

ECAD Symposium on Addictive Disorders

The Inter-national and Inter-temporal Effect of Drug Policies

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I thank the organizers, especially my friend Jorgen Sviden, for the invitation to speak at this conference. I salute Queen Silvia for her lasting commitment to oppose all forms of addiction: thank you, your Majesty. The topic under discussion has become especially important following the decision by the UN General Assembly to hold a special session on drugs in 2016. The deliberations here should make a key contribution to that event and I recommend that the proceedings here be sent to Vienna and New York.

Today, once again I wish to manifest my preoccupation for the shift that is taking place in the drug debate: away from drugs as a health question (through prevention & therapy) and right into drugs as a market question (through de-controls and alternative supply arrangements). I found it immoral to debate the drug question in terms of who is going to make money out of addicts: mafia? investors? Pharma-companies? Governments? Possibly all of the above. Instead of being looked at as people in need of treatment, addicts are seen as cash-cows – their illness turned into an Eldorado for unscrupulous investors.

This re-orienting may have irreversible consequences. Many years of work on the ground at UNODC have convinced me that health is a human right that must be maintained at the centre of all policy – including drug policy.

Of course, we should not be blind. The cost/benefit assessment of current drug policy produces mixed outcomes. Of the three criteria we could use to judge the current system, one generates good results, one produces bad results, the third one gives uncertain results.

- (A) From a health perspective, first criteria, drug controls have had a positive impact, keeping addiction to a fraction of that caused by other substances.
- (i) In absolute terms, annual drug prevalence ranges from 2 to 5% of world population (220-150m people). Daily drug users amount to 0.3%. Drug treatment demand is stable for illicit substances, but growing due to abuse of pharmaceutical drugs.
 - (ii) In relative terms, globally about 26 million people use drugs daily (as said, 0.3% of the population), compared to 25-30% of people using tobacco (and 15-20% alcohol) daily. Death statistics mirror consumption levels. Globally tobacco kills 5m/y. Alcohol kills 2.5m/y. Controlled drugs cause the death of 500th/y.

These data show that, first, today's drug policy, focussed on protecting health, has kept drug use (and related deaths) to a fraction of that caused by other (legal) addictive substances. Second, they also show that for all substances, the greater the availability on the market, the greater their use and their harm.

- (B) From an operational perspective drug controls have been only partly successful.

- (i) On the supply side, drug policy has displaced the problem (between countries: from Myanmar to Afghanistan), or between substances (from heroin to ATS). Policy has also focussed on the wrong priority, like eradicating (drug) crops, instead of poverty (in drug areas).
 - (ii) On the demand side drug policy has often criminalized addicts, instead of treating them. It has also focussed on ex-post intervention (substitution therapy & harm reduction) instead of ex-ante measures (prevention).
 - (iii) Drug control efforts have often resulted in gross violation of human rights (death penalty and extrajudicial executions). Some countries have forgotten that, although drugs kill, we should not kill because of them.
- (C) From a security perspective drug controls have failed, providing reasons to the current campaign to legalize drugs.
- (i) The control regime has generated a gigantic criminal drug supply system that enriches world mafias and threatens the stability of nations. At UNODC we have estimated the annual drug business at \$300b – the 20th economy in the world, comparable in size to Sweden's.
 - (ii) In the last quarter century international mafias have penetrated business and governments, even nations. They have become the biggest winner of globalization, reaching macro-economic dimensions greater than many countries' GNP, with a fire-power greater than many armies. In short, mafias now pose a threat to peace and security.

Given these mixed results (some positive, some negative, some uncertain), the current drug control administration needs reform, for two reasons. (i) to improve what is working, (ii) to correct what's failing. I however invite you to reject a zero-sum change in policy, to exchange health for security. They both are fundamental goals. I hope this conference will prod the UNGA to maintain the double priority of protecting health and security, not one at the expense of the other. Let's see what this means in practical terms.

Fighting drug crime must become a political priority

At the moment anti-drug crime policy is inept, the result of collusion among so many players in society: politics, business and finance. This is causing public opinion to think: *"order to restrain drug mafia drug controls should be abolished."* Let see why this is wrong.

(1.) My first concern is about the massive failure of anti-money laundering. Drug revenues (300b/y) flow through rogue jurisdictions (tax havens) and uncontrolled activity (gambling). Most money finds its way into the rich countries where it generates high revenues for legions of white-collar crooks. Recall the spectacular case of the Wachovia Bank in the US, caught recycling billions of Mexican Sinaloa cartel money (\$378.5b

according to the US Justice Department), a crime that resulted in no sanction for the bank's senior management. Recall City Bank, JP Morgan Chase, Deutsche Bank, HSBC, UBS -- all gone unpunished except for minuscule (relative to their revenues) fines. I cannot think of a single financial institution whose operations are not tainted with blood money. In fact, it is not the mafia looking for banks to recycle money.

Ladies & gentlemen: bankers greed and regulators ineptitude are pushing public opinion to oppose drug control – and to lower health protection.

(2) My second point concerns is about big money. At present, big investors are positioning themselves in the expectation that drugs one day will be legal. Tycoons, venture capitalists, pharma-companies are all developing drug brands, with marketing plans to enter the drug trade; with electoral platforms to influence voters; and with campaign funds to influence elected officials. Just Google and you'll identify them, and the types of drugs they are preparing to trade. In the future, there'll be no more drug mafias with dark glasses and white shoes, but white collar big drug investors who can even count on odd politicians who see promising tax revenue from the drug trade (think of California, or Arizona). Drug legalization was even suggested to Greece to avoid bankruptcy.

Ladies and Gentlemen: after financial crises, home foreclosures, job losses, the world doesn't need more addiction and more death caused by drugs sold by big money. We must oppose drug legalization that causes privatization of (investors) gains, and socialization of (public) health losses.

Conclusions

In terms of global reach, penetration and impact, the three evils I have identified - organized crime, corruption and financial greed have become a threat to nations. Fighting crime, re-inventing banks and improving integrity in governance are not part of drug policy. Yet, international drug agreements must address the many shortcomings associated with the current system. Unless these failures are dealt with effectively and swiftly the UN drug control architecture will be lost – and with it, the notable good results it has attained in limiting the dramatic consequences illicit substances have on society.

Before closing, I wish to make a concrete proposal.

Shortly, in a matter of weeks, I'll publish a book that is likely to cause consternation in certain circles. It is about the links between crime, politics and finance – in Europe and beyond. Its title: The Checkmate Pendulum. I'm talking about this book not to advertise it. But rather because in the book I promote a new, global award – not really a competitor to the Nobel Prize, but something you may like to support. I'm launching The Mammon Award for Outstanding Greed. Think about these 4 words. As set forth in the bylaws, "The award brings to public attention the most outrageous personification of financial voracity: be they bankers, or politicians, generally all those

who exploit public trust, and who themselves preying on defenseless victims. I have in mind few financial tycoons, a few political leaders. Why not those who are proposing to abolish the United Nations drug conventions so as to be free to make money out of addicts: venture capitalists, pharmaceutical companies, and generally, the pro-drug lobby. They all qualify to be finalists for the Mammon Award.

Just a proposal. I hope you support it. Thanks for your attention.

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