



Global trends and key issues on illicit drugs: drug reduction policies and alternative development

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*Every time somebody, anywhere in the world,
sniffs cocaine,
a Colombian person bleeds as a result*

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² The views expressed in this paper do not necessarily reflect the opinions of the United Nations and/or UNODC.

1. The unwanted synergy between globalization and illicit drugs has grown irreversible.

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Globalization has caused a greater interdependency among countries and regions of the world, especially regarding commercial and financial relations and communications. As a result social and economic security of the countries also changed with reduced capacity of the national authorities to control domestic effects of globalization.

Illicit drugs and crime have gained an undesired space in the framework of globalization³. According to a UNDOC study, in 2003 the value of the world's drug market reached 322 billion US dollars, or 51 dollars per person per year. The value of the illicit drugs market exceeds the Gross Domestic Product (GDP) of 88 per cent of the countries of the world (163 countries out of 184 countries reviewed). Drug sales have reached 14 per cent of the world's agriculture exports and, at the same time, it exceeded the value of legal agriculture exports of Latin America and the Middle East together

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The drugs phenomenon is truly globalized. The reduction of transportation costs, the proliferation of maritime, air and surface connections, the increase of the world's commercial exchange, the progressive unification of the financial markets through internet based electronic transfers, the use of tax havens and other offshore centres and, in general, the increasing interdependency among the countries, are factors that facilitate the globalization of the illicit drugs phenomenon.

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From an economic point of view, the largest regional market for illicit drugs is North America –Canada, the United States and Mexico. The North-American countries reach 44 per cent of the world's drug retail sales; they are followed by Europe with 33 per cent, Asia with 11 per cent, Australia with 5 per cent, Africa with 4 per cent and Latin America and the Caribbean (excluding Mexico) with 3 per cent.

The analysis of the illicit drug market changes significantly when reviewing its value per capita. According to the UN World Drug Report 2005 Australia has the highest level of spending on illicit drugs, with 502 US\$ per person a year, followed by North America with 331 \$, Central and West Europe with 186 \$, South and Southeast Europe with 58 \$, Latin America and the Caribbean with 22 \$, Africa 15 \$ and Asia 9 \$; the average worldwide is 51 \$ per capita a year. When expressing spending on illicit drugs in relation to the GDP, Australia is the highest with 2.6 per cent of the GDP followed by South and Southeast Europe with 2.2 per cent, Africa 2.1 percent, North America 1.1 per cent, Latin America and the Caribbean 0.9 per cent, West and Central Europe 0.8 percent and Asia 0.4 per cent. Due to limited time more details on illicit drug business are shown on the screen and are attached to this paper.

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As it happens in most transnational organized crime activities, also in the drug market the largest profits are obtained at the end of the chain, during the last transactions, although the prices in the production phase are also quite high. The value of the world's illicit crops production is 13 billion US\$, intermediary sales or wholesales total 94 billion \$ and retail or final sales reach 322 billion \$. These data confirm that the

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³ All data, statistics and analysis in this section are adapted from: UNODC, World Drug Report 2005, Vienna, June 2005. For the full 400 pages report please see: http://www.unodc.org/unodc/world_drug_report.html

fight against drugs should be equally global and that there should be a true and consistent co-responsibility among the countries.

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Most countries and governments of the world have chosen the United Nations as the main institution to design a global strategy to address the problem of illicit drugs and to lead and coordinate its implementation. As a result the United Nations has gained extensive experience and a comprehensive capacity of policy review. During the last decades international drug control has gone through different emphases and priorities, and has changed and adjusted to the multiple historical and geographical scenarios.

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2. Year by year a global consensus on illicit drug control policies becomes more and more practical

In June 1998 the United Nations General Assembly Special Session on Drugs reviewed the world strategy against drugs and reached an agreement for a new “common action to counter the world’s drug problem”. During the global forum, held at the highest political level, the representatives of 185 countries approved a balanced anti-narcotic strategy which provides a mix of control measures at source, law enforcement against trafficking and comprehensive demand reduction strategies

In their Political Declaration the UN Member States defined two pivotal issues for this new policy: the principle of an integrated and balanced approach and that of shared responsibility among nations. The two principles eliminated the anachronistic distinction between producer, consumer and transit countries. The UN Member States recognized the need to establish an alliance without frontiers against a threat that is transnational too.

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The UN General Assembly decision marked a new era for the UN drugs control policy. The foundations were laid for more humane and evidence based policies while governments and civil societies became more aware of the multiple facets of the drug problem. Diversified solutions with an integrated and balanced approach were then sought and executed in different countries in the past 17 years. A global policy-making body was established to make recommendations on the emphasis that should be given to the international fight against illicit drugs and to coordinate and evaluate results at both ends – the demand and the supply.

The UN General Assembly established clear objectives and target dates for actions such as undertaking legislative changes, implementing national programmes against money laundering, improving judicial cooperation, setting up programmes and strategies to reduce the demand and “significantly” reducing illicit crops and chemical precursors for drug production. Specific achievements and targets were established.

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Demand reduction and drug abuse prevention were recognized as one of the most effective policies.

Public education, information and advocacy strategies were promoted as well as detox, rehabilitation services and community based therapies to contain the growth of drug abuse and treat the addicted people. For two decades such policies were strengthened all over the world with satisfactory results. Best practices were identified and reviewed through networks of experts and practitioners.

One of the latest advances of global recommendations is the World Health Organization decision in July 2005 to list methadone -and buprenorphine as a medicine with a similar clinical performance- in the WHO Model (Complementary) List of Essential Medicines.⁴ The "complementary" list is used for medicines when specialized diagnostic or monitoring facilities, specialist medical care and/or specialist training are needed. Another significant change adopted was the introduction of a new section in the WHO Model List of Essential Medicines, namely medicines used for substance dependence programmes. This is an opening for other medicines used for treatment of substance dependence, including alcohol.

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After years of fierce differences on policies for injecting drug use, at the end of June 2005 the governing body of UNAIDS has agreed a new global policy on preventing HIV/AIDS, following tense negotiations in the weeks leading up to the meeting of the UNAIDS board, and at the board meeting itself.

Regarding preventing transmission of HIV through injecting drug use the global policy calls for “comprehensive, integrated and effective systems of measures that consist of the full range of treatment options,(notably drug substitution treatment) and the implementation of harm reduction measures (through, among others, peer outreach to injecting drug users, and sterile needle and syringe programmes), voluntary confidential HIV counseling and testing, prevention of sexual transmission of HIV among drug users (including condoms and prevention and treatment for sexually transmitted infections), access to primary healthcare, and access to antiretroviral therapy. Such an approach must be based on promoting, protecting and respecting the human rights of drug users”⁵

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On the eradication of illicit crops, the UN General Assembly stated that alternative development methodology requires to make crop eradication sustainable by respecting the human and economic rights of the peasant communities. The international community welcomed alternative development as a process aimed at preventing and eliminating illicit crops through the adoption of rural development measures. The alternative livelihood interventions would allow the countries that are taking measures against illicit crops to achieve sustainable development keeping the special socio-cultural characteristics of the beneficiary communities and groups in mind.

The practical feasibility and the impact of the policies recommended in 1988 were diverse in the different parts of the world where they were applied. Therefore to analyse single and regional alternative livelihoods strategies often makes more sense than a global review. The contemporary case of Colombia may contribute some insights on the drugs and development nexus. 17

3. Colombia struggles to find an exit for its narco-trafficking problem

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Colombia has a key role to play in the global drug market because since 1998 it is the number one producer of coca leaves and cocaine in the world⁶. Although the illicit

⁴ See: <http://www.who.int/medicines/>

⁵ See the full document on Intensifying HIV prevention on the UNAIDS website at: <http://www.unaids.org/en/default.asp>

⁶ All data, statistics and analysis in this section are adapted from: UNODC, Coca cultivation survey 2004, Bogotá and Vienna, June 2005. For further info see: http://www.unodc.org/pdf/andean/Part3_Colombia.pdf

cultivations have dropped by 51% since 2000, in December 2004 the country had approximately 80,000 hectares of coca crops distributed in 23 of its 32 departments. Colombia's drug problem is one of the world's most complex political and criminological puzzles. The internet search engine Google gives 1.1 million links for the words "Colombia and drugs" and just 555.000 for the words "Colombia and cocaine". My office documentation centre has collected more than three thousand books, studies and investigations on Colombian narco-trafficking. Colombian Universities can add more than 10.000 recent documents to such a search.

The deep economic inequality, the lack of government presence in large rural areas of the country, the long history of internal armed conflicts, the strategic location that serves as the entry way into South America and as a connecting point to the West Indies, Europe and North America, the grave agricultural crisis during the nineties, a long delayed agrarian reform, a bad and long lasting institutional weakness are all factors that have contributed to make Colombia both the center of illicit drug trafficking and the largest coca producer in the world. 19

The relationship between illicit cultivations and the illicit armed groups is the core of Colombian drug problem. These groups monopolize the purchase and sale of cocaine base and poppy latex; they determine the prices and the levy that is to be charged to traffickers, the management of laboratories and of landing strips. They also guarantee territorial control to facilitate drug production and trafficking. The armed groups promote illicit cultivation in their areas of influence because narco-trafficking profits provide the hard currency required in the international illicit arms market. For the two criminal adversaries -the guerillas and the paramilitary- to keep their drug business going means to secure their income to finance their armed operations. 20 x5

According to a study of the Colombian Planning Department, the FARC -one of the extreme leftist groups- obtains 60% of its income from drug trafficking and the United Self-Defense Forces (the extreme right group) has publicly recognized that most of its funding depends on drug trafficking. Reportedly, for each (US) dollar of cocaine sold in any street in the world, 4 to 5 cents end up in the hands of Colombia's armed groups, thus financing the war. 21

The nexus illicit crops-drug trafficking-violence-terrorism places a heavy burden on social and economic development. During the past 10 years the country has had to invest more resources to combat the violence -exacerbated by drug trafficking- and its effects such as human rights violations, large population displacements, corruption, political instability and environmental destruction in detriment of social and productive investment. 22

During the past few years large displacements of population were due to the violence, the armed conflict, drug trafficking and, in general, the pursuit of better living conditions. Approximately 1,4 million people have been displaced from their places of origin between 2000 and 2004. 23

The Colombian modern scenario is not big news in recent history of narco-trafficking: other largest narcotics producing countries in the past have followed the same pattern. All of them were at war or facing a grave internal conflict. Drug traffickers take advantage of armed conflicts and, vice-versa, insurgent groups take advantage of drug trafficking. During the past few years Asia's poppy and heroin production has moved

toward countries that were facing endemic wars. It is the case of Afghanistan and Myanmar, where the Taliban and the Burmese ethnic guerillas (and the national military regime) finance their operations with the profits resulting from the drug sale. Another example is that of Peru, which in 1990 reached a record production of 210,000 hectares of coca, while the attacks by Shining Path (*Sendero Luminoso*) mainly financed by illicit crops, grew worse. Likewise, the record 163,000 hectares of coca crops in Colombia, in the year 2000, coincided with the unprecedented number of 2840 abductions and of 142 massacres and attacks to unarmed population.

Colombian municipalities with illicit crops have larger sized armed groups than the coca-free municipalities. The municipalities with coca or opium poppy cultivations have an average of 100 enlisted guerrillas while in the coca free municipalities armed groups enlist an average of 40 guerrillas.

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The experience of various nations in the past three decades show that peace and reconciliation processes are necessary components of the sustainable elimination of illicit crops. All countries that have recorded quick and sustainable results in this regard had designed efficient eradication and illicit crops substitution mechanisms.

Countries that have shown the best results in the fight against illicit cultivation have found that alternative livelihood strategies guarantee that the peasant himself will destroy the illicit crops and will replace them with legal income generating activities. Moreover, when the new rural livelihood is linked to a sustainable and profitable economy, the producer will not return to growing illicit crops in another area. Providing farmers legal and profitable alternatives and improving the living conditions in rural areas, villages and urban centers of regions affected by illicit cultivation, reduces the scope of organized crime since potential and indirect engagement in the armed conflict is eliminated. The results of alternative development are not immediate but they are indeed sustainable.

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4. Alternative livelihoods take time and require consistent political will as well as dedicated technical assistance

Alternative development policies are rather new in Colombia, if compared with other countries, and they are constantly being adjusted to the different economic policies of the governments and the new scenarios that emerge in the internal conflict. Depending on the security of the area, alternative livelihoods are linked to voluntary manual eradication of illicit crops through two different strategies: the Forest Ranger Families Programme and the Alternative Production Programme.

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In environmentally protected areas the Government implements the Forest Ranger Families Programme, which consists of cash incentive to 50,000 peasant families. The goal is to help them to keep their farms free of illicit crops while they carry out conservation, reforestation and environmental protection activities. UNODC permanently monitors the Forest Ranger Families Programme: it reports monthly how the government and the peasants comply with the conditions of the agreement and makes social and environmental recommendations.

In other traditionally agricultural areas, mid and long term productive projects are financed and technically assisted to provide a legal alternative economy to the participant families.

One of the lessons learned from alternative livelihood is that the creation and the strengthening of rural organizations is the best strategy to generate regional development processes. It generates social capital, it promotes effective social control mechanisms for the projects and it becomes an efficient coordination mechanism between the rural communities and the national and local governments. A key element for the success of alternative development initiatives lies in the projects' capacity to transfer know-hows to the community. The positive results are owned by the empowered community because it sees itself not only as the beneficiary but also as a protagonist of change who is carrying out its projects and taking on a leading role in the process.

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Nevertheless, strengthening social rural organizations does not make much sense if these organizations do not come together to carry out profitable productive activities which get access to markets and so improve the quality of life of the farmers. Organizational strengthening is not -and should not- be funded with donations to peasant organizations. Grants are used instead to create rotating micro-credit funds aimed at income-generating projects, thus ensuring the sustainability of the farmers' organizations.

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The dialogue established with the producers' associations identified problems with marketing that is essential for long term alternative development sustainability.

Former coca growers were able to produce red beans, rubber, palm hearts and grow cattle but their products were not and could not be considered commodities in the free market. For a product to become a commodity it must meet quality, sanitary, packaging and transportation standards and the producing company must have basic management, marketing and business skills.

In order to meet such conditions an agreement was reached with the private sector: palm hearts and red beans from Putumayo; plantains from Meta; coconuts, lumber and tomatoes from Nariño; beans from South Bolivar; organic coffee from South Cauca; cocoa and organic honey of Sierra Nevada de Santa Marta; rubber from Caquetá; cheese and tropical diary products from Guaviare, were successfully placed on the local markets.

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Without a strong private sector that is able to offer both new technology and supplies to diversify production and the necessary market systems, alternative development strategies are practically impossible. Moreover, the private sector can help by identifying the products that are in demand and it often buys alternative development products before they are produced, so boosting the good will of farmers. My recommendation for any alternative development project is to first identify the markets and to get the business contracts, and then put the farmers to produce.

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Another lesson learned from the search for markets in countries with illicit crops is that economic policies in general, and those directed at the agricultural sector in particular, may or may not contribute to alternative development. Foreign trade policies, for example, may affect the relative prices of agricultural products thus affecting the decision of the buyers in terms of importing products that are promoted by alternative

development. Therefore, it is necessary to sign long term negotiation agreements with the buyers in order to avoid product sales from being subject to price fluctuations. It is also imperative for peasant organizations to gain direct access to the final markets by avoiding the intermediaries, and so maximize the income for project beneficiaries.

5. Colombian government's strong political will is not matched by an appropriate multilateral aid

Under Colombia's current government, alternative development practices have been progressively modified to maximize results. The Uribe's administration gave a new orientation to Plan Colombia by including the concept of alternative development into agro-forestry and reforestation plans because the government understands that different kind of interventions must be chosen to be the most appropriate to the characteristics of agricultural and non-agricultural regions and different soils.

Alternative livelihoods are now focused on forest management, productive and sustainable use of the forests, large commercial plantations and the development of lumber production chains, as much as traditional rural development interventions. If well managed, Colombia's large forest reserves may provide huge resources to combat illicit crops in the country.

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After the first decade of alternative livelihoods policies social and human capital in the areas previously affected by illicit crops are now strong and well promising. Peasant organizations and indigenous enterprise in the departments of Cauca, Nariño, Putumayo, Caquetá, Guaviare, Meta, Bolívar and in the Sierra Nevada de Santa Marta are empowered and not rarely capable to face criminal organizations.

Since 1996 to date, with UN help and advise, more than 8,000 peasant families have built their alternatives to illicit crops: double purpose livestock breeding -this is for meat and milk-, forestry and traditional crops such as coffee, cacao, plantains, fruits and palm hearts, among others. Approximately 6,000 hectares of illicit crops have been eradicated for good and more than 50,000 hectares of legal cultivations have been established.

Alternative development peasants have come closer to Europe's fair markets through organizations such as FLO International and Haavelar. In 2004 peasant alternative development organizations obtained more than four million US\$ profits through direct sales to supermarkets and fair trade networks.

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While workable and cost effective solutions are demonstrated, it is particularly sad to note that in the Andean Region 77 per cent of the families involved in illicit cultivations do not have any access to alternative development support. In fact UN Member Countries' consensus on alternative livelihoods policies has been strongly reaffirmed in a very detailed and updated recommendation approved at the UN Commission on Narcotic Drugs in November 2004, but no new technical assistance grant was then disbursed.

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