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YET ANOTHER DIMENSION OF THE INEFFECTIVENESS OF SUPPLY-SIDE INTERVENTIONS IN ILLEGAL DRUG MARKETS

The growing literature on the effectiveness of supply-side interventions in illegal drug markets shows that most measures taken to curb supply (crop eradication, drug seizures, arrests of drug traffickers and dealers, etc.) have very small effects on quantities transacted. The interesting paper by Harold Pollack & Peter Reuter [1] highlights another dimension of this ineffectiveness: the small (or nil) effects of tougher enforcement on drug prices. Although there has been less attention on this dimension, most of the evidence summarized by Pollack & Reuter shows that there is little evidence in support of the proposition that tougher enforcement will increase prices.

The lack of good and systematic data on drug prices, let alone of exogenous sources of variation in enforcement measures to identify causal effects, has prevented more and better research on the effects of enforcement against illegal drug markets on prices. The channels through which this apparent inefficiency operates are relatively well identified. Crop eradication in producer countries, for example, are counteracted by drug producers by spraying molasses on crops so that the active ingredient of the herbicide cannot penetrate the foliage and destroy the plant; also, producers use better planting techniques and become more productive to compensate for the losses created by more eradication. In wholesale markets, crack-downs on drug shipments and routes have led drug traffickers to devise more efficient ways to smuggle drugs from producer to consumer countries. In short, one of the most salient collateral effects of tougher enforcement in illegal drug markets is that it incentivizes technological progress among drug producers, traffickers and dealers in order to compensate for the losses created by it. Examples of very creative smuggling techniques abound in Colombia and

Mexico: from organic synthesis of the cocaine molecule so that shipments cannot be detected by the standard control methods to the use of catapults to hurl large sacks of marijuana and cocaine over the international border between Mexico and the United States.

Apart from the lack of good data on drug prices, another important challenge not sufficiently highlighted in the paper is the lack of exogenous sources of variation in enforcement measures in order to be able to identify causal effects. Exogenous policy changes are rare events, sometimes even more so than the willingness of policy makers to allow for randomized interventions. However, in order to have confidence in the estimated effects of enforcement on drug prices, future research should put more emphasis upon rigorous evaluations that take endogeneity issues seriously. This challenge is especially important given the growing evidence that shows that tougher enforcement against illegal drug markets causes more violence [Calderón *et al.*, unpublished, 2–4]. If it is true that the demand for drugs is price inelastic, curbing supply would increase prices more than it reduces quantities, thus increasing drug market revenues and the incentives to use violence to control these rents. Unless increasing prices is not the channel through which tougher enforcement increases violence, this apparent contradiction between the results summarized in Pollack & Reuter and the growing literature on the effects of enforcement against illegal drug markets on violence deserves further exploration.

Declaration of interests

None.

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CALIBRATING LAW ENFORCEMENT AND ITS PURPOSE

In 'Does tougher enforcement make drugs more expensive?', Harold Pollack and Peter Reuter review existing studies of the effects of enforcement on the price of drugs from supply countries to demand markets [1]. While acknowledging the limitations of the studies, in the cumulative evidence they find little support for, and even some weak evidence against, the basic premise of current counternarcotics policies that law enforcement against drug sellers from production through retail increases price.

Does the Pollack–Reuter review imply that there should be no enforcement? No, it does not; rather, they are careful to phrase their findings so as to question 'stringent supply-side enforcement policies in high-enforcement nations' and suggest 'discriminating policies regarding street sellers' to avoid the social, human and economic costs of mass incarceration. They also call for revising source-country crop eradication, although they do not specify how.

In much of my work, such as in *Shooting Up: Counterinsurgency and the War on Drugs* [2], I argue that eradication not only fails to limit consumption in demand markets, but also often creates highly undesirable and strong counterproductive effects in supply markets—intensifying insurgencies and violent conflict, strengthening the bonds between insurgents and local populations and increasing human rights violations without bankrupting the militants who profit from drugs.

However, while eradication in the context of violent conflict is often counterproductive, does it mean that no eradication and perhaps no enforcement of supply markets is preferable? Afghanistan shows the complexities of the issue where, over the past decade, counternarcotics policies have oscillated greatly, with areas and periods of fairly intense eradication and cultivation bans and other areas and periods of no enforcement. Currently, eradication takes place at the discretion of governors with funding provided mainly by the United States, while interdiction takes place both by national authorities supported by the US Drug Enforcement Administration and other countries' advisors and by NATO forces who target only Taliban-linked traffickers. There is strong evidence that eradication intensifies insurgency and violent conflict and undermines stabilization efforts [3]. However, no, or only very limited, enforce-

ment also creates significant problems, as rampant drug production produces economic distortions such as inflation, real estate speculation and Dutch disease, fuels extraordinary corruption and further weakens the rule of law. While I continue to advocate the suspension of eradication in Afghanistan and an interdiction targeting posture prioritizing the insurgents, I am struck every time I visit Afghanistan by the number of Afghans (albeit not the poppy farmers) who complain about the burgeoning poppy production and the impunity of traffickers on normative grounds. The privileging of Taliban-linked traffickers strongly signals that the best way to be a trafficker in Afghanistan is to be a member of the Afghan government, a government known for its capricious, rapacious, predatory and self-interested approach to governance whose behavior strengthens the Taliban insurgency and its traction with the Afghan people.

Moreover, in some circumstances eradication may well be the right tool. Certainly, diligent enforcement of national parks in order to push crop cultivators away from the protected areas and into agricultural or environmentally degraded areas makes good sense. One can imagine that eradication could similarly shift cultivation to areas where insurgents cannot tax and sponsor the illicit economy and hence derive financial resources and political capital from it—although timing and method are critical for any such effort.

The broader point is that with respect to drugs, and perhaps some other transactional crimes in non-depletable resources (thus not including timber and wildlife), enforcement should focus less on the elusive goals of limiting supply and raising costs, but rather on shaping the criminal market.

To put it bluntly, in such circumstances the purpose of law enforcement should be to make 'good criminals' by selectively targeting most intensively the most dangerous ones. One criterion of a 'bad criminal', such as a drug trafficker, is a highly violent one (e.g. [4–6]). In addition to proclivity to violence, I identify three other criteria for high-priority targeting of certain criminal groups: (i) those who engage with terrorists and do not differentiate between smuggling drugs or radiological materials; (ii) those who have a great capacity to corrupt state institutions; and (iii) those to whom local populations have transferred their allegiance at the expense of the state. In the case of the latter two, appropriate state action involves not merely physically targeting such groups but, critically, also building vetting mechanisms and other anti-corruption procedures within institutions and employing public policies to increase the legitimacy of the state with the local populations and the bonds between them and the state.

Such selectivity does not imply that traffickers and criminals not exhibiting such characteristics are exempt