

60. The International War on Drugs

Policymakers should

- terminate Plan Colombia and other expensive, counterproductive anti-drug programs in the Andean region of South America;
- not allow anti-drug efforts in Afghanistan to interfere with the far more important effort to destroy the Taliban and Al Qaeda;
- recognize that prohibition creates a huge black-market premium and potential profit from drug trafficking that terrorist groups will exploit;
- remove U.S. trade barriers to the products of developing countries; and
- declare an end to the international war on drugs and assure foreign governments that the United States will no longer pressure them to wage war on their own populations.

Washington's international drug control campaign exhibits every flaw inherent in central planning. The war on drugs—a program whose budget has more than quadrupled over the past 15 years—has failed remarkably in all aspects of its overseas mission. Most telling, illicit drugs continue to flow across U.S. borders, unaffected by the more than \$40 billion Washington has spent since 1981 in its supply-side campaign. The purity of cocaine and heroin, moreover, has increased, while the prices of those drugs have fallen dramatically during the same period.

The U.S. government has not only compounded the domestic social problem of drug abuse by treating narcotics use as a criminal offense; it has intruded into the complex social settings of dozens of countries around the globe by pressuring foreign governments to adopt laws and policies of its liking. In the process, the U.S.-led war on drugs has severely exacerbated the political and economic problems of drug-source nations and increased financing for terrorist groups. Counternarcotics strategy thus

conflicts with sound foreign policy goals, namely the encouragement of free markets, democracy, and peace. For countless reasons, the international drug war is both undesirable and unwinnable.

Failure on Multiple Fronts

One component of the supply-side campaign has been interdiction of drug traffic coming into the United States. That approach has been ineffective at reducing the availability of cocaine and heroin because authorities seize only 5 to 15 percent of drug imports and because traffickers easily adapt to such disruptions by using new smuggling innovations and routes. In an implicit recognition of the failure of interdiction efforts, Washington has increasingly favored strategies that focus on drug-producing countries. Yet there is little reason to believe that an approach that emphasizes eradication, crop-substitution, and interdiction efforts in drug-source countries will be more successful than interdiction of drugs along transit routes. A reason that supply reduction efforts cannot be expected to affect the use of cocaine, for example, lies in the price structure of the illicit drug industry. Smuggling costs make up only 10 percent of the final value of cocaine in the United States. Those costs, combined with all other production costs outside the United States, account for only 13 percent of cocaine's retail price. Drug traffickers thus have every incentive to continue bringing their product to market; they view eradication and interdiction as a mere cost of doing business. Moreover, even if such efforts were successful at raising the price of coca paste or cocaine in drug-source countries, their effect on the final price of cocaine in the United States would be negligible. As analyst Kevin Jack Riley has observed, "Using source country price increases to create domestic scarcities is similar to attempting to raise glass prices by pushing sand back into the sea."

The efforts of international drug warriors are also routinely frustrated by drug traffickers' dynamic responses to counternarcotics policies. Already expecting interference in their business, traffickers build redundant processing facilities in case current ones are destroyed and stockpile their product inside the United States in case of smuggling interruptions. The massive resources available to the \$300 billion global illicit drug industry also enable it to react to counternarcotics strategies with ease. At best, drug war "victories" are ephemeral as the industry accommodates itself to new conditions. That situation has reduced U.S. officials to citing drug seizure figures or expressions of political will by foreign governments as important gains in the U.S.-orchestrated war on drugs.

The evidence from the field is more sobering. According to the State Department's annual International Narcotics Control Strategy Report, the total area planted in coca increased from 176,000 hectares in 1987 to more than 200,000 hectares in 2003. The area planted in opium poppy, mostly in southwest and southeast Asia, increased from 112,585 hectares to more than 140,000 hectares during the same period. Moreover, those figures do not reveal important qualitative information—for example, the destruction of less productive older plants and the cultivation of new, more productive plants.

Indeed, the State Department's estimates of net production of illicit drug crops illustrate the futility of its overseas campaign. From 1987 to 2003, opium production did not surge dramatically. Yet as the State Department once conceded, the quantity of opium available was "more than enough to supply global heroin demand many times over."

A similar situation exists with respect to cocaine. Despite more than \$3.3 billion spent on Plan Colombia over the past four years, the supply of cocaine on America's streets remains plentiful. Indeed, John Walters, the White House drug czar, conceded in August 2004 that Plan Colombia had not yet had any significant impact on the amount of cocaine coming out of that country.

Despite increased eradication efforts—the U.S. government pressures source-country governments to eliminate drug crops by spraying pesticides, slashing illegal plants, or burning peasants' fields—farmers still view illegal drug cultivation as advantageous. Less coercive schemes have also been tried. Crop-substitution and alternative development programs, for example, seek to encourage peasants to join the legal market in agriculture or other sectors. U.S. aid finances infrastructure projects, such as roads and bridges, and subsidizes the cultivation of legal agricultural goods, such as coffee and corn.

Here, too, serious obstacles and unintended consequences undermine the best-laid plans of Washington and the governments of drug-source countries. Coca plants, for example, grow in areas and under conditions that are thoroughly inhospitable to legal crops, making a switch to legal alternatives unrealistic. (For example only 5 to 10 percent of the major coca-growing regions in Peru and Bolivia may be suitable for legal crops.)

Farmers can also earn far higher returns from illicit plants than from the alternatives. For that reason, even when they enter crop-substitution programs, peasants often continue to grow drug plants in other areas. Ironically, in such cases, the U.S. government subsidizes the production of illegal drugs.

Indeed, programs that pay peasants not to produce coca and other drug crops can have effects policymakers did not anticipate. As analysts Patrick Clawson and Rensselaer Lee point out: “The voluntary programs are similar to the crop acreage reduction program that the U.S. government uses to raise the income of wheat farmers. It is not clear why Washington thinks that a crop reduction program raises the income of Midwest wheat farmers but lowers the income of Andean coca farmers. In fact, in both cases, the crop reduction program really is a price support program that can raise farmers’ income.”

The illicit drug trade also benefits from improved infrastructure. One World Bank report on road projects in coca-growing regions in Peru concluded, “While the roads were useful in expanding coca production, they have severely hampered the development of legal activities.” It is interesting to note that the major coca-growing regions in Peru and Bolivia—the Upper Huallaga Valley and the Chapare, respectively—were sites of major U.S.-funded development projects in previous decades.

Finally, even if alternative development programs were able to raise the prices of legal crops so that they exceeded or were at least competitive with the price paid for illegal crops, that situation could not last. The cost of growing coca, for example, represents such a small fraction of the final value of cocaine—less than 1 percent—that the illicit drug industry will always be able to pay farmers more than the subsidized alternatives could command.

U.S. Policy Is Not Just Ineffective

Efforts to “get tough” on drug-producing nations have caused an increase in violence and corruption, distorted economies, and undermined fragile democratic governments and the institutions of civil society. As long as drugs remain outside the legal framework of the market and U.S. demand continues, the enormous profit potential that results not only makes eliminating the industry impossible but makes attempts to do so thoroughly destructive.

It is Washington’s prohibition strategy—and not the narcotics trade per se—that is responsible for the problems usually associated with drug trafficking. Colombia, the principal target of Washington’s international drug control campaign, has over the years seen its judicial, legislative, and executive branches become corrupted by the drug trade. Crackdowns on leading trafficking organizations have produced widespread violence

and even dismantled cartels, but they have not affected the country's illicit export performance.

Colombia's efforts to convince the United States that it wishes to cooperate in the fight against narcotics have led Bogotá to undertake coca eradication and other counternarcotic initiatives. Those initiatives have created resentment among peasant populations, who have consequently increased their support of major guerrilla groups and have reinforced the business relationship between drug traffickers and the rebels who protect illicit drug operations. Indeed, Colombia's various guerrilla organizations earn anywhere from \$100 million to \$500 million a year from drug-related activities.

The U.S.-orchestrated drug war in Colombia and elsewhere has weakened the rule of law and the institutions of civil society and financed terrorism. In Peru, for example, the Maoist Shining Path guerrillas received up to \$100 million per year during the 1980s from their marriage of convenience with drug traffickers. That situation prompted Harvard economist Robert Barro to suggest that "the U.S. government could achieve pretty much the same results if it gave the aid money directly to the terrorists."

The crippling of the Shining Path came only after the Peruvian government suspended coca plant eradication programs and concentrated its efforts on anti-terrorist activities and market liberalization. U.S. efforts to get tough on Peru in recent years may compromise those successes. The resumption of coca eradication and other traditional anti-narcotics measures is worrisome in a country that has recently experienced political instability, the return of populist rhetoric, and outbursts of terrorist violence.

Washington's heavy-handed ways have been evident in Bolivia as well. The livelihood of thousands of coca growers in the Chapare region has been wiped out by years of a vigorous, U.S.-backed coca eradication campaign that has not managed to provide the farmers with alternative sources of income. The result has not only been an increase in social unrest; the eradication program has led to the rise of Evo Morales, an anti-American, anti-free market political leader representing the grievances of the dispossessed farmers. In the presidential elections of June 2002, Morales came in a close second. The populist candidate received a further boost from Washington shortly before the elections when the U.S. ambassador warned Bolivians not to vote for Morales, a message that had the opposite effect. The resulting elections gave Morales's party control of the largest bloc in congress—a factor that contributed significantly to

market-liberal President Gonzalo Sánchez de Losada's decision to flee Bolivia in the fall of 2003 in the face of anti-government protests.

Mexico provides another urgent warning to leaders of Washington's anti-narcotics crusade. Major Mexican drug cartels gained strength and influence as the U.S.-led interdiction campaign in the Caribbean, which began in the mid-1980s, rerouted narcotics traffic through Mexico. Unfortunately, the result has been a sort of "Colombianization" of Mexico, where drug-related violence has since increased. President Vicente Fox's arrest of hundreds of police officers on drug-related charges is only the latest confirmation that the illicit industry has managed to corrupt government officials at all levels.

Mexico afflicted by drug-related violence has serious implications for the United States. If Mexico eventually experienced the level of social violence and volatility seen in Colombia or Peru, for instance, the United States would be directly affected—a development that would almost certainly provoke Washington's increased involvement in Mexico's complex domestic affairs.

Washington has not only created severe difficulties for drug-producing nations, its drug control efforts have helped disperse the narcotics industry to countries that might otherwise have avoided such penetration. Venezuela, Ecuador, Argentina, and Brazil, for example, have seen an upsurge in drug-related activity. Similarly, international disruptions in the various stages of illicit drug production have encouraged local traffickers to be self-sufficient in all stages of production. For example, the crackdown on Colombia's Cali cartel, which temporarily depressed coca prices in Peru in the 1990s, prompted the Peruvian industry to enter more advanced stages of cocaine production. More dramatic, while supply reduction initiatives have temporarily reduced coca production in Peru and Bolivia, those efforts have resulted in a more than 150 percent increase in coca cultivation in Colombia over the past decade, making it the world's largest producer of the crop.

The Drug War in Afghanistan: A Dangerous Distraction

Latin American societies are not the only ones threatened by the global prohibition model. The war on drugs is interfering with the U.S. effort to destroy Al Qaeda and the Taliban in Afghanistan. That country has been one of the leading sources of opium poppies—and therefore heroin—for many years. Indeed, there has been a steady upward trend in opium production for more than two decades. The only significant interruption

to that trend occurred in 2001 following an edict by the Taliban regime banning opium cultivation on pain of death. (Taliban leaders had an ulterior motive for that move. They had previously stockpiled large quantities of opium and wanted to create a temporary scarcity to drive up prices and fill the regime's coffers with additional revenue.) Today, Afghanistan accounts for nearly 75 percent of the world's opium supply.

During the long civil war between the Taliban and the Northern Alliance, both sides were extensively involved in the drug trade. Since U.S. forces and their Northern Alliance allies overthrew the Taliban in late 2001 and drove Al Qaeda operatives into neighboring Pakistan, drug commerce has been even more prominent. The trade now amounts to approximately \$2.3 billion, nearly half of the impoverished country's annual gross domestic product. Some 264,000 families are estimated to be involved in growing opium poppies. For many of them, that crop is the difference between modest prosperity and destitution.

Unfortunately, during 2004 the U.S. government increased pressure on the fragile government of President Hamid Karzai to crack down on drug crop cultivation. In August of that year, Secretary of Defense Donald Rumsfeld also ordered American military forces in Afghanistan to make drug eradication a high priority.

Those moves are a big mistake. The Taliban and their Al Qaeda allies have already shown a resurgence in Afghanistan. If zealous American drug warriors alienate tens of thousands of Afghan farmers, the Karzai government's hold on power could become even more precarious than it is now. Washington would then face the unpalatable choice of letting radical Islamists regain power or sending more U.S. troops to suppress the insurgency.

U.S. officials need to keep their priorities straight. Our mortal enemy is Al Qaeda and the Taliban regime that made Afghanistan into a sanctuary for that terrorist organization. The drug war is a dangerous distraction in the campaign to destroy those forces. U.S. officials should look the other way regarding the drug activities of Afghan farmers. Washington should stop putting pressure on the Afghan government to pursue crop eradication programs and should not make U.S. soldiers into anti-drug crusaders. Even those policymakers who oppose ending the war on drugs ought to recognize that, in this case, the war against radical Islamic terrorism must take priority.

Toward a Constructive Approach

Washington's international drug war has failed by every measure. Production of drugs in foreign countries has increased, and the flow of drugs

to the United States has continued. The Council on Foreign Relations notes, “For twenty years, these programs have done little more than rearrange the map of drug production and trafficking.” In fact, the impact of U.S. narcotics control policies is even worse, severely aggravating political, economic, and social problems in developing countries. Attempts to escalate the drug war, even in a dramatic way, will do little to change those realities.

Similarly, a more multilateral approach to fighting the drug war—through the United Nations or the Organization of American States, for example—will not work. Involving more governments and bureaucracies may marginally deflect political criticism away from the United States, but that approach cannot solve the fundamental problems created by prohibition: corruption, political violence, the destruction of civil society, the distortion of economic activity, and increased financing of terrorism. The multilateral strategy will have especially low credibility if international organizations present wildly unrealistic solutions, such as the UN’s 1998 plan to eliminate global drug production in 10 years.

Washington should instead encourage the worldwide shift away from statism toward the creation of markets and civil society by ending its international crusade against drugs and opening its markets to drug-source countries’ legal goods. Doing so will hardly affect U.S. drug consumption, but it would at least be a recognition that narcotics abuse is a domestic social problem that foreign policy cannot solve.

Suggested Readings

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