



UNITED NATIONS
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Improving the Development Impact of Drugs Policy

Meeting Note from a Luncheon Roundtable

July 2014

Introduction

In early 2016, the United Nations General Assembly will convene a [special session on the World Drug Problem \(UNGASS 2016\)](#). A recent [resolution](#) of the peak global drugs control policy-making body, the Commission on Narcotic Drugs (CND), recommends that United Nations system entities contribute to preparations for UNGASS 2016 by submitting ‘specific recommendations’ to the Commission. A [Joint Ministerial Statement](#) issued at the CND also ‘emphasize[d] the importance of a broad, transparent, inclusive, and scientific evidence-based discussion among Member States, with inputs from other relevant stakeholders, as appropriate, in multilateral settings’.

With these intergovernmental decisions in mind, on 15 July 2014 the United Nations University (UNU), a thinktank created by the UN General Assembly, convened an informal luncheon roundtable at UN Headquarters, to consider what we know – and what we do not know, or overlook – about the impacts of drug policy choices on development trajectories and outcomes. The luncheon was attended by over thirty representatives of Permanent Missions to the United Nations, officials from the UN Secretariat, agencies, funds and programmes, and representatives of civil society organizations. All discussion at the luncheon was conducted under the Chatham House Rule. This note accordingly summarizes what was said at the luncheon, without indicating who said it.

From rural ‘alternative development’ to a broader effort to avoid the ‘crime trap’

The roundtable heard evidence suggesting that in Central America, West Africa and North America, choices around how to implement the existing drug control conventions may be having unanticipated detrimental impacts on development outcomes at human development, community development, and national and regional levels. Some of the evidence of unintended consequences has been presented by the UN Office on Drugs and Crime (UNODC), for example in a report [2008](#) discussing ‘policy displacement’ and ‘geographical displacement’, and a [2009](#) report considering alternative policy responses. One participant noted the recent [report](#) of the West Africa Commission on Drugs suggesting that overly punitive approaches to drug control can distort developing economies by stimulating illicit market activity at the expense of licit investment and growth, and by sowing distrust between local communities and governmental actors. Another speaker noted recent contributions to the respected international journal *Science*, which argue that narcotics trafficking displaced into Central America by drug control efforts in South America and the Caribbean has accelerated both [deforestation](#) (through acceleration of land clearing for trafficking purposes, and as a money-laundering vehicle) and arguably over-fishing (for similar reasons), with devastating local development impacts. A third participant pointed to a [report](#) published by the London School of Economics Expert Group on the Economics of Drug Policy, which argues *inter alia* that excessive incarceration in the name of drug control can disrupt social and family ties, increase disease burdens, reduce labor-force productivity, and foster a culture of violence with pervasive harmful effects.

Improving the Development Impact of Drugs Policy

Several participants drew attention to research highlighting that overly repressive drug control policies can have negative socio-economic impacts not just on rural producer communities, but also through damaging ‘social capital’ in urban, transit and consumption areas. One person queried whether drug trafficking and other forms of organized crime may create a specific ‘[Crime Trap](#)’, similar to the ‘[Conflict Trap](#)’ discovered by development economists a decade ago. If this proves to be the case, other participants noted, development activities may need to be adjusted to address the impacts of criminal violence in a manner similar to the adjustments made once the Conflict Trap had been identified.

This might require a greater focus – in both traditional drug control efforts, and in [development programming](#) – on increased social expenditures to address the negative impacts of not only drugs markets but also the policies intended to repress them. Some of these reforms have previously been canvassed by UNODC in the reports mentioned above. Through the course of the conversation, several different forms and examples of such broadly understood ‘social’ expenditures emerged, including: the mainstreaming of drug treatment and addiction recovery into public health planning in developing countries; community violence reduction (CVR) programmes; the use of ‘drug courts’ and other non-prison based mechanisms for dealing with drug users and lower-level dealers and traffickers; post-incarceration reintegration plans and services; and governance interventions intended to constrain the impacts of drug-related money on democratic institutions, such as support to independent media as a check on corruption, strengthening of political campaign finance institutions, and formation of cross-party forums for discussion of drug control issues.

Yet at present drug control and development policies and practices emerge from quite separate communities of thinking and practice. The potential impacts of local and transnational drugs markets and control arrangements on development outcomes are only factored into development planning and programming at the margins, particularly in the context of rural ‘[alternative development](#)’ planning in illicit crop production zones. The broader impacts on urban and transit zones, and on national economic, financial and institutional performance, are rarely considered. The broader development costs of different approaches to drug control in non-rural and non-production contexts – through incarceration policies, public health burdens, contribution to the spread of HIV/AIDS and hepatitis C, family disruption, environmental costs, impacts on labor-force participation rates and productivity, “Dutch disease”, and impacts on investment and borrowing costs – are rarely considered in analyzing the effectiveness of different drug control policy choices.

The links between drugs, drug control policies and development trajectories

Several interventions explored the different vectors by which drug markets and drug enforcement can influence development trajectories: politics and governance; economic performance; environmental impacts; public health and incarceration; and reduced social capital and state performance legitimacy.

Impacts on politics and governance

Numerous speakers argued that existing development policy fails adequately to account for the impact that both drugs markets and the policies intended to deal with them can have on politics and governance in developing, and especially fragile, states. One speaker noted that while this issue has been [touched upon](#) in the context of OECD DAC discussions, it has yet to take hold in mainstream development discourse, in part because of a weak empirical evidence base and limited analysis of the institutional impacts of different enforcement strategies. Much evidence remains anecdotal, though it is also increasingly geographically diverse, stark and disturbing. Speakers shared examples of the penetration of drugs money into politics in Latin America, West Africa and South-East Asia. Some of these examples suggested that drug control choices in one place can unintentionally create a ‘balloon effect’, leading to insecurity and negative development impacts in neighboring communities or countries. One participant cited the well-established [argument](#) for a link between the suppression of coca production in South America and an increase in drug-related homicides, and foregone economic growth, in Central America.

Improving the Development Impact of Drugs Policy

Impacts on economic performance

The connections between drugs markets and drug control policies, on the one hand, and on the other economic performance, are complex. There is some evidence that overly coercive enforcement strategies can increase drug-related violent crime, in the short term; and the World Bank has [shown](#) that such crime can create a serious drag on economic performance. The luncheon heard analysis of the impacts of narcotics trafficking and control measures on rural economies in eastern Honduras that suggests that rural, cash-based economies may be particularly susceptible to negative impacts from both narcotrafficking and militarized law enforcement responses. Detailed field research demonstrated that the arrival of significant narcocapital in these local economies not only created a form of localized “Dutch disease”, forcing productive economic inputs out of the legitimate market and into illicit markets, but also corrupted the regulatory institutions controlling legitimate markets. The result was a significant skewing of the local economy towards illicit activity, which appeared also to reinforce both vertical and horizontal inequality, since informal elites with ties to the military were better equipped to prosper in this more informalized economy. Indigenous groups suffered particularly, through privatization of landholdings and militarization of their dealings with the state.

Environmental impacts

A couple of speakers offered anecdotes that suggested that similar patterns may be emerging in West Africa. Several examples of the spread of cocaine money from drug trafficking markets, into other economic sectors were shared, including the stimulation of [illicit logging in Guinea-Bissau](#). In Guatemala, the luncheon heard, [narco-deforestation](#) has led to significant loss of biodiversity, susceptibility to flooding and significant declines in the resilience of local communities to climate change.

Public health and incarceration

One vector by which drug control choices can influence development outcomes, which received significant attention during the luncheon, was through the balance of incarceration, treatment and public health options in dealing with drug consumers. Several speakers noted that criminal justice responses and incarceration are often seen as the default option for dealing with drug consumers, and that perhaps as a result, public-health based approaches to drug dependence treatment are generally not integrated into health sector planning in developing countries. This is reinforced, one participant argued, by the continuing misperception that drugs consumption is a ‘northern’ problem, notwithstanding [reporting by UNODC](#) pointing to rises in illicit drug consumption in parts of the developing world. Rising drug addiction in the developing world risks creating both direct (drug addiction related) and secondary (through increased transmission of HIV/AIDS and hepatitis C) costs for already stretched health systems.

One speaker argued that in Africa there is an over-reliance on mental health treatment facilities to deal with drug consumers and dependency, diverting resources away from other potential recipients. Another participant opined that the US experience highlights some of the costs of over-reliance on incarceration of illicit drug consumers and traffickers: fiscal distortions; lost productivity; increased propensity to drug use (and knock-on public health and social service burdens); secondary impacts on early childhood mental development in families disrupted by extended drug-related incarceration; and horizontal inequalities across racial groups.

Social capital and the performance legitimacy of the state

Numerous speakers argued that existing drug control policies tend to see suppression of the flow of drugs as the key measure of success – externalizing the social harms that might be caused not only by the drugs themselves, but by control policies. Some of these participants suggested that the impact of excessively

Improving the Development Impact of Drugs Policy

coercive drug control policies on ‘social capital’ – trust between citizens, and between society and the state – is not being adequately considered in either drug control or development policies.

One government representative noted that evidence from both Latin America and Africa suggests there is a ‘very asymmetric power relationship’ in some developing countries between the state and those involved in drug trafficking. There is an asymmetry of resources – and, increasingly, an asymmetry of will, he argued. Despite states having a responsibility to protect their populations, the transnational movement of trafficking cartels is showing that in many cases ruling elites can be coopted, through penetration of economic and political establishment, into informal acquiescence or even participation in drug trafficking, regardless of the costs for local development. Many of these same elites, it was noted, adopt outwardly harsh drug control policies, using the financial, political and even military assistance afforded to manipulate drug markets in their favor. There has been no clear international policy response to this distortion of the international drug control system; the silence is particularly notable amongst the development community, it was argued.

Other speakers focused on the impact of such elite behavior on society. In some countries, speakers noted, it is leading to a sense of disenfranchisement from legitimate politics and the state, and can lead to informal secession and exit. This was apparent, said one participant, in the growing phenomenon of immigration by unaccompanied minors to the US from Central America – [arguably](#) in part a result of insecurity related to militarized drug control efforts. Another participant suggested that similar patterns may be emerging in parts of West Africa and the western Sahel, where entire communities are giving up on the state as a source of legitimate governance and beginning to look to other organizations and services, some of them fuelled by drugs money. One speaker argued that this posed sobering lessons not only for Central America and West Africa, but arguably also for other emerging transit regions in the developing world, such as East and South-East Africa, and the countries situated along the transit routes between production zones in Golden Crescent and Golden Triangle and consumption markets in Russia, Iran, China and south-east Asia.

Global drugs policy and ‘sustainable development’

One government speaker at the luncheon argued that instead of seeing ‘drugs as the problem’ and therefore aiming to repress drugs and drug use, global drugs control arrangements need to recognize that drugs *create* problems that need to be addressed, with a specific focus on reducing the social and development harms caused by management of these problems. This recalled a passage in the recent CND [Joint Ministerial Statement](#) which ‘[e]xpress[ed] the need for a better understanding of the social and economic drivers of the world drug problem’.

However, another government participant noted that while many developing countries are active in international drug policy debates, the impacts of drug policy choices on ‘sustainable development’ have only recently come into focus in the international debate on that issue, and still remain a fairly peripheral concern in those discussions. Several other government and UN speakers noted that even now these development impacts are more widely discussed in Latin America than in Africa and Asia. That may change with the publication of the [report](#) of the West Africa Commission on Drugs and with current [efforts by ASEAN](#) to revisit regional drugs policy in South-East Asia, as well as Member States’ growing focus on UNGASS 2016.

One UN speaker suggested that the international community risks losing sight of the fact that the UN’s involvement in drug control is a means to the achievement of the UN’s larger purposes: peace, development and human rights. A civil society speaker suggested that a clearer articulation of indicators of drug policies’ impacts on peace, development and human rights may therefore be needed. The ongoing negotiation of the post-2015 development framework in the General Assembly might allow integration of

Improving the Development Impact of Drugs Policy

drug control policy objectives with development policy, through the formulation of such indicators; but at present, he suggested, the existing reference to drug control within the Open Working Group Outcome Document (Proposed Goal 3.5) may not provide the specificity needed to mobilize more effective operational integration of drug policy and public health programming at the UN or national levels.

A participant from the UN, however, suggested that the post-2015 development debate was unlikely to deliver significantly more precision on these questions. While the goals and targets likely to be agreed within the post-2015 framework could help to focus global drug policy programming around specific shared objectives, and could therefore have an important impact on understanding and tracking the development impact of drugs policy, the issue was not a priority in ongoing post-2015 negotiations. And it seemed unlikely to become a priority, he argued, given the other issues on the table, and most states' reluctance to see drug control issues addressed in the post-2015 framework. For developing countries in particular, drug policy issues are still largely considered an internal law enforcement matter. For some of them, argued one speaker, drug control assistance affords an additional source of non-ODA financial and hardware support, bolstering security services and regime security. There is little incentive to have such sources of assistance subjected to development field concepts such as 'Do No Harm'.

Others suggested that the relationship between drug control policies and national development strategies could be explored outside the post-2015 framework. A senior government participant argued that there is cause to believe that governments can learn about the long-term development costs of different drug control policies, noting experience in the US over the last two decades. Shifts in policy at the national, state and local level in the US, he argued, show a collective realization that the country cannot 'incarcerate its way out of this problem'. This realization is increasingly reflected in changes in federal sentencing policy, increasing use of drug courts, funding of empirical research on 'focused deterrence' and other drug market intervention strategies. This speaker noted that the country has moved away from the talk of a 'war on drugs' and is emphasizing a more 'balanced', less punitive approach to handling drug dependency, use and trafficking. This intervention recalled a passage in the recent CND Joint Ministerial which '[a]cknowledged that law enforcement measures alone cannot address' the drug problems states face, 'and recognize[d] the importance of promoting a comprehensive and balanced approach for a successful response', including 'by strengthening the partnerships between public health, justice and law enforcement sectors and facilitating inter-agency cooperation and communication'.

Another government speaker argued however that this notional 'learning' on the part of the US is yet to be explicitly reflected in the government's foreign policy and bilateral assistance programming. He and other speakers also called for similar learning from other countries – notably with current experiments in Latin America – to be given greater exposure and attention in global drug policy debates. One speaker cited approvingly the example of Brazil, where drug control policies have shifted in recent years towards a greater focus on social spending, public health and community violence reduction. Another suggested that the experiment with cannabis legalization in Uruguay may also offer opportunities for analysis and policy insight. Bolivia's novel approach to coca production controls was also mentioned, as were experiences with urban renewal projects in Medellín and conservation projects.

Others suggested that it remains unclear, however, how national regulatory experiences should impact international control arrangements. They might provide examples of how the existing conventions can be implemented differently, but the interaction of several different national regulatory approaches within a global commodities market has not been closely studied. Even the simpler question of the costs, training and capacity implications of shifting to a more public-health based approach in developing countries has not been adequately modeled. He called on the international agencies and civil society and academic actors to fill this gap, echoing the Joint Ministerial Statement's call for greater involvement of multilateral development agencies.

Improving the Development Impact of Drugs Policy

Preparing for UNGASS 2016

Several different speakers indicated that they were ‘excited’ by the prospect of rich debate ahead of UNGASS 2016. They recalled that the General Assembly had [requested](#) the CND to ‘engage in’ the preparatory process for the special session, and CND had subsequently [described itself](#) as having ‘the leading role’ in this process. But, it was noted, this was not an ‘exclusive’ role. The General Assembly had made clear that all organizational matters relating to the preparatory process must be approved by the General Assembly, including the agenda, dates, substantive issues to be covered, outcomes and other issues relevant to the successful preparations for the special session. The CND had approved a [draft ECOSOC resolution](#) inviting the President of the General Assembly (PGA) to ‘guide’ the preparatory process for UNGASS 2016. Several government speakers thanked UN University for convening this discussion as an informal contribution towards these preparations in line with CND’s call for ‘broad, transparent, inclusive and scientific evidence-based discussion among Member States’ and its recommendations that UN entities develop specific recommendations for UNGASS 2016.

There may be lessons for CND and others from the preparation for the [UNGASS on HIV/AIDS in 2001](#). Some speakers emphasized the importance of CND consulting beyond Vienna and justice ministries, law enforcement and drug control agencies, arguing for targeted outreach to health ministries, agriculture ministries, economic development and finance ministries and multilateral and regional financial institutions. Several UN and civil society speakers suggested that UNGASS could allow exchange of good practices for implementation of the existing drug control conventions. One speaker noted the importance of south-south cooperation in this regard, noting with approval recent interaction between the OAS and African actors on these issues. But a couple of government speakers suggested UNGASS 2016 also needs to achieve more than just allow states to reflect on their own experiences: it will need to set parameters for international and national policy choices after 2016.

Several speakers emphasized that they felt that the UN system could and should play an active role in helping Member States think through what the options for such parameters might be, after 2016. There were numerous calls for more active and detailed input from UN system programs, funds and agencies such as UNDP, UNAIDS, WHO and the World Bank. One speaker expressed her concern that there was, if anything, a growing ‘fragmentation’ of UN practice, notwithstanding the creation of the Task Force on Drug Trafficking and Organized Crime. The structure and achievements of the Task Force were considered, and several speakers noted different views within the Task Force as to whether it and/or the Secretary-General should play a policy leadership role in the lead up to UNGASS 2016. Efforts to generate inter-agency coordination at the operational level were also hampered by systemic obstacles – even on apparently ‘simple’ issues such as improving the public health impacts of drug control efforts. In developing country contexts, drug control issues were still treated by UN Country Teams in a ‘technical silo’. This was unlikely to change soon, suggested one speaker, given that UNDP appears occupied with internal reorganization and the post-2015 debate. Another speaker suggested that similarly, in peacekeeping operations and political missions, drug control questions tend to be treated as a [technical issue](#), with the strategic implications of drugs markets and drugs money still under-appreciated.

Finally, several government, UN and civil society speakers emphasized the importance of active and robust civil society participation in the preparation for UNGASS 2016, and at the event itself. They welcomed the CND’s clarification that civil society actors would participate in UNGASS according to the established rules of procedure for UNGA special sessions, and one speaker noted the important role of both the Vienna and New York NGO Committees in helping civil society play an active part in preparations.