analyzed score less than 5. When the corruption engendered by the illegal drug problem and the levels of penetration by organized crime into institutions become especially acute, they may even result in the co-option and/or reconfiguration of State institutions. No other illegal economy in the

region has so much power to erode institutional structures. The corruption induced by the illegal drug problem can compromise both low-ranking officials and authorities and civil servants in positions with high levels of responsibility, such as commanding officers in the police and the Army.

With regard to corruption, criminal factions have moved from the predatory stage, at the local level, to the symbiotic stage, marked by ties to political and economic sectors at the national level, with grave implications for democratic governance. Countries with weak democratic institutional structures and little transparency are particularly vulnerable to these encroachments and the consequences tend to be devastating in terms of the scope of public sector corruption, penetration into State institutions, influence peddling, and the manipulation of the justice system.

The same circumstances affect a key aspect of democratic governance: transparency and accountability, because the more bastions of the State, of government, and/or the political system are permeated by drug-trafficking interests (through corruption, influence peddling, and failures to exercise oversight), the more difficult it becomes to achieve transparency and accountability. This triggers a vicious circle in the weakening of democratic governance, because the more government institutions and procedures are undermined, the more susceptible the State becomes to the damage wrought by the illegal drugs economy.

The second major category of corruption generated by the illegal drugs economy has to do with "money laundering": i.e., its need to hide the illicit origin of its assets and funds, so as to be able to integrate them into the legal economic system. Although there is no agreement as to the volume of funds laundered in this way, there is broad consensus that those funds exert a considerable corrupting and distorting influence because they drag "legal" economic agents into illegal activities and generate "grey" areas in which apparently legal players take part in clearly illegal actions.

Traditionally, the financial sector, and banks in particular, have been used to launder assets. The nature and diversity of the services provided by this sector permit maneuvers that can swiftly and safely channel funds generated by criminal activities, while hiding the origin of the proceeds. However, in response to the implementation of prevention systems in the financial sector, the organizations involved in money laundering have diversified their procedures, and are now using other economic sectors, such as insurance companies, securities brokers, foreign exchange dealers, remittance firms, casinos, minerals and precious stones merchants, real estate, and among independent professionals, such as notaries, accountants, and attorneys.[3].

UNODC estimates that drug-related proceeds available for money laundering through the financial system total some 0.4 to 0.6 percent of global GDP.[4] Around half of these proceeds are estimated to be laundered within the jurisdiction where the profits are gener-

3 All the evidence suggests that the latest developments in money laundering are always a step ahead of the legal mechanisms devised to combat them, which means that the latter have to be constantly revised and replaced. To advance on this front, consideration needs to be given to strengthen the State's ability to investigate and to impose more drastic sanctions, even if that translates into more oversight measures for the financial sector. It might be appropriate, for instance, to contemplate criminal sanctions for institutions and not just individuals, so as to avoid the current state of affairs in which frequently only low-level officers are punished for crimes committed by banks or other financial institutions. It should also be borne in mind that one of the principal reasons why this phenomenon is transnational is that, in most cases, the "legalized" money ends up being deposited at the head offices of banks and branches in the United States and Europe and not in those institutions' branches in Latin America and the Caribbean. Consequently, the focus should be on enforcing the law in the countries in which those mother companies reside. It is equally important to ensure homogeneity in the legislation of the different countries, because it is obvious that discrepancies in that area completely annul the ability to investigate and punish developed in countries with more advanced legislation. The possibility of developing a common legal framework should not be ignored, either, at least in relation to this problem

4 World Drug Report 2011.

ated, by entering the banking or real estate sector or through other types of investment. In particular, UNODC conducted a detailed analysis of money laundering in the cocaine trade. Its calculations suggest that 46 percent of gross cocaine retail profits and 92 percent of gross wholesale profits are available for laundering, resulting in an overall money laundering proportion of 62 percent of gross cocaine profits.

The aforementioned figure has been questioned by several studies which maintain that the volume of money and assets that is ultimately laundered is smaller and unlikely to exceed more than a quarter of the revenue obtained by criminal organizations.[5] In any case, and whatever its real scope may turn out to be, there is no doubt that money laundering driven by the illegal drugs economy is pernicious for the economy, social development, and democratic governance.

In underdeveloped areas in which there is little State presence, the injection of funds derived from the controlled drugs market has a powerful impact by accumulating goods and services in segments of the population that are isolated from traditional legal and economic circuits. Under those circumstances, organized criminal groups establish ties with the communities that appreciate their activities and investments as an opportunity to advance their social and economic integration. The dynamics of that relationship induce a "perverse" form of development, based on ill-gotten gains and in the presence and under the control of criminal groups that impose order through threats and violence. In that scenario, traditional economic activities are abandoned because they are less profitable, while activities facilitating money laundering and the concentration of funds thrive.

5 World Drug Report 2011 Reuter, Peter: "Are Estimates of the Volume of Money Laundering either Feasible or Useful? Comments on the Presentation by John Walker." Paper presented at the Tackling Money Laundering Conference, Utrecht University, November 2, 2007. United States Of America-Mexico Bi-National Criminal Proceeds Study. Brien, Nicolas: "A Bilateral Study on Money Laundering in the United States and Mexico." 2011.

6.3 COCAINE SALES

The cocaine trade has been investigated in the greatest detail, and there is relative consensus on its approximate retail value. UNODC estimates that the total retail value of the global cocaine trade equaled approximately $85 billion in 2009 (range: $75-100 billion).[6] Both the demand-side methodology for this estimate—based on household surveys—and the supply-side methodology—which utilizes information on cocaine production and seizures—produce broadly similar estimates. UNODC estimates that the largest retail markets are North America ($40 billion, or 47 percent of the global market), followed by the markets of West and Central Europe ($34 billion, or 39 percent of the global market.

The most recent data do not break down the Latin American cocaine market into smaller regional markets, but the 2003 data suggest that South America contributes the largest share of the Latin American market.

The U.S. market is estimated to be worth approximately $38 billion, which is similar to another widely cited estimate of $30 billion (range: $25-35 billion).[7] There have been significant differences between cocaine production estimates calculated by the UN and the U.S. government, likely due to differences in satellite imagery, assumptions about yield, and assumptions about the efficacy of crop eradication. While these differences can be quite large for a given year, the difference in the estimated average cocaine production over a longer period is less marked.

6.4 HEROIN SALES

UNODC has also recently produced estimates of the value of the retail heroin market. It estimates that the value of the global retail heroin market in

6 UNODC, *World Drug Report 2012.*

7 Office of National Drug Control Policy, White House (ONDCP) "What America's Users Spend on Illegal Drugs", (2012).

2009 was approximately $55 billion.[8] The United States and Canada account for only 13 percent (United States $8 billion) of this market, with around half of the world's heroin consumed in the European Union and Russian Federation. A specific number is not estimated for Latin America, which is included in the "other" category, and the report cites missing data for over half the countries in this region. Although, as stated in other parts of this Report, there is evidence of an increase in heroin consumption in Latin America, its retail market value most probably remains small.

6.5 MARIJUANA SALES

The most recent UNODC estimates for the retail market value of cannabis are contained in the 2012 World Drug Report. This report cautions that the error between the estimated value of the cannabis market and the actual value could be much larger than the error for the cocaine and heroin markets, due to data inconsistencies that made it impossible to reconcile supply- and demand-side estimates.

UNODC chose an estimate between those produced by the supply- and demand-side approaches, estimating the global cannabis retail market at $141 billion, with the U.S. market worth slightly less than half of this total ($64 billion). The South American market was estimated to be small in value terms, at $4.2 billion. However, other studies have since argued that the true value of the global cannabis market is likely about half of the UNODC estimate, noting that UN cannabis production estimates imply implausibly high levels of cannabis use in the United States.[9]

In general, supply-side estimates are likely to be less useful for a product like marijuana—which can be produced almost anywhere, including indoors—than for coca and poppy, which are produced outdoors in limited areas with specific geographic conditions.

Using a demand-side approach, a report by the U.S. Office of National Drug Control Policy calculated that the U.S. marijuana retail market was worth approximately $11 billion in 2000 (nearly $14 billion in current dollars).[10] Other studies using a demand-side approach have estimated the U.S. cannabis retail market in 2005 at approximately $20 billion; by 2012, other estimates pegged this market at between $15 and $30 billion.[11] The upper end of this range is close to the estimated retail value of the U.S. cocaine market. While considerable uncertainties lead to a large margin of error, it is clear that the U.S. retail market value of cannabis relative to cocaine has grown substantially over time.

6.6 SALES OF AMPHETAMINE-TYPE STIMULANTS

Estimates of the retail value of amphetamine-type stimulants are at least as uncertain as those for marijuana. UNODC estimated the global retail market for amphetamines at $28 billion in 2003, with $17 billion (60 percent) of this market concentrated in North America and less than 1 percent in South America.[12] The total retail value of ecstasy was estimated to be $16 billion, with North America contributing $8.5 billion (52 percent) and South America contributing $1.2 billion (7 percent). More recently, the 2010 World Drug Report cites a very wide range of global production estimates for amphetamines (149 to 577 metric tons). Sup-

8 UNODC, *World Drug Report 2012.*

9 Reuter, Peter, and Franz Trautmann, eds. A Report on Global Illicit Drug Markets 1998-2007. European Communities, 2009.

10 Abt Associates, What America's Users Spend on Illegal Drugs, Washington, D.C.: Executive Office of the President, Office of National Drug Control Policy, December 2001. http://purl.access.gpo.gov/GPO/LPS20925

11 Beau Kilmer and Rosalie Liccardo Pacula, "Estimating the size of the global drug market: A demand-side approach" (RAND Corporation: 2009); Jonathan Caulkins, Angela Hawken, Beau Kilmer, and Mark A.R. Kleiman, Marijuana Legalization: What Everyone Needs to Know (Oxford University Press: 2012).

12 UNODC, *World Drug Report 2005.*

ply-side estimates for amphetamines are calculated by tracking amounts of precursor chemicals, but this can be problematic since the precursor chemicals also have legitimate industrial uses.

A more recent study using a demand-side approach estimates that the annual retail value of the U.S. methamphetamine market is between $3 and $8 billion, with a best guess of $5 billion.[13] The margin of error is large because the footprint of methamphetamine use does not match the footprint of the data collection system. Methamphetamine use in the United States is concentrated in certain regions, and it is not primarily an urban drug, whereas data collection systems are centered in urban areas. Moreover, because there have been dramatic shifts in methamphetamine consumption and production during the past decade, estimates are highly dependent on the year analyzed.

While there are considerable uncertainties, in North America the amphetamine market is clearly smaller than the cocaine and cannabis markets, smaller than the cocaine market in South America, and potentially smaller than markets for other drugs elsewhere in the hemisphere as well. However, data are not available to provide a detailed analysis for all regions.

6.7 SALES OF PSYCHOACTIVE SUBSTANCES

No reliable information exists on the value and volume of the market for psychoactive substances in our region. However, an indication of those volumes may be derived from increasing use of the Internet to facilitate distribution of these substances to a global audience. The European Monitoring Centre for Drugs and Drug Addiction has noted a steady increase in the number of online shops selling new psychoactive substances: from 170 in 2010 to 690 in 2012.

13 Kilmer et al (2010). Better understanding efforts to reduce supply of illicit drugs".

6.8 THE STATE'S RESPONSE, THE DIFFICULTIES IT FACES AND CONSEQUENCES

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.[14] 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.

Brazil, for example, experienced a major increase in the prison population for trafficking after a new law was enacted in 2006.[15] Even though the law abolished incarceration for drug users (though such conduct was still con-

14 P. Meetal and C. Youngers (Eds.), "Systems Overload: Drugs Law and Prisons in Latin America," (Transnational Institute and Washington Office on Latin America, 2010).

15 Boiteux, Luciana, Ela Wiecko, Volkmer de Castilho, Beatriz Vargas, Vanessa Oliveira Batista, Geraldo Luiz Mascarenha Prado, Carlos Eduardo Adriano Japiassu. Tráfico de drogas e constituição: um estudo jurídico-social do tipo do art. 33 da Lei de Drogas diante dos princípios constitucionais-penais. Relatório de Pesquisa, Projeto Pensado o Direito, Ministério da Justiça, Brasília., Garcia, Cassia S. (2005). Os (des)caminhos da punição: a justiça penal e o tráfico de drogas São Paulo. Dissertação (Mestrado em Sociologia), FFLCH/USP., Raupp, Mariana M. (2005). O seleto mundo da justiça: análise de processos penais de tráfico de drogas. São Paulo: Dissertação (Mestrado em Sociologia), FFLCH/USP. Teixeira, Alessandra (2012). Construir a delinquência, articular a criminalidade. Um estudo sobre a gestão dos ilegalismos na cidade de São Paulo. Tese (Doutoramento em Sociologia), FFLCH-USP, São Paulo.

sidered 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, with no links to organized crime.

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 generate 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.

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.

DRUG USE

07

7. DRUG USE

7.1 WHY HUMAN BEINGS USE DRUGS

There are many different answers to this question, no doubt reflecting the diversity of the phenomenon itself. As Chapter 2 of this Report pointed out, several research studies have demonstrated the important part played by interaction between the brain and a series of biological, psychological, and social determinants in people's environments during the process in which regular use can turn into the disorder known as dependence.

Most people in the world do not use drugs, and of those who experiment with drug use, only a small number will continue using them regularly; of these, only a fraction will develop harmful patterns of use and dependence.[1] Transitioning from one stage of drug use to another is associated with a variety of risk and protective factors related to individuals and their surroundings. The relationship between the individual, the substance, and the consequences of drug use covers a wide spectrum of possible combinations and outcomes.

- Experimental use: An individual tries a drug to experience its effects, and after a few times, stops using.
- Social or regular use: The person continues to use the substance after experimenting with it, and makes it part of his or her habitual lifestyle.
- Harmful use: WHO defines this as a pattern of use that causes harm, whether mental or physical.
- Misuse and detrimental use. A pattern in the use of a psychoactive substance that causes harm to health. The harm may be physical (as in the case of hepatitis caused by self-injection of psychoactive substances) or mental (for instance, depression episodes following massive intake of alcohol).

In analyzing the interrelationships that lead to these behaviors, social epidemiologists have questioned approaches focusing solely on the individual's responsibility and have insisted on the need for a broader perspective taking the social and cultural context into account. Studies from that perspective show that there are different levels of danger in the scenarios of drug use. Intervening factors include: level of development, urbanization, and services; social inclu-

1 According to the most up-to-date information (2010), provided by the United Nations Office against Drugs and Crime, adults using an illicit drug at least once a year total approximately 5% of the world population. Of them, only about one tenth, or approximately 0.6% of the world population, are habitual users, and of that last group an even smaller percentage (not more than 0.1%) may be considered addicts.

sion/exclusion; the availability of drugs and weapons; the crime rate and the existence of groups that may be involved in drug distribution, some of which may be more violent than others. Another factor is how the police act and the strategies used to combat crime, or, where applicable, use.

As regards individual determinants, two categories can be distinguished: a) risk factors that, though not causally linked to drug use or dependence, precede them and increase the likelihood that they will occur; b) and protective factors that strengthen people to resist risks. In this latter case, the reference is to people who are resilient, who do not use drugs or develop dependence, despite being exposed to many risk factors.

Scientific evidence shows that these individuals exhibit different characteristics and live in different environments that in turn make them vulnerable to substance abuse to a greater or lesser degree. These risk factors can arise in different domains: the individual (for example, having emotional or learning disorders or sensation-seeking personality disorders); family (living with alcoholic parents); school (dropping out); peers (having friends who are drug users); and community (having easily available substances); Social status (belonging to the world of those who are excluded, socially, on account of poverty, inequality, lack of education, lack of opportunities, gender discrimination). Such factors interact differently with each person, as he or she processes, interprets, and responds to the stimuli in different ways. The importance of these factors also varies throughout the various stages of an individual's development.

Protective factors can also be found in every domain of life: at the individual level (for example, having high self-esteem or a risk-avoidance personality); family (living with parents who are able to provide for children's emotional needs); school (staying in school); peers (having friends who are intolerant of drug use); and community (belonging to social support networks), social status (public or private instruments designed to reduce social exclusion and inequalities). These can all be defined not as the opposite of risk, but rather as those factors that, in the presence of risk, protect individuals from using drugs.

Factors that contribute to resiliency may include: a close relationship with parents or another adult who provides a consistent, affectionate environment from an early age; children's feelings of success, self-control, and self-respect; and strong inner resources (for example, good physical and psychological health) and external resources (a good social support network that includes the family, the school, and the community). Other factors include social skills, including communication and negotiation skills and the ability to make good decisions and reject activities that may be dangerous; problem-solving skills; a perception that adversity can be overcome through perseverance and effort; and experience surviving earlier risk situations.[2]

All of the above should, in turn be construed in the actual social context of the countries in our Hemisphere. 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 instances, the traditional social structures that had long remained stable, such as the family, were weakened in confrontation with the modern world and underwent severe and unpredictable change. This process may result in the rejection of deeply rooted standards and the erosion of social cohesion.

2 P.J. Brounstein, D.M. Altschelr, H.P. Hatry, L.H. Blair, *Substance use and delinquency among inner city adolescent males* (Washington, D.C.: Urban Institute Press, 1989).

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.

7.2 WHAT DRUGS ARE CONSUMED IN THE AMERICAS AND ON WHAT SCALE?

According to the 2011 Annual Report by the United Nations Office on Drugs and Crime (UNODC), in 2010 an estimated 230 million people worldwide used some illicit drug in the past year, the midpoint of estimates ranging from 153 to 300 million users. This represents about 5 percent (between 3.4 and 6.6 percent) of the total world population aged 15 to 64

Marijuana

Marijuana is the most widely used illicit drug in the world. An estimated 119 to 224 million people aged 15 to 64—between 2.6 and 5 percent of people in that age group—have used marijuana at least once in the past year. That means marijuana users may account for 75 to 80 percent of all illicit drug users worldwide.

Twenty-four percent of marijuana users worldwide are in the Americas. Within the Americas, 81 percent of users are from North America. In the Americas, 6.6 percent of the population aged 15-64 has used marijuana in the past 12 months. Marijuana use in the hemisphere is practically identical to that in Europe, and surpasses by far the world average. Regional averages disguise significant variations among countries. In some countries of the Americas, past-year use is less than 1 percent of the 15-64 year-old population, while in others it is more than 14 percent.[3]

Marijuana use in North America averages 10.8 percent of the population, with very marked differences between the United States and Canada (both countries are near 14 percent) compared to Mexico (1 percent). In Central America, the average is around 2.4 percent of the population, a figure similar to the average in South America. No comparable data are available for the Caribbean region.

Data indicates that those who use marijuana begin doing so at a very early age, a pattern found also in the case of tobacco. The 2011 Report on Drug Use in the Americas evaluated 33 countries in the Hemisphere. In 9 of those countries, over 30 percent of the student population had used marijuana at some point in their lives. In 12 countries, more than 10 percent of students aged 14 or under had used marijuana at least once; in 11 countries, marijuana use among 17-year-olds was over 30 percent. In those countries with higher levels of marijuana use, the difference between males and females was smaller. The difference in use between youths and adults suggests that of the young people who experiment with the substance during adolescence or earlier only a small percentage continue using it in adult life.

3 OAS, *Report on Drug Use in the Americas 2011.*

Marijuana use is increasing among high school students in the majority of countries in the Americas. An exception is Canada, where from 2010 to 2011 a drop from 27 to 21 percent in past-year prevalence of cannabis use was reported among students in the 7th to 12th grades[4].

Cocaine

Worldwide, according to UNODC, 0.3 to 0.4 percent of the population aged 15-64 reported having used cocaine at least once in the past year. The total number of users in the Americas was around 7 to 7.4 million people, for a prevalence rate of 1.2 percent—a percentage similar to that found in Europe. Approximately 45 percent of cocaine users worldwide are in the Americas. In some countries of the Americas, the prevalence of cocaine use is less than 0.1 percent of the population, while in others it is over 2 percent.

The percentage of users may also vary significantly within countries. For example, general population studies conducted in Colombia,[5] Chile,[6] and Argentina[7] show that prevalence of use in their departments/regions/provinces ranges from 0.1 to 2 percent. Similar findings are obtained when states within the United States are compared to each other.[8]

As noted with marijuana, cocaine use is fairly widespread among the student population aged 13-17. In several countries of the hemisphere, it is estimated that 2 percent or more of that population used cocaine in the past year.[9] In addition, among those countries that have trend data on cocaine use by students, the Southern Cone countries of Argentina, Chile, and Uruguay saw an increase in the prevalence of cocaine use between 2005 and 2011. By comparison, in the United States, prevalence of use among middle-school students dropped over the same period.[10]

Smokable forms of cocaine

In the last 10 years, the use of cocaine base paste (CBP), which was previously confined largely to the Andean countries, has been spreading to countries such as Argentina, Chile, and Uruguay,[11] although prevalence is lower than with other illicit drugs. The use of cocaine base is less frequent in Central and North America. However, these regions have a higher prevalence of crack. Meanwhile, it is important to note that different forms of smokable cocaine have become much more noticeable in Brazil.

Heroin

The United States and Canada account for most of the heroin use in the Hemisphere. According to request-for-treatment records, heroin use has increased in Mexico and Colombia. In the Dominican Republic, the repatriation of drug users is said to be contributing to increasing heroin flows and to an increase in national usage. Recent data estimate that two-thirds of heroin users in this Caribbean country were deported by the United States, where they first encountered the substance.[12]

Amphetamine-type stimulants (ATS)

Worldwide, amphetamine-type stimulates are the most widely used class

4 Canadian Alcohol and Drug Use Monitoring Survey (CADUMS) 2011.

5 Colombian Observatory on Drugs: http://www.odc.gov.co/docs/publicaciones_nacionales/Estudio %20Sustancias %20Psicoactivas percent20en percent20Escolares percent202011.pdf

6 Government of Chile, SENDA, Ministry of the Interior: http://www.senda.gob.cl/wp-content/uploads/2012/02/2010_noveno_estudio_nacional.pdf.

7 Argentine Observatory on Drugs: http://www.observatorio.gov.ar/investigaciones/Estudio_Nacional_sobre_consumo_en_poblacion_general-Argentina2010.pdf.

8 Substances abuse and mental Health Services Administration: http://www.samhsa.gov/data/NSDUH/2k10State/NSDUHsae2010/NSDUHsaeAppB2010.htm

9 OAS, *Report on Drug Use in the Americas 2011.*

10 Ibid.

11 *OAS/CICAD, Hemispheric Report Fifth Evaluation Round: Evaluation of Progress in Drug Control 2011*, Multilateral Evaluation Mechanism.

12 Study by CICAD and the Dominican Republic's National Council on Drugs. 2013

of illicit drugs after marijuana, with estimates ranging between 14 million and 53 million users in the case of amphetamines and between 10 and 28 million users in the case of ecstasy-type substances. In the Americas, use of these drugs varies widely, with high rates of ATS use in Canada and the United States. However, significant use of ecstasy-type substances has also been seen among young people in many other countries in the hemisphere.

Inhalants

CICAD's 2011 analysis of drug use indicates that inhalants are among the most common substances used among high school students in the hemisphere, behind alcohol, tobacco, marijuana, and pharmaceuticals, and in more than one country, they are the top drug used. The 2011 study found that the highest prevalence of inhalant use was in Brazil (14.4 percent),[13] followed by Jamaica (13.9 percent), Trinidad and Tobago (13.3 percent), and Guyana (10.4 percent), while the United States (6 percent) and Mexico (5 percent) both have significant prevalence although low.

Pharmaceutical drugs

The abuse of potentially addictive pharmaceutical drugs is different in North America than in Latin America and the Caribbean. In the United States and Canada, the most widely misused pharmaceuticals are opioid derivatives (used mainly as analgesics), tranquilizers and sedatives (especially benzodiazepines), and stimulants (methylphenidate or dextroamphetamine). Data from the U.S. Substance Abuse and Mental Health Services[14], show that in 2011, 2.4% of the population above the age of 12 in that country had used prescription psychotherapy drugs without any medical justification in the previous 12 months and that 13.3% had done so at some point in their lives. Most of the unlawfully used medicines were narcotics (4.3%) and there was an upward trend in the misuse of and dependence on these compounds (especially opioid derivatives). The frequency with which they have been used since 2009 is only surpassed by cannabis (marijuana).[15] As for stimulants, there use has been associated with student activities and they are probably used by full-time university students.

In Mexico, by contrast, the misuse of pharmaceuticals is low. In a 2011 national survey of addictions, 0.4 percent of the population aged 12-65 reported non-medical use of pharmaceuticals during the past year. The medications most often used without prescription were tranquilizers (0.3 percent of the population); 0.2 percent of the population aged 12-65 reported having used narcotics without a prescription at least once. In many of the countries of South and Central America, the use of medications derived from opioids is more frequent than the use of heroin. For those countries that have information on the general population, rates of past-year use without a prescription in the adolescent and adult general population range between 2.8 percent in Costa Rica and 0.03 percent in the Dominican Republic, with use of benzodiazepines between 6.1 percent in Chile and 0.15 percent in Mexico. These differences in rates of use are related to the availability of pharmaceuticals for medical use.

13 A more recent Brazilian study of secondary students found that inhalant use over the past year had dropped to 5.2 percent, but inhalants were still the most commonly used substance after alcohol and tobacco.

14 Substance Abuse and Mental Health Services Administration, Results from the 2011 National Survey on Drug Use and Health: Summary of National Findings, NSDUH Series H-44, HHS Publication No. (SMA) 12-4713. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2012.

15 Report of the International Narcotics Control Board for 2011. New York: ONU2012. Substance Abuse and Mental Health Services Administration. Results from the 2008 National Survey on Drug Use and Health: National Findings. Office of Applied Studies; Rockville, MD:2009. NSDUH Series H-36, HHS Publication No. SMA 09-4434.

7.3 TREATMENT AND PREVENTION

The care provided to people affected by problems caused by psychoactive substance use in the hemisphere is also segmented and fragmented. Treatment services for drug dependence have essentially developed outside the public sector, into a loosely organized care network composed mainly of facilities or units that are not integrated with each other and are run by private individuals or community-type organizations, with religious associations playing a significant role.

Public services, meanwhile, are largely part of the mental health care system and share its lack of resources and the "asylum"-type features that predominate in the hemisphere. Potential violations of the human rights of those who use these services are another matter of concern.

The Pan American Health Organization (PAHO) Strategy on Substance Use and Public Health notes the following with regard to treatment:

- Significant barriers exist to the provision of services, and individuals with substance use disorders are often denied or have difficulty obtaining general medical care and access to services.
- Individuals affected by substance use may be assigned to involuntary treatment without due process.
- In some countries of the hemisphere, treatment services are available only in remote areas, or in asylums, sometimes for long periods of time without regular assessment of the patient's progress.
- Some services may be located far from an individual's own community, or may prohibit access to visitors or the involvement of family members.
- Services are often provided without the necessary medical supervision and without minimum standards of care or any follow-up or evaluation to ensure compliance.
- Costs of treatment must often be covered out-of-pocket by the patients or their family, which makes it unaffordable to the majority of people who need it.
- The homeless and other marginalized groups may not be entitled to services or may have no access to them.
- The prevailing stigma attached to substance use prevents individuals from seeking treatment and care, and may force them to receive poor-quality, ineffective services under conditions that violate their basic human rights.

For its part, the World Health Organization (WHO) has published a report on resources for the prevention and treatment of substance use disorders – known as the "ATLAS on substance use" – which includes a regional analysis based on a questionnaire to which 21 countries in the Hemisphere responded and which indicates that most of the countries in our region have a rather limited number of professionals and health services specializing in substance use. Although several training and refresher course initiatives are under way, aimed at developing the skills that new health teams will need to fulfill their functions and responsibilities, there is often no or very little coordination among them.

As regards prevention programs, some countries have reported that programs are being or have been evaluated, but most have to do with the process and implementation of preventive interventions rather than with their impact. With respect to the types of prevention programs in place, half of the countries in the hemisphere use audiovisual media to convey prevention

messages, though no data are available on the outcome of such efforts. Community-based programs exist in half of the countries, and 73 percent of the countries in the hemisphere report some type of school-based prevention efforts. Some 53 percent of the countries have prevention programs targeted toward vulnerable groups.

Viewing the situation in each subregion, the countries of North America use audiovisual media in their prevention programs. They also conduct school-based and family and community programs, as well as programs for vulnerable groups. Most Central American countries broadcast prevention messages using audiovisual media. Nearly half of them have community-based prevention efforts, and some have programs for vulnerable groups. Most of the countries also carry out prevention efforts geared toward schools and the family.

In South America, most of the countries promote messages through audiovisual media as well. All the countries report that they conduct prevention interventions in the schools. Two-thirds of the countries in that subregion have community-based programs, almost half have family prevention programs, and most have some prevention program or activity geared toward vulnerable groups. In the Caribbean, it was not possible to document whether there were media prevention programs in half of the countries, while the remainder reported that they did carry out this type of prevention effort.

In the early 1990's, PAHO and CICAD began a cooperative effort to promote among the member countries standardization of treatment for substance dependence, through the adoption of minimum standards of care. This initiative made a significant contribution to placing the issue of treatment on the public agenda and highlighting the responsibility of governments for regulating drug treatment services provided by public and private entities.

The OAS Multilateral Evaluation Mechanism reported in its Fifth Evaluation Round that two-thirds of the countries have official standards in place to regulate the operations of treatment services, and have registers of treatment centers. While this is the same percentage as found in prior rounds, the MEM also reports that implementation efforts in several member states have expanded. In most of the countries, this effort is coordinated by the Health Ministries, which are responsible for issuing the standards and overseeing compliance with them. Reportedly, there is continuous education and training of human resources, although it is impossible to tell from the existing information whether those courses translate into higher quality and more effective treatment.

Many services have been provided by civil society groups that lack adequate funding and are not sufficiently trained. In recent years, countries such as Mexico, El Salvador, Costa Rica, and several Caribbean countries have launched pilot programs to train and certify counselors in the field of treatment. The overall scope, effectiveness, and long-term impact of these programs have yet to be evaluated.

Some countries have needle exchange programs for intravenous drug users, to reduce the transmission of HIV and hepatitis C. In most countries with such programs, needle exchanges are part of programs that include other prevention methods, such as mobile needle distribution units and distribution of materials for needle sterilization. Only Canada has a program for supervised administration of injecting drugs. Only Canada and the United States distribute opiate agonists—maintenance drugs such as methadone—as part of their preventive measures to reduce the transmission of infectious diseases. [16]

16 WHO, ATLAS on substance use (2010): Resources for the prevention and treatment of substance use disorders (Geneva: WHO, 2010); OAS/CICAD, Hemispheric Report Fifth Evaluation Round: Evaluation of Progress in Drug Control 2011, Multilateral Evaluation Mechanism; Government of Chile, Alcohol Estrategia Nacional de Drogas y Alcohol (Santiago: CONACE, 2011); D. Burrows, Evaluation of progress in drug control. (Washington: CICAD/

There are programs in the United States, Canada, and Brazil that provide crack users with inhaler pipes (to decrease the transmission of respiratory diseases), together with condoms and flyers that talk about the risks of crack use and risky sexual behaviors.[17] Studies have shown that the distribution of these kits increases availability and use of safe inhaler materials and reduces the frequency of some risky practices, although the impact that this measure has on the transmission of infectious diseases is not yet known.[18].

7.4 THE STATE'S RESPONSE, THE DIFFICULTIES IT FACES AND CONSEQUENCES

Currently, according to the Multilateral Evaluation Mechanism, just over half the OAS member states—18 of the 33 assessed—reported having national anti-drug plans or strategies in place. The remaining 15 either did not have up-to-date plans or else did not provide any information.

According to the most recent MEM report, of the 31 member states that said they have an anti-drug commission or authority, 27 reported that they had an annual budget assigned to them, but did not give details about the resources earmarked directly for implementation and operations. The other four countries said they conducted their drug-control activities under the budget of other agencies or entities.

Despite all the research available on prevention and treatment programs, one basic still unresolved problem is the generalized lack of information on what approaches are proving most effective in the countries of the Hemisphere. Most have not conducted evaluations of their drug policies, at either the national or local level, and it is difficult, without that information, to determine the impact those policies have had. In terms of information systems, 28 of the 33 countries evaluated have observatories or centralized offices to collect, organize, analyze, and disseminate drug-related data; of those countries, 21 have an assigned budget for their operations.

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 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

7.5 HUMAN RIGHTS AND SOCIAL EXCLUSION

Drug control efforts have on occasion been associated with human rights violations and individual liberties. In the case of consumers, 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.

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

SSM OAS 2009.

17 T. Rhodes and D. Hedrigh. Harm reduction: evidence, impacts and challenges. Luxemburg: EMCDDA, 2010 (2010).

18 L.A. Malchy et al., "Do crack smoking practices change with the introduction of safer crack kits?" Canadian Journal of Public Health (2011), 102(3); L. Leonard et al., "I inject less as I have easier access to pipes": injecting, and sharing of crack-smoking materials, decline as safer crack-smoking resources are distributed. Canadian Journal of Public Health (2008), 19(3):255-64.

seeking out both public health services and prevention and treatment programs. 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.

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.

This 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. The end result is a large proportion of relapses and re-admittances, which greatly restricts the chances of overcoming addiction problems and significantly reduces the return on the little investment made in treatment.

DRUGS, CRIME, AND VIOLENCE

08

8. DRUGS, CRIME, AND VIOLENCE

With the exception of the decriminalized use of some drugs in some countries and the recent enactment of laws that permit and regulate production, sale, and use in certain specific jurisdictions, all activity relating to substances considered illicit and declared to be controlled substances by international conventions is illegal and in most cases punishable by law. The world of the "Drug Problem" is thus a world of crime. However, the perpetration of those crimes, particularly those related to the illicit drug economy, i.e. the cultivation, production, distribution (or transit), and sale of drugs, triggers other crimes and, above all, overwhelming criminal violence in connection with the "protection" of those criminal activities and with disputes between rival criminal factions. That world of crime and violence surrounding the "Drug Problem" is now perhaps its most visible facet and undoubtedly the one that causes the most harm to the women and men of our hemisphere and to the institutions designed to protect them and strive for their well-being and prosperity.

8.1 TRANSIT OF DRUGS AND VIOLENCE: THE PRINCIPAL FOCUS OF TRANSNATIONAL ORGANIZED CRIME

Transit is the "Drug Problem" that generates the most crime and violence and poses the greatest public security problems and challenges for the countries in which it occurs. The information transmitted on an almost daily basis by the media regarding massacres, attacks by hired assassins, and cases of people being tortured to death is almost all, either actually or allegedly, related to organizations involved in moving drugs through those countries.

Although the levels of violence are somewhat lower in the main consumer countries–including in that category European countries–than in transit countries, all the evidence nevertheless indicates that it is precisely that demand that stimulates violence in the rest of the chain. What is occurring in Mexico, Central America, the Andean region countries, and the Caribbean cannot be understood without that relationship. In the case of Colombia, it has been estimated that a 10 percent increase in the international price of cocaine triggers an increase in the homicide rate of between 1.2 and 2 percent.[1]

1 D. Mejía and P. Restrepo, "Do Illegal Markets Breed Violence? Evidence for Colombia"; 2011.

How serious is that violence? It is difficult to say. We suffer from an enormous dearth of information on the subject. Nevertheless, we can get an idea from the data provided by the Mexican government, which pointed out in press release 074/2012 of March 27, 2012, that Mexico's Secretaries of National Defense and the Navy had told their Canadian and U.S. counterparts at a meeting held that day in Ontario, Canada, that they estimated that "some 150,000 homicides were probably attributable to violence between criminal organizations in the Americas." That estimate worryingly matches the total number of intentional homicides registered by the OAS Hemispheric Security Observatory: 144,733, according to information provided to the Observatory by the states themselves.

There are only two possible explanations for the similarity between the two figures: either some of the information being provided by the states is incomplete or else the estimate by the Mexican authorities includes other types of homicides in addition to intentional homicides, encompassing the deaths of criminals at the hands of the security forces and those of people killed in crossfire. The similarity of the figures does, however, support the hypothesis that a significant number of the intentional homicides committed in our region is associated with organized criminal activities that are in turn related to the illegal economy and, specifically, to the transit of drugs from countries that are principally, though not exclusively, producers toward countries that are principally, though not exclusively, consumers.[2]

This activity has given rise to or strengthened enormous transnational criminal networks[3] that have ended up expanding their activities to other types of crime on such a large scale that it leads one to think that not even the disappearance of the illegal drug economy would end their criminal activity.

A significant feature of the more powerful criminal organizations (in terms of resources and influence) is that they operate on several fronts simultaneously. That is the case with the so-called Mexican cartels, the criminal bands emerging in Colombia, the Commandos in Brazil, and the gangs ("maras") in Central America, all of which have different ties to the drug market and do not depend on it exclusively. Some of the transnational illicit activities carried out by these organizations, apart from the illicit drug trade, are illegal arms trafficking, contraband, counterfeiting of products (piratería), trafficking in persons, smuggling of migrants, and smuggling of body parts (organs), endangered animal species, and archeological remains, to mention just some of those detected. On the domestic front, apart from the production and sale of illicit drugs, illicit activities carried out by organized crime include the illegal sale of weapons, the counterfeit and contraband trade, the control and exploitation of prostitution, robbery and the sale of stolen goods, illegal mining, kidnapping, extortion, and the victimization of migrants.

2 In its "Global Study on Homicide 2011." UNODC points out that "In the Americas, more than 25 percent of homicides are related to organized crime and the activities of criminal gangs, while the same is only true of some 5 percent of homicides in the Asian and European countries for which data are available." For its part, the Grupo de Apoyo Mutuo (GAM) Foundation in Guatemala estimates that 45 percent of intentional homicides in that country are drug trafficking-related. If one bears in mind that the UNODC estimate covers all the countries in the region, including both drug transit and final destination countries, it may be assumed that a realistic percentage is likely to be close to the estimate made in Guatemala and under no circumstances less than the UNODC estimate.

3 They were boosted, rather than initiated, in the case of most Mexican and Colombian cartels, which evolved from smaller organizations devoted to other crimes, especially contraband, of which the transit or distribution of drugs is a kind of variant.

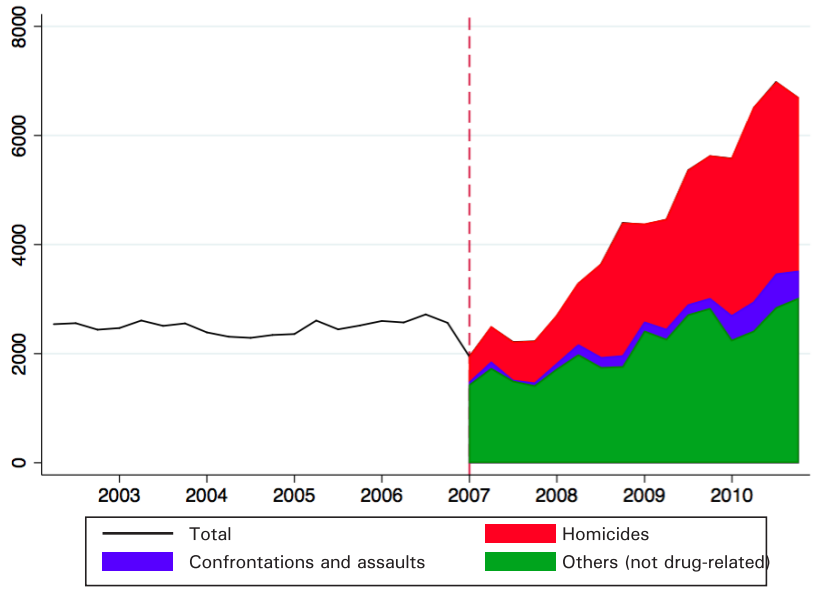
ARMS TRAFFICKING, VIOLENCE, AND DRUG TRAFFICKING

Illegal arms trafficking has become one of the main problems for citizen security in the region. The lethal violence perpetrated using firearms in Latin America and the Caribbean far exceeds the world average (which is 42 percent of all homicides). According to the 2012 OAS Report on Citizen Security, in the Caribbean 68 percent of homicides are committed using firearms, compared to 78 percent in Central America, 55 percent in North America, and 83 percent in South America.

This state of affairs is directly linked to organized crime and, within that category, to the controlled substances market, so much so that UNODC's Commission on Narcotic Drugs issued a resolution ("Commission on Narcotic Drugs, UNODC, Links between illicit drug trafficking and illicit firearms trafficking. Resolution 51/11.") in which it voices its concern at the pace at which the links between that market and illegal arms trafficking networks are growing and making it possible for criminal organizations to possess as much or more firepower than the authorities themselves.

The Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Related Materials (CIFTA), adopted by the OAS General Assembly at its twenty-fourth special session in 1997, has proved to be an appropriate instrument for monitoring arms trafficking in the region. It has been signed by all active member states in the Organization, although three of them have not yet ratified it.

Figure 3
Mexico: Total homicides and drug trafficking-related homicides, 2003-2010



Source: Roble et.al. (2013). p. 9.

In the case of Mexico, one study distinguished between two types of homicides committed in 2003-2010: those related to organized crime and intentional homicides not related to it. The findings of that exercise can be seen in Figure 3, which shows that the violence induced by the "Drug Problem" accounts for a significant share of homicides and is growing faster than violence that is not related to organized crime.[4]

4 Gustavo Robles, Gabriela Calderón, and Beatriz Magaloni, "The Economic Consequences of Drug-Trafficking Violence in Mexico" Stanford University (2013). Paper written for the Inter-American Development Bank (IDB) seminar "The Costs of Crime and Violence in Latin America and the Caribbean."

This situation affects not just Mexico, because most of the countries with high homicide rates in the hemisphere have been hard hit by the transit of drugs through their territories. This is the case not only in Mexico, but also in Colombia, Venezuela, the Northern Triangle countries (Honduras, El Salvador, and Guatemala), and the Triple Border countries (Argentina, Brazil, and Paraguay).

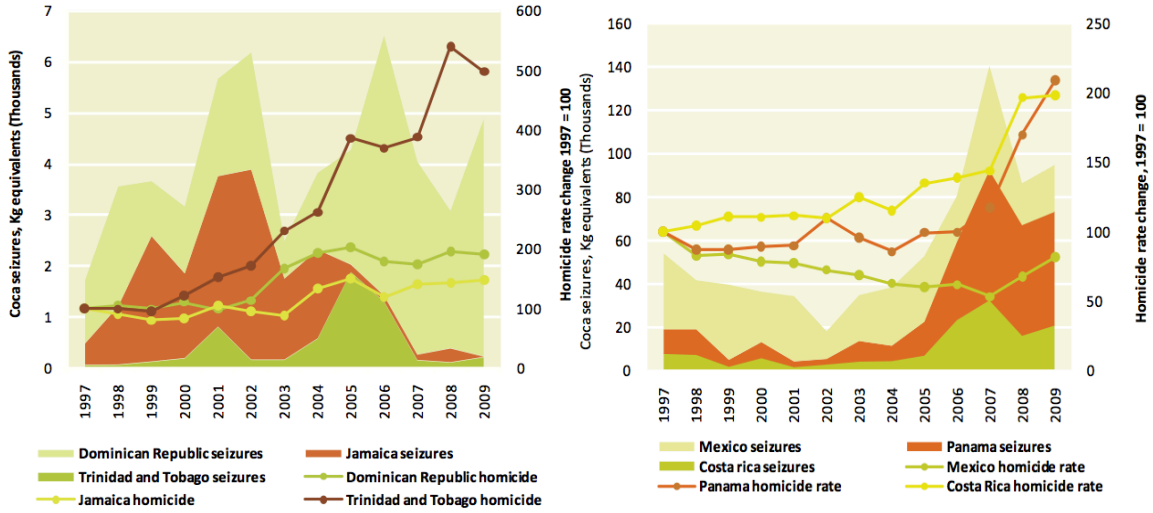
Some recent events could cast doubt on the existence of a direct link between the two phenomena. In the case of El Salvador, for example, in connection with the truce among gangs ("maras"), the number of homicides declined notably in 2012: a development that does not correlate with changes in drug trafficking. In Venezuela, the transit of drugs might explain a significant portion of homicides; however, studies do not identify any major link between drug movements and the high homicide rate in Caracas. In Honduras, the hardest-hit country in terms of violence, there is no single causal explanation for the high homicide rates, as multiple legal and illegal actors are responsible for triggering and reproducing the violence.

However, the foregoing cases merely indicate that not all serious criminal phenomena are drug-related. Yet, in those countries in which drug seizures increase—suggesting an equivalent increase in transit volume—there also tends to be a parallel increase in the homicide rate (see Figure 4).

Also worth noting is the finding that in some Caribbean countries, the volume of drug seizures decreased without a parallel reduction in homicide rates. This last finding, however, does not necessarily disprove the existence of a direct link between the two phenomena. Rather it leads one to suppose that the prevalence of crime and the accumulation of violence associated with the transit of drugs generates a momentum that continues to drive homicide and crime despite changes in trafficking routes or markets.

It is worth pointing out that trafficking in drugs and chemical substances, and the drug economy as a whole, are not always associated with elevated levels of violence. Throughout Latin America there are municipalities, cities, and urban neighborhoods in which drug traffick-

Figure 4
Cocaine seizures and homicide rates in a sample of Caribbean countries (left), Mexico, and Central America



Source: UNODC, 2011 Global Study on Homicide, pp. 52 and 54

ing and illegal drug sales abound, without that being manifested in disputes or homicides. It is even possible to discern situations in which drug trafficking organizations prefer to regulate violence so as not to attract the authorities' attention.

8.2 VIOLENCE ASSOCIATED WITH THE CULTIVATION, PRODUCTION, AND SALE OF DRUGS

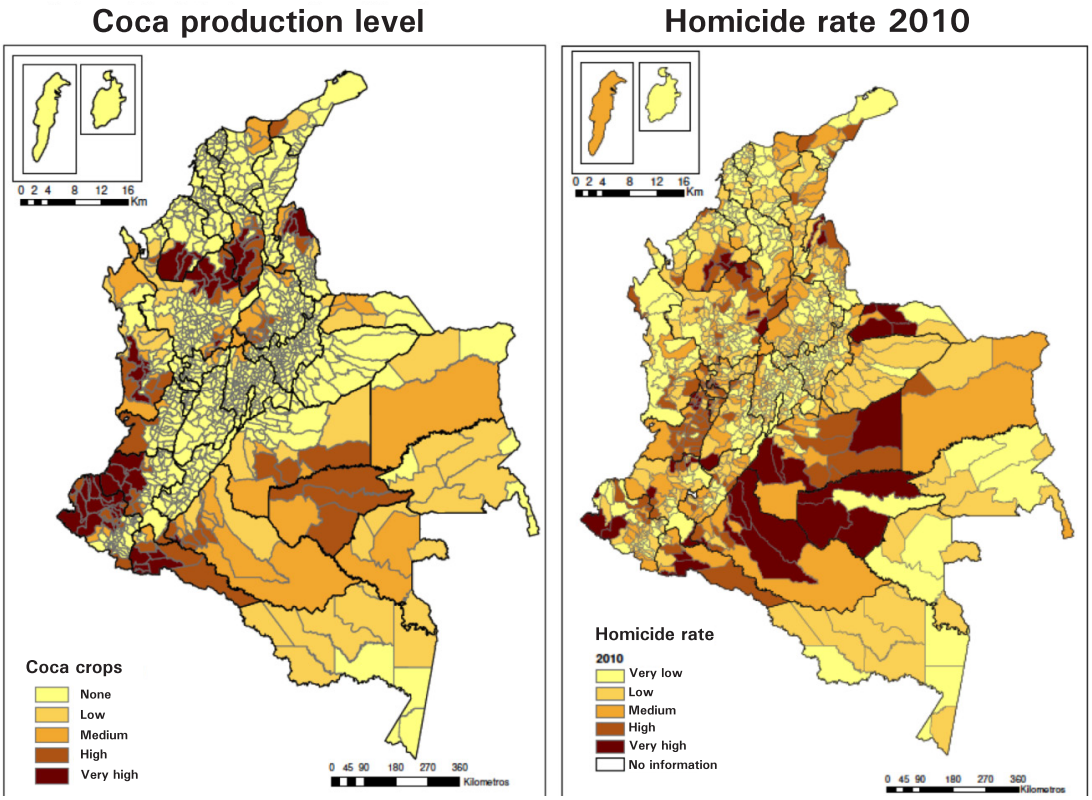
As pointed out earlier in this report, communities in which coca is a traditional crop have had to endure the presence of armed groups operating outside the law and exploiting both the land and the people living on it. A case in point was the Shining Path guerrilla organization in Peru. Even more telling, apparently, is the association between the Revolutionary Armed Forces of Colombia (FARC) and coca growing in various parts of Colombia, where that illegal organization seems to have gone from protecting crops to growing them themselves and becoming producers.

The violence directly associated with the production of drugs and chemical substances appears to be greater than that linked to cultivation activities. A recent study shows how drug production-related activities in Colombia cost between 4,600 and 7,000 lives each year, or up to 40 percent of the 17,700 homicides recorded in 2010[5].

No comparable information was found regarding the relationship between violence and the production of other kinds of drugs, especially synthetic drugs.

Drug dealing or retail drug sales are generally not a major source of violence, at least not compared to the violence generated in distribution or traf-

Homicide Rate in Colombia



Source: Sánchez et al. (2012) "Evolución geográfica del homicidio en Colombia"

5 D. Mejia and P. Restrepo, The War on Illegal Drug Production and Trafficking: An Economic Evaluation of Plan Colombia (February 2010).

ficking. Nevertheless, competition for these local drug dealing markets has repeatedly explained the high levels of violence in such places as the shantytowns (favelas) of Rio de Janeiro, certain parts of Mexico, and some urban zones in Colombia and Jamaica. There is also increasing evidence of Central American gang involvement in the retail drug trade.[6]However, data constraints preclude estimating how much violence can be attributed to competition for local markets. Geographically, in the so-called "hotspots," a host of illegal activities merge (the black market in weapons, sales of stolen goods, prostitution, trade in counterfeit goods), so that it is difficult to assert that the retail drug trade is the cause of the violence in such places.

Worth noting, too, in connection with the violence associated with drug dealing, is the fact that to some extent the retail drug trade and more problematic levels of drug use tend to "cluster" together spatially, generating a pattern of spatial segregation in which urban pockets of intensified violence, illicit activities, and problem drug use are formed, causing greater harm to individuals and the breakdown of families and communities. It is precisely in the poorer, more marginalized urban districts, where there is less education, more structural violence, and incipient or already consolidated networks of illegal activities, along with less visible public security, that the illegal drug economy finds a propitious environment where it can take hold and breed a vicious cycle of vulnerability, violence, social breakdown, and drug dealing.

8.3 DRUG USE AND VIOLENCE

An important aspect of the relationship between crime, violence, and drugs has to do with the behavior that the use of substances induces in users. It has been demonstrated that drug use tends to be elevated among people who have committed crimes. The available evidence on crimes committed and studies of persons incarcerated for those crimes show that drug use levels among the prison population are noticeably higher than national prevalence rates.[7] Studies based on biological testing of detainees have found very high levels of consumption and show that the probability of committing a crime or of repeat offenses is greater among drug users. Nevertheless, the fact that these individuals are regular users of drugs does not prove that the crimes occurred under the influence of a drug or were motivated by the need to consume a drug.

In other words, although it may be asserted that drug use tends to be elevated among people who have committed crimes, that does not necessarily mean that the crime rate is high among drug users. Rather, vulnerability and social exclusion might be more important determinants of individuals' criminal behavior than their use of drugs. As a CICAD-UNODC study *("Consumo de drogas en la población privada de libertad y la relación entre delito y droga")* shows, persons in prison "have weak links to formal sector work and schooling issues. A high percentage said they had at least one relative with a criminal record."

The relationship between drug use and crimes varies according to the type of drug. Harder drugs correlate more strongly with the occurrence of crimes; however, their use does not typically lead to violence. There is an ongoing debate about the effects of certain drugs and their links to violence. While marijuana appears to lower aggressiveness, cocaine may exacerbate it. For its part, heroin use is associated more with crimes against property than with violence on the part of those who use it. Studies show that drug-induced violence is rare and is more associated with alcohol than with illegal drugs,

6 Information elicited during a workshop with Central American police and public security authorities conducted in preparation for this report.

7 There is no objective way of knowing how many people who use drugs commit crimes, unless they are being prosecuted or are serving sentences for the crimes committed. Therefore the following analysis refers only to such people.

though in both cases the drugs weaken the mechanisms that have an inhibiting effect on an individual's conduct—especially if that person is armed or in a setting that encourages the use of violence. An important factor to bear in mind is the state of a person's addiction.

Some studies show a greater correlation between the occurrence of crime and drug use when the addiction is intense. When there is less dependence, the occurrence of crime diminishes, which suggests that an early response to addiction may help reduce the number of crimes related to drug use.

The total number of deaths resulting from drug-induced behavior is significant but accounts for only a minority share of total violent deaths in the region. The official statistics available only have information for 2004. In that year, according to the Pan American Health Organization, pathological behavior associated with drug use caused 27,899 deaths in Latin America and the Caribbean, including deaths caused by trauma (mainly traffic accidents), suicides, or AIDS contracted from infected syringes used by addicts. Those figures may be compared with the information provided in the OAS Report on Citizen Security in the Americas, which revealed that in that same year, deaths from suicide alone, in Latin America and the Caribbean, totaled 28,432, while deaths from traffic accidents alone in Latin America in 2009 (the only region and year for which data were available) totaled 102,940. It is likely that, due to increased drug use in some Latin American countries, the number of deaths associated with pathological behavior on the part of those users has marginally increased. However, the number will continue to constitute a small share of all similar violent or lethal incidents in the region.

8.4 WHY DOES THE DRUG PROBLEM GENERATE DIFFERENT LEVELS OF VIOLENCE IN OUR COUNTRIES?

Each of the activities involved in planting, producing, distributing and selling drugs prohibited under international conventions is illegal and engaging in them is a crime. Taken as a whole, however, those activities still amount to economic activity or a "business," which turns criminals into a particular type of entrepreneur. Their entire business is based on an illegal activity and they are not subject to the regular obligations of someone in business: they are not forced to submit their products to quality controls by any authorities, and they pay no taxes, conquer market share through violence, and use the same violent methods to impose the prices they want. These conditions mean that they obey the dictates of money alone. They do not feel the need to maintain the prestige of a brand name, to promote their product in society, or to respect their clients. Their sole purpose and direction is to make a profit at any cost. That is what drives them and their actions, and should explain why violence and criminal brutality is required throughout the value chain associated with this illicit drug economy.

Yet that is not what happens. As Chapter 6 of this report showed, in the illicit drug economy the retail stage is where most value is added and therefore presumably where most profit is generated. Nevertheless, it is not the stage where most violence is encountered, and the destination countries for international drug flows are not afflicted with the same levels of violence as those associated with trafficking. As the same chapter has shown, the worst violence and largest number of victims are found in the trafficking phase of this illegal economy and therefore directly affect the transit countries.

This apparent paradox leads us to look for an explanation in the characteristics of the countries in which the phenomenon occurs, since it cannot be explained by the characteristics of the illegal economy itself. That line of inquiry points to an inescapable fact: there is a clear difference between the strength of the state in those countries that can, generally speaking, be described as destination countries for international trafficking of controlled drugs and those that, just as generally, may be described as transit countries.

Maybe it is that difference that explains why in some countries the illicit drug economy gives rise to extreme violence and in others it does not. That the existence of different levels of criminal violence in our countries may be due to differences in states' ability to guarantee protection for their citizens and, above all, ensure that laws are actually enforced.

In many countries in our hemisphere, and especially in those we have called transit countries for the trafficking of controlled drugs, institutions are too thinly spread out geographically, too poorly structured and coordinated, and too short on financial and human resources and accurate information to be able to formulate and implement security policies. On top of all those shortcomings, there is widespread mistrust of institutions prompted by their weakness, corruption, and impunity.

That frailty of the state, exacerbated by the corrupting actions of the criminal organizations themselves, creates fertile ground in which those organizations tend to accentuate violence as the principal operating procedure for their "business." Thus, violence becomes their only way of resolving disputes with competitors and of imposing their power over the community and in many cases over the state itself.

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The key ingredient in this unfortunate scenario appears to be impunity. Ultimately, those operating the illegal drug economy are "entrepreneurs," albeit of a very particular kind, and, as such, they cannot lose sight of the cost-benefit ratio of their operations. Obviously, guaranteed impunity lowers the cost of violence as much as the risk of punishment increases it. It seems likely that a drug trafficker who uses violence and cruelty as a way of resolving disputes with rivals or law enforcement officials in countries in which he runs no real risk of punishment for his crimes will use different methods in countries in which such punishment may be deemed inescapable.

It is that situation of pervasive impunity that explains the existence of an equally pervasive culture of disdain for the state, which coincides with high rates of criminal violence in those countries, which, also coincidentally, tend to be drug transit countries. That culture triggers a vicious circle in which the community opts not to turn to institutions (crimes are not reported, disputes are settled privately, people take justice into their own hands) because the police do not go after criminals, the courts do not hand down judgments, and prisons not only fail to rehabilitate, but often serve as shelters from which criminals continue to operate.

The situation is well summed up in the joint UNDP-OAS report entitled "Our Democracy"[8]: "not enough State explains why we have the world's highest homicide rate, why drug cartels rule whole territories and influence public decision-making, why there are large areas that are not ruled by law."

The lack of state is probably not the only explanation for the different levels of violence in our countries associated with the "Drug Problem." It is likely that our individual histories as nations, our cultures and idiosyncrasies, and, above all, the poverty and social inequality rampant in some countries also play a key role in the explanation of this phenomenon. Nevertheless, it seems equally obvious that to solve the problem there will always be a need for formal institutions that do actually guarantee citizen security and strive for the well-being and prosperity of all.

8 FCE, UNDP, OAS, 2010, p.

The sheer volume of violence triggered by the illegal drug economy at its various phases, but particularly that unleashed by transnational organized crime in the transit countries, inevitably leads us to compare the number of victims of that violence with the number of victims of drug use. By any standard of comparison, the number of deaths caused by drug use appears minimal when compared with the deaths from criminal actions related to drug trafficking. The government of Mexico estimated that between December 2006 and January 2012, approximately 60,000 people died in that country as a result of executions, clashes between rival groups, and attacks on the authorities by criminal organizations involved in drug trafficking.[9] During that same period, the World Health Organization (WHO) recorded 563 deaths in Mexico from overdoses of controlled drugs. In one of those years, 2010, WHO recorded 137 deaths from overdose of controlled drugs, while the same government entity acknowledged that there were 15,273 violent deaths presumed to be related to organized crime.

In Brazil, meanwhile, the Ministry of Health reported that the number of drug-related deaths had increased by 65 percent in a decade, from 916 in 2000 to 1,516 in 2010. The Brazilian authorities do not have consolidated figures on the substances most used by the almost 25,000 people who died from intoxication and drug abuse in that same decade (2000-2010). During the same 10-year period, Brazil recorded 480,000 intentional homicides.

In any case, and however the comparison is conducted, everything indicates that the number of deaths caused by drug use is far less than those caused by related crimes, be they associated with transportation or trafficking, with the control exerted by criminal groups over entire communities, crimes committed under the influence of drugs, or with desperate acts committed by drug addicts for the money needed to quench their addiction.

9 145 Base de Datos de Presuntos Homicidios Relacionados con la Delincuencia Organizada" [Database of Alleged Homicides Related to Organized Crime] of the Office of the Attorney General (Procuraduría General de la República). See www.sergioaguayo.org/biblioteca/contandoruces/BD,pdf

LEGAL AND REGULATORY ALTERNATIVES

09

9. LEGAL AND REGULATORY ALTERNATIVES

9.1 TERMINOLOGY

Prohibition is a set of laws and regulations that ban the production, sale and use of certain substances except under very limited circumstances such as research and clinically defined medicinal use.[1]

Changes in such laws in the direction of freeing mere users from criminal sanctions are referred to as *decriminalization.* This is often thought of as simply a lesser version of legal availability for sale, but the gains, losses, and policy-design questions are entirely different. Decriminalization does little to reduce the harms relating to illicit commerce and its impact on consumption levels is modest.

Decriminalization can dramatically change the number of arrests for drug-law violations, avoiding substantial burdens on those arrested. Decriminalization includes non-criminal penalties such as fines, or interventions designed to dissuade users from continuing to consume illicit drugs.

The term *depenalization* is now widely used in discussion of alternative legal regimes. However, it does not exactly match the notion of "despenalización" (decriminalization). It ("depenalization") refers to a reduction from current levels in the formal penalties of any kind for possession of a drug for personal use. For the purposes of the report, this concept will be defined as "**reduction of penalties/punishments.**"

Legalization refers to a regime in which both production and consumption are legal. There may be legal restrictions on both sides of the market, even with criminal penalties for violations. For example, it might be a criminal offense to sell marijuana to anyone under 21 or to have more than a certain level of the substance in one's body when driving. However, legalization means that it is possible for a large class of individuals to obtain the drug without penalty and for the drug to be produced and distributed without penalty by some entities.

One dimension that fits between possession and supply is *cultivation for personal use*, at least for marijuana, which is readily grown in small quantities. A regime that might prevent the dangers of market expansion associated with commercialization would allow individuals to produce for their own use and perhaps for gifts to others or shared in a small collective. Even within the context of prohibition, cultivation for personal use might be separated out; Australian states that have decriminalized marijuana possession have also decriminalized cultivation of a small number of marijuana plants.[2] In this case the goal is to reduce the extent of drug trafficking and perhaps the revenues of organized crime.

1 For example, cocaine is used as a topical anesthetic for certain surgical procedures.

2 N. Donnelly, W. Hall, and P. Christie, "Effects of the Cannabis Expiation Notice Scheme on levels and patterns of cannabis use in South Australia: evidence from National Drug Strategy Household Surveys 1985-95," Drug and Alcohol Review (2000), 19(3): 265–9.

Particularly in the Western Hemisphere, it is worth noting that the conventions allow signatory countries to enter reservations to the convention to allow for traditional indigenous use of a controlled substance.[3]

3 Mexico made a reservation, as allowed by Article 32, Paragraph 4, of the Convention on Psychotropic Substances of 1971, to permit traditional use of certain substances for indigenous ethnic groups in its territory. The recent case of Bolivia and indigenous use of the coca leaf, explained in the chapter on Production and Supply of Drugs of this report, is complicated by the fact that Bolivia did not make a reservation to the Single Convention on Narcotic Drugs of 1961 upon signing or ratifying. Therefore, in June 2011 it denounced and re-acceded to the treaty with a reservation regarding coca. With only a handful of the required 62 objections to re-accession filed by January 10, 2013, Bolivia successfully rejoined the convention with a reservation.

International Conventions and Control Bodies

National drug policy choices are made in the context of a set of longstanding international drug treaties. The first international drug laws focused on regulation of substances such as opium (Hague Convention 1912). However, in the early years of international drug policy, very little progress was made regarding how to organize or consolidate international policy.

The United Nations attempted to address this problem through the 1961 Single Convention on Narcotic Drugs, which was aimed at consolidating enforcement treaties into one global accord. This treaty introduced the system of "scheduling" of drugs, which is still in use today.

Over the next 30 years, international drug policy evolved gradually. The 1961 Single Convention on Narcotic Drugs focused on controlling the most notable plant-based drugs such as opium, cannabis, and cocaine. Ten years later, increased use of these drugs gave rise to the United Nations Convention on Psychotropic Substances (1971), which expanded international policies to include synthetic substances such as amphetamines, benzodiazepines, barbiturates, and psychedelics. In the late 1980s, the United Nations broadened its approach to include many facets of drug trafficking. The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) regulated precursor chemicals and required signatory nations to enact laws against money laundering and other offenses related to drugs.

Many narcotic, plant-based, and psychotropic substances are covered by these international drug control treaties. The vast majority of governments are signatories to these treaties, which render the use, sale, trafficking, and production of drugs like heroin, cocaine, and cannabis illegal. However, when signing, ratifying, or acceding to an agreement, a state may sign with a reservation that seeks to exclude or modify the legal effect of certain provisions of the treaty as they apply to that state.[1]

Progress and challenges related to drug control and treaty obligations are discussed at the Commission on Narcotic Drugs (CND), a 53-member United Nations body that meets annually. The CND offers opportunities to advocate for specific approaches to drug control, such as health-oriented measures and supply reduction. The latter policy is often debated at length at CND, and has traditionally been heavily emphasized within international drug policy discussions. However, recently there have been an increasing number of resolutions agreed to by all countries that address health-related issues.

The International Narcotics Control Board—the quasi-judicial body of 13 representatives meant to set production levels for analgesics listed under various schedules of the conventions and to enforce the conventions—can recommend embargoes against the lawful production of drugs for medical purposes in a country if it determines that the country is violating international drug treaties. This enforcement power has never been used.

1 For example, when signing the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Peru expressed its reservation to Paragraph 1 (a) (ii) of Article 3, concerning offenses and sanctions regarding cultivation, because the convention did not clearly distinguish between licit and illicit cultivation.

9.2 MAKING AND EVALUATING DRUG CONTROL POLICIES

Policy measures with explicit drug control goals can never be fully detached from underlying social values; to some degree, they reflect society's disapproval of certain substances. That said, the primary purpose of this analysis is to evaluate these policies in terms of how effective they actually are in different dimensions. These include:

- Protecting individuals and communities from drug-related damages, including substance abuse disorders ("dependency") and use itself;
- Mitigating damages to users' health (e.g. overdoses);
- Reducing negative consequences to users and others from intoxication-related accidents and drug-related crimes; and
- Preventing problems in the family, the neighborhood, the school, and the workplace.

Prohibition aims to accomplish those goals. By driving up the price for drugs and hampering easy access, these policies should result in less drug use than would occur in a society with drugs that are easier and cheaper to obtain.

At the same time, these drug control policies risk causing damages of their own:

- Regulations and prohibitions all create opportunities for profitable circumvention and thus the creation of organized criminal enterprise, with attendant risks to citizen security.
- Enforcement of prohibitions can contribute to mass incarceration and social isolation, and generate human rights abuses.
- Drug enforcement draws resources away from enforcement of other types of violent and property crimes.

Thus, any set of drug policies reflects tradeoffs among competing evils: damage due to drug abuse, damage due to drug trafficking, damage due to enforcement efforts, and the direct budgetary costs of control measures themselves.

Social policies exist that, while not explicitly designed to reduce drug use in society, may make a positive contribution in that direction. A more effective school, a better-designed neighborhood, improved parenting programs, and courts that hand out speedier and fairer justice can all reduce risk factors.

9.3 TRENDS: DECRIMINALIZATION, DEPENALIZATION AND MORE

International treaties on drug control regard the use, sale, trafficking in and unauthorized production of drugs such as heroin, cocaine, and marijuana as illegal. Use, other than that required for medicinal purposes or for research into these substances, is forbidden throughout the Americas. While the conventions prohibit the consumption and sale of certain drugs, there is considerable variation in how nations implement these requirements, particularly laws and penalties related to possession for personal ends.[4] However, no country freely permits personal possession or use of otherwise banned substances. Contraband is still seized even if the individual is not sanctioned for possession. In that context, in some countries in our region and some states in the United States, a trend is emerging toward "depenalization" (i.e. reduction of penalties for possession of drugs) and to do more than that with respect to marijuana. Some specific examples of changes are detailed below..

Argentina

The Supreme Court of Argentina unanimously found paragraph 2 of Article 14 of the National Drug Law (Law No. 23.737), which had punished possession of drugs for personal use with

4 CICAD Internal Working Paper reviewing laws and regulations within the Western Hemisphere. Draft, October 2012.

deprivation of liberty, subject to substitution with educational measures or treatment, to be unconstitutional. The Argentine legislature is currently rewriting the law to comply with the Supreme Court ruling and to expand it to cover other substances besides cannabis.

Mexico

Articles 477 to 480 of the General Health Law, as amended in 2009, state that the Office of the Public Prosecutor (Ministerio Público) will not prosecute the consumer for the unauthorized possession of substances in quantities deemed to be for personal use, though the arrestee can be held pre-trial. The government authority is required to inform the individual of treatment facilities available as well as record the incident and provide information to the health facilities.[5]Quantities determined for personal use are established in Article 479: 5 grams of cannabis, 2 grams of opium, 0.5 grams of cocaine, 50 milligrams of heroin, .015 milligrams of LSD, or 40 milligrams of methamphetamine.

Chile

Under Article 4 of Law 20.000 of 2005, the unauthorized possession of a small amount of substances destined for personal use is not punished. The unauthorized public use of substances is considered an infraction under Article 50, and punished with fines, community service, or attendance at drug abuse prevention programs. Whether the quantity in a specific case is for personal use is determined by the court.

Brazil

The Drug Law changed in 2006 in an effort to reduce penalties for drug users and increase those for drug dealers. Under Article 28 of Law 11.343 of 2006, the unauthorized possession (including acquisition and transport) of substances for personal consumption is considered a criminal offense. However, it is not penalized with deprivation of liberty but rather with drug abuse education, community service, and/or obligatory attendance in drug abuse programs for up to five months for a first offense. The court may apply verbal warnings and fines to ensure attendance. Quantities determined for personal use are at the discretion of the court.[6]

United States

In the United States in the 1970s, 13 states eliminated criminal penalties for possession of a small amount of marijuana, typically 1 ounce; use in public sight usually remained a misdemeanor offense. The decriminalization movement came to an end in 1978; the next state to make that change was Massachusetts 30 years later, in 2008. In the last 15 years, efforts in the United States to soften the effects of cannabis prohibitions have focused on allowing the use of cannabis as medicine

Currently, 18 U.S. states and the District of Columbia allow marijuana to be available as a medicine.[7]This is a more extensive step than simple decriminalization because it involves the state's sanctioning of selling for medicinal purposes. At the same time, four states (California, Washington, Colorado, and Oregon) have considered initiatives involving the legalization of marijuana. On November 6, 2012, voters in two of them, Colorado and Washington, passed new laws to regulate and tax that substance. To that extent that state law permits, and as of now, in both states adults may possess a limited amount of marijuana. In both states, both growers and sellers must be licensed and must pay taxes, in accordance with provisions that will enter into force in December 2013. Sale and possession remain prohibited for those under 21 years of age.

Washington state requires that production, distribution, and sale be controlled by the State Liquor Control Board. Marijuana retail stores will not sell liquor. There will be a 25 percent tax imposed at each of three levels of transaction: production, wholesale,

5 Ibid.

6 Idem.

7 See http://medicalmarijuana.procon.org/view.resource.php?resourceID=000881 for details for the 18 U.S. states and the District of Columbia.

and retail; in addition, the final sale will be subject to state sales tax. The Colorado scheme for commercial production and distribution was not specified in the ballot initiative. There is one specific tax, 15 percent, administered at the wholesale level. In Colorado, but not in Washington, state law also permits (effective immediately) any person over the age of 21 to grow up to six marijuana plants (no more than three of them in the flowering stage) in any "enclosed, locked space," and to store the marijuana so produced at the growing location. That marijuana can be given away (up to an ounce at a time), but not sold.

Federal law still prohibits, subject to criminal penalties, the possession, production, and sale of marijuana. As this Report went to press, the Department of Justice has still not stated whether it will attempt to block implementation of the new state laws.

Uruguay

In June 2012, President José Mujica announced that his government would send a bill to Parliament that would legalize and regulate the supply of cannabis. Two months later, on August 8, the government officially submitted the bill, which included a sole article, which said that "the state shall assume control and regulation of the activities of importation, production, acquisition in whatever capacity, storage, commercialization, and distribution of marijuana or its derivatives in the terms and conditions specified in the regulations." The bill maintained prohibition of sales of marijuana among private citizens and cultivation for personal use. In effect, it called for a state monopoly on the production, processing, and distribution of marijuana.

Through months of parliamentary negotiations, the bill underwent considerable modifications. On December 18, 2012, President Mujica announced that the proposal would be tabled, citing the need to better explain the initiative due to lack of public support; this followed publication of a public opinion poll reporting that 64 percent of the Uruguayan public opposed marijuana legalization. He asked his party and those supporting the bill to hold off on passing anything until the initiative met with broader public approval. His administration clarified that this step does not represent a withdrawal of the bill and that the government will continue to discuss openly the proposal to create a legalized market for cannabis, perhaps starting with a pilot project for medical marijuana.

9.4 LAWS REGARDING AVAILABILITY

A great deal can be learned from how societies have handled other psychoactive substances. Both alcohol and tobacco are addictive drugs that cause considerable damage to health and society. The negative effects of alcohol very much mirror those of cocaine in that they are physiological and behavioral, as well as both acute and long-term. Tobacco is different; its negative effects are purely health-related and long-term.

Under current law throughout the hemisphere, alcohol and tobacco are made more or less freely available as articles of commerce, in unregulated quantity, for consumption by any adult. Alcohol and tobacco are the targets of special taxation and regulation of sales—in particular, a ban on sales to minors. Consumers of those drugs are also subject to rules designed, for example, to prevent automobile accidents or prevent exposure to second-hand smoke. In the case of tobacco but not of alcohol, reducing the number of consumers, especially new users, is an acknowledged policy goal in much of the region.

One—though by no means the only—major alternative to current policies toward controlled drugs such as cocaine, heroin, marijuana, and meth-

amphetamine would involve making one or more of them legally available for sale in some form other than for medical use. The variations among the rules that currently apply to tobacco and alcohol illustrate the range of possible policies that could apply to regulated markets in currently illicit drugs. For example, at various times and places, alcohol and tobacco (as well as opium) have been state monopolies, potentially a very different regime from one in which any licensed business can produce or distribute the substance.

So although "legalization" is often referred to as if it specified a particular policy, there are many different possible approaches to making a drug legal, some of the options far more restrictive than others. Alcohol is subject to extensive regulation in some countries but minimal regulation in many others. There is extensive research evidence indicating that many types of interventions affect drinking and alcohol-related consequences. For example, higher taxes, fewer sales outlets, more limited drinking hours, and restraints on advertising all reduce both total consumption and alcohol-related damages.[8]

9.5 MODELS OF LEGAL AVAILABILITY

There are a limited number of models that could be of use to further the analysis regarding alternatives to current prohibitionist policies and their potential consequences. Actual models do vary by drug and by country. The most well-known model is that of the coffee shops in the Netherlands, which constitutes *de facto* legalization, even though it is not de *jure*.

The Dutch experience with coffee shops has been the subject of considerable controversy. The Netherlands now—after about 30 years of ready access for adults—has a rate of marijuana use that puts it in the middle of the European league. The number of coffee shops has been cut by half in the last decade by local governments, which have primary oversight responsibility under general guidelines from the national Ministry of Justice. Reasons for this reduction include, most prominently, concerns about attracting foreign tourists to buy marijuana in the Netherlands, particularly in the south, but also public nuisance in general and breaches of the provisions of the public prosecutor's guidelines for the coffee shops. The former conservative government and the more liberal one installed in September 2012 have talked about how high THC level (over 15 percent) is a problem for Dutch youth.

Another model of interest is that of the social clubs, perhaps the best example being the private cultivation and use of cannabis in Spain. These clubs exist in a legal grey area, but after a series of Supreme Court rulings they have been more or less permitted since 2002 under Spanish law.[9] The clubs are non-commercial social groups that cultivate and distribute cannabis to satisfy the personal consumption needs of its members. Under international conventions, criminalization of cultivation and possession for personal use of substances are subject to constitutional limitations, and in Spain's case the law does not penalize private use of a drug or the collective cultivation of cannabis so long as it is not destined for illicit trafficking. Membership is typically limited to a certain number of registered, paying adults who can use cannabis on the premises. Each club seemingly can establish its own membership requirements, and internal prices. Again, these are non-commercial operations that seek to meet the needs of members, which has the inherent advantage of preventing commercialization and price competition while also restricting supply. According to one news article profiling a well-known club, prices are about half those of the illicit market.[10]

8 T. Babor et al., *Alcohol: No Ordinary Commodity* (Oxford University Press, 2010); P. *Cook, Paying the Tab: The Costs and Benefits of Alcohol Control* (Princeton University Press, 2007)

9 Martín Barriuso Alonso, "Cannabis social clubs in Spain, A normalizing alternative underway," TNI Series on Legislative Reform of Drug Policies, Nr. 9 (January 2011).

10 Nick Buxton, "Drug club: Spain's alternative cannabis economy," Red Pepper (June 2011): http://www.redpepper.org.uk/drug-club/.

The club model has been expanded to other countries; it is included in the recently passed referendum in Colorado and is part of the bill in Uruguay. This model does not require a state party to withdraw and re-accede with a reservation to the international conventions, as required under a Dutch coffee-shop model, but only requires changes in national legislation.

The availability models seek to minimize quality variations in the various drugs, in a manner similar to the alcohol control system that prevails in many countries. Under these assumptions, the substance itself is legal but may be sold only by specifically licensed stores that are subject to certain regulations, including a prohibition on sale to minors. Use is permitted for adults, but there are limitations on use in specific circumstances, such as driving a car or in certain workplaces.

Under this scenario, drug prices are likely to fall substantially. One 2010 study analyzed the consequences for prices of legalization of marijuana in California; it found that production costs are so low that the legal price without taxation would be no more than 20 percent of current illegal market prices—roughly $2 per gram, compared to the price of about $12 per gram for high-potency illicit marijuana.[11]

To restore the price to its current illicit level would require imposing a tax of about $300 per ounce. This would invite a great deal of tax evasion, judging by the precedent of tobacco, which has drawn substantial tax-evasive behavior with taxes at far lower values of some $10 per ounce.

Lower prices would likely spur higher consumption. For cocaine and heroin, the material and production costs are also trivial compared to the current retail price. The government would have to impose a huge tax per gram to raise prices to levels near those prevailing currently, again providing strong incentives for tax evasion.

11 B. Kilmer, J. Caulkins, B. Bond, P. Reuter, *Reducing Drug Trafficking Revenues and Violence in Mexico: Would Legalizing Marijuana in California Help?* (RAND, 2010).

9.6 COSTS AND BENEFITS OF LEGAL AND REGULATORY ALTERNATIVES

The consequences of legal availability—for good and ill—depend on the drug or drugs to be made available, the details of the legal regime, and the institutional capacities of governmental and nongovernmental institutions to regulate supply, moderate demand, and deal with both substance abuse disorders and intoxicated misbehavior. The greater the capacity to deal with the consequences of drug use and abuse, the smaller the damage from the increase in use and abuse likely to result if prohibitions on production, sale, and use are reduced or eliminated.

Key to alternative regulatory policies is recognizing costs and benefits, which are sometimes hard to identify and analyze with precision. Willingness to acknowledge those tradeoffs explicitly—in particular, the potential adverse consequences of drug control—can contribute clarity to an otherwise confusing discourse.

Several countries in the hemisphere have taken advantage of the flexibility permitted by the conventions to decriminalize drug consumption and use alternative punishments to drug law offenses. The available evidence suggests that reducing penalties for possession of small quantities has little effect on the number of users but retains the benefit of reducing judicial case loads and incarceration rates.

Legalization could substantially reduce the criminal justice costs of enforcement of prohibitions, which has dominated estimates of total spending on drug control in countries as different as the United States and the Netherlands.[12]The costs of crime itself, generated primarily by illegal status

12 P. Reuter, "What drug policies cost: Estimating government drug policy expenditures," *Addiction* (2006), 101: 315-322.

and enforcement, dominate estimates of the social costs of drugs.[13] Enforcement costs, however, would not disappear entirely. Ensuring that sellers comply with regulatory restrictions, for example of not selling to youth, requires law enforcement efforts, though these costs are likely to be smaller than amounts currently spent in many countries on drug enforcement.

Morbidity and mortality could also decline for legalized drugs. The illegal status of the drugs is a primary cause of overdoses, both because it creates uncertainty about the purity of what is being purchased and because it encourages use of adulterants that can themselves have dangerous effects. In a regulated legal regime, the drugs sold would be of known purity and ingredients would be listed on the label. HIV, long associated with heroin injecting, might be substantially reduced if heroin users no longer had to conceal their habits and share needles. Increased use and dependence would cut into these gains, as these drugs still present health risks even when purity is known and use does not have to be clandestine.

Additional consequences of legalization could include reductions in market-related disorder and criminal violence, as well as reductions in corruption of the criminal justice system and of political authority more generally. This assumes that countries are capable of putting into place and implementing effective regulatory regimes that do not result in a large parallel black market for drugs, an assumption that is somewhat doubtful in light of Chapters 6 and 8 of this Report, which note the linkage of violence in many countries in the region to weak institutions subject to penetration by drug trafficking organizations. Chapter 8 also notes the diversification in violence associated with different economic predatory crimes (such as human trafficking, migrant smuggling, kidnapping, extortion, arms trafficking, and bootlegging), which might not decline and could even increase in the event of a legalized drug environment.

Negative consequences must also be taken into consideration. It is impossible to know with certainty how much drug use and dependence would increase in a legalized regime, but it is reasonable to assume that greater availability, under conditions of legality and especially if commercialized, would lead more people to use drugs. Price and density of sales have been demonstrated to be important determinants of consumption for legal drugs such as alcohol.[14] Even with relatively restrictive regulation, the result of legalization is likely to be expanded use and dependency.

Legal availability, even without lower price, will encourage experimentation. Some of those new experimenters will go on to become dependent users. There is likely to be an increase in the number of people who need drug treatment, even if the adverse consequences of dependency will be less if the drugs are legal.

Dependent users include poorer parents, students, workers, and neighbors. Thus the increase in dependency may lead to more child neglect and abuse, more children dropping out of school, increased absenteeism, and less community spirit in populations that had not been much affected previously by drug dependence. When it comes to stimulants, other factors come into play. Stimulants generate violent behavior especially in combination with alcohol, could generate more drug user violence.

The distribution of these problems across society is also likely to change. At present, in many countries in the hemisphere, drug dependency and related problems are more concentrated

13 Carnevale et al., The Economic Cost of Illicit Drug Abuse: 2007, National Drug Intelligence Center (2011). For example, a recent Chilean study estimates that about one third of the socioeconomic impact of drugs and crime are drug law enforcement expenditures. See M. Fernandez, "The socioeconomic impact of drug-related crimes in Chile," International Journal of Drug Policy (2012), 23: 465-472.

14 G. Edwards et al., Alcohol Policy and the Public Good (Oxford: Oxford University Press, 1994).

among the poor and vulnerable than the middle class; that concentration could diminish with legalization.

9.7 OTHER ALTERNATIVES

As pointed out earlier in this Report, 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. 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.

In some cases, through alternatives to imprisonment, ways can be found to compensate harm done to victims, provide benefits to society, treat the drug-dependent or mentally ill person, and rehabilitate the drug-dependent offender. For example, following two decades of research, there is clear evidence that drug case tribunals – a comprehensive model encompassing the judicial system, social services, and treatment of users who committed a non-violent crime – help reduce the crime rate, lower the number of relapses into drug use, reduce the size of the prison population, and lower incarceration costs. Other options include pre-trial services, specific programs for the defense, differed sentencing programs, and medication centers. Some specialized programs offer alternatives to imprisonment for specific population groups, such as young dependent offenders.

Drug Treatment Courts (DTC) link the judicial system of judges, prosecutors, and defense attorneys through social service providers with a treatment strategy that addresses the underlying causes that have led up to the person's criminal action: drug dependence. Drug Treatment Courts have been established throughout the hemisphere, including in Argentina, Canada, Chile, Costa Rica, Dominican Republic, Jamaica, Mexico, Trinidad and Tobago and the United States.

One promising model being piloted is Hawaii's Opportunity Probation with Enforcement (HOPE), a supervision program that aims to reduce crime and drug use by conducting frequent and random drug tests of probationers with the threat of short and immediate incarceration for failure. Other efforts that promote social integration and reduce recidivism include treating drug-dependent offenders while in prison, and developing community courts and reentry courts. In all these programs, evidence suggests that involving local and community actors is critical for success.

CONTRIBUTING TO THE LAUNCHING OF A NEW DIALOGUE

10

10. CONTRIBUTING TO THE LAUNCH OF A NEW DIALOGUE

As mentioned in the Introduction, the ideas put forward in this report do not constitute a conclusion, but rather the start of a long-awaited debate. From now on, that debate and any definitive conclusions that may derive from it belong to the audience to whom these reflections are addressed and will form part of a collective analysis and democratic dialogue in each of our countries.

For the purposes of that analysis, below follow the principal conclusions of this study.

10.1 THE DRUG PROBLEM IS A HEMISPHERIC ISSUE

1.1 The evidence in this Report clearly shows that the various aspects of the Drug Problem manifest themselves differently and have different impacts in the countries of the Americas. Yet the problem concerns all the countries and all of them are responsible– albeit in different ways–for seeking solutions that substantially reduce drug addiction, the risks to which the population, especially youth, are exposed, and criminal violence.

1.2 Health problems associated with substance use exist in all our countries, reflecting the realities of drug consumption. However, the effects of that problem in terms of the number of people affected are currently greater in the countries of North America, where drug use is more pervasive; at the same time, consumption is also increasing in other countries. According to data released by the World Health Organization, drug abuse ranks as the 15th direct cause of death in Northern countries, compared to a rank of 40th in the Andean countries, and 52nd in Central America.

1.3 In contrast, the impacts on the economy, the social fabric, security and democratic governance are greater in the cultivation, production, and transit countries of South and Central America, Mexico, and the Caribbean. In the countries of North America, the main countries of final destination for trafficked drugs, those manifestations of the problem are much less marked.

1.4. Several impacts of the illegal drug economy are, however, experienced in a similar manner and simultaneously by all countries in the region, a fact which suggests the need not only for joint policies but also, perhaps, for a joint, or at least homogeneous, legal framework. This is particularly true with regard to money laundering, an area in which criminals are constantly innovating, making the most of our countries' heterogeneous domestic laws.

10.2 THE DRUG PROBLEM ALLOWS FOR DIFFERENTIATED APPROACHES THROUGH ITS DIFFERENT PHASES AND IN DIFFERENT COUNTRIES

2.1 The various components of the process– cultivation, production, distribution (or transit), sale, and use of controlled drugs–need to be considered separately to best understand the scope and impact each has on the Drug Problem of the Americas.

2.2 From the point of view of the value-added at each stage of the process, the retail sales phase represents the source of most revenue and profit, accounting for some 65% of the total, compared to the roughly 1% accruing to farmers and producers in source countries.

2.3 In terms of their social structure, farmers have traditionally constituted a very weak link in the chain of production. Even though crop substitution and alternative development programs implicitly acknowledged the need to provide viable options for farmers, the main goal pursued by governments has traditionally been crop eradication, a response that has triggered strong reactions in Andean source countries for coca and poppy.

2.4 Most drug producers, traffickers, and dealers, including the hired criminals of organized criminal gangs, were drawn from vulnerable segments of our societies and, in most cases, have suffered from unequal opportunities, poor levels of schooling, and a history of family poverty.

2.5 While drug users, for the most part, are drawn from across the social spectrum, they tend to be concentrated among those same vulnerable segments of society, which, because of the type of substances they use (including inhalants and smokable forms of cocaine), usually run greater risks and, because of social exclusion, also tend to have more limited access to treatment and rehabilitation.

2.6. With respect to violence, criminal acts associated with the production and, above all, transit of drugs to destination countries and final consumption markets are far more pervasive and alarming than those generated by retail sales and drug users.

2.7. Regarding drug use, it has been well documented that all drugs are potentially harmful to health, including legal drugs such as alcohol and tobacco. Nevertheless, it is also clear that certain drugs are more harmful than others, with heroin and cocaine, in both its chlorohydrate and smokable versions, falling into this category.

2.8 Extensive evidence also exists to assert that drug addiction leads to enormous human tragedies. While the mortality rate from drug use may not be high, the number of deaths that drug use brings about is extraordinarily high, as is the devastation to families and communities as a result of drug use and trafficking.

10.3 THERE IS NO ABSOLUTE LINK BETWEEN THE DRUG PROBLEM AND THE INSECURITY EXPERIENCED BY MANY CITIZENS OF THE AMERICAS, ALTHOUGH THE RELATIONSHIP VARIES FOR INDIVIDUAL COUNTRIES OR GROUPS

3.1 The various component parts of the Drug Problem threaten citizen security in different ways and with varying degrees of intensity.

3.2 Although the drug problem raises concerns in all countries in the region, what citizens fear most is the violence associated with it and the increasingly pervasive presence of organized crime.

3.3 Criminal violence associated with drug production and transit is perpetrated principally by transnational organized criminal gangs capable of acts of extreme violence, that have, moreover, diversified their activities to cover a wide range of crimes other than drug trafficking (trafficking in persons, firearms, money laundering, body parts, intellectual property theft, contraband, kidnapping, and extortion).

3.4 The insecurity triggered by the activities of these gangs or "cartels" affects not only citizens' physical security and that of their property, but also society as a whole, spawning corruption that can undermine civil and State institutions and even impair a country's democratic governance.

3.5 Retail drug sales, which generally involve different gangs from those engaged in production and/or transit, do not give rise to the same severe acts of violence as those found in the earlier phases of the process. Violence at this latter state is rather associated with turf fights between less important gangs for control of local micro-trafficking markets, across the hemisphere.

3.6 The insecurity associated with drug use typically reflects alterations in the behavior of persons when using psychoactive substances. Depending on the type of drug, the dosage, individual susceptibility and the individual user's expectations, consumption may produce a variety of effects (euphoria, anxiety, acceleration of psychomotor functions, hallucinations, delirium, drowsiness, sedation, and others), most of which are harmful and which manifest themselves in different types of behavior that call for individually tailored treatment.

3.7 Another reflection of insecurity triggered by drug users involves pathological behavior associated with consumption that may have serious consequences, including traffic and other accidents, assault (especially domestic aggression), suicide, and the spread of HIV and other infectious diseases.

10.4 INSECURITY HAS A GREATER EFFECT ON SOCIETIES IN WHICH THE STATE IS NOT IN A POSITION TO DELIVER EFFECTIVE SOLUTIONS

4.1. While insecurity can always be overcome, each instance of it requires a tailored response:

a) Violence related to drug use can be best addressed with a preventative approach, while drug users or drug dependents require treatment and rehabilitation services provided to individuals suffering from chronic or recurrent illnesses.

b) Reducing or eliminating the violence and insecurity related to the retail drug trade found in socially vulnerable areas in Latin America and the Caribbean requires mitigating that vulnerability through comprehensive action by both the State and civil society to enhance education, employment, equal opportunities, and urban living conditions.

c) Eliminating the violence and insecurity associated with organized crime, above all in cultivation, production and transit countries, depends largely on the effectiveness of actions undertaken by police, judicial, and corrections services.

4.2 In countries in which insecurity is deeply embedded, such effectiveness may require concerted strengthening of the entire range of State institutions, along with a more pervasive presence of the State. Implementation of effective security policies is handicapped by institutions that are geographically thinly spread, poorly structured, lacking in coordination. The only explanation for the fact that violence is far greater in transit countries is the absence of sufficient rule of law and capable police, judicial, and penitentiary institutions to guarantee its enforcement.

4.3 Impunity and corruption encourage violence, since they enable criminals to act confidently, without worrying about sentences they might receive, however hefty they might appear to be on paper. The certainty of punishment is a much more effective deterrent than the length of sentences.

4.4 The absence of rule of law best explains the high rates of violence by criminal organizations, and the fact that they dominate territories and influence government decisions. Efforts must be focused in these areas in order to drastically improve citizen security.

10.5 A PUBLIC HEALTH APPROACH IS NEEDED TO ADDRESS DRUG USE

5.1 National, hemispheric, and international drug policies have gradually come to view addiction as a chronic and recurrent illness requiring a health-oriented approach involving a wide range of interventions. The fundamental change in perspective has been to shift from viewing drug users as criminals or accomplices of drug-traffickers to seeing them as victims and chronic addicts.

5.2 The range of health related policies include promoting healthy lifestyles, protecting users with measures designed to restrict the availability of psychoactive substances, the three major components of prevention (universal, selective, and indicated), treatment, rehabilitation, and reintegration into society.

5.3 However, resources and programs available for implementing this vision are both scarce and restricted. In general, drug users face significant hurdles in accessing effective and affordable care services. They include geographical remoteness, the stigma associated with seeking treatment, and the high costs involved. All those obstacles are compounded when the individual concerned pertains to a socially excluded or vulnerable group, has a criminal record, or was once denied access to social services and networks.

5.4. Treatment for drug dependency needs to be available at all general and specialized care levels in the health system, with particular emphasis on early diagnosis and brief primary care intervention. In many countries in the Hemisphere, there is a notable gap between public health goals and the actual care provided for disorders related to the use of psychoactive substances. Although a number of countries have developed and adopted quality standards for such services, they are not systematically applied. Nor have treatment systems been developed that are built into the health care system.

5.5 Decriminalization of drug use needs to be considered as a core element in any public health strategy. An addict is a chronically sick person who should not be punished for his or her dependence, but rather treated appropriately. If it proves impossible to adopt such a radical shift in treatment from one day to another, a start should at least be made with transitional methods, such as drug courts, substantial reductions in penalties, and rehabilitation. Incarceration runs counter to this approach and should only be used when an addict's life is in danger or when his or her behavior constitutes a threat to society.

10.6 THE DRUG PROBLEM REQUIRES A FLEXIBLE APPROACH, WITH COUNTRIES ADOPTING TAILORED APPROACHES THAT REFLECT INDIVIDUAL CONCERNS

6.1 The evidence developed for this report allows us to make one strong statement: the Drug Problem manifests itself in many different ways and its impact also varies among the countries and subregions in our Hemisphere. For this reason, dealing with the problem calls for a multifaceted approach, great flexibility, a sound grasp of often different circumstances, and, above all, the conviction that, in order to be successful, we need to maintain unity in the midst of diversity.

6.2 Public policies devised over the past several decades to address the drug issue in the Hemisphere have not proved sufficiently flexible to draw in the new evidence needed to make them more effective, to detect undesired costs and damages, and to embrace recent economic and cultural changes. We need to develop and generate additional methods, evidence, analysis, and evaluation, to learn from both successes and failures, to adapt standards to the needs and characteristics of each specific environment, and to take into account the net impact in terms of costs and benefits of applying particular policies in a given country and society as well as for all our countries and societies.

6.3 Greater flexibility could lead to the possibility of amending domestic legislation or promoting changes to international law.

a) Drastic or dramatic changes to domestic law would not appear to be advisable. Nevertheless, it would be worthwhile to assess existing signals and trends that lean toward the decriminalization or legalization of the production, sale, and use of marijuana. Sooner or later decisions in this area will need to be taken.

b) On the other hand, our report finds no significant support, in any country, for the decriminalization or legalization of the trafficking of other illicit drugs.

c) With respect to United Nations conventions, changes could result from the possibility that the current system for controlling narcotics and psychotropic substances may become more flexible, thereby allowing parties to explore drug policy options that take into consideration their own specific practices and traditions.

6.4 Promoting these changes should not cast doubt on or question progress achieved so far in those areas of collective action in our Hemisphere. Rather, any such adjustments should be based on balancing whatever serves each country's needs against what meets the needs of all. That balance between the individual and the collective, between national sovereignty and multilateral action, is the foundation for our peaceful coexistence and the partnerships we have been able to forge in the course of our histories, as nations that while sovereign, act in unity and solidarity in the international sphere.

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Tara Vandergrift **Morazzini**
John **Walsh**
Coletta **Youngers**

CONTRIBUTORS

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Organization of
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1889 F. Street, NW, Washington, DC 20006
Tel: +1.202.370.5000
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