

Brombacher, Daniel; Maihold, Günther

Research Report

Cocaine trafficking to Europe: Options of supply control

SWP Research Paper, No. RP 10/2009

Provided in Cooperation with:

Stiftung Wissenschaft und Politik (SWP), German Institute for International and Security Affairs, Berlin

Suggested Citation: Brombacher, Daniel; Maihold, Günther (2009) : Cocaine trafficking to Europe: Options of supply control, SWP Research Paper, No. RP 10/2009, Stiftung Wissenschaft und Politik (SWP), Berlin

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SWP Research Paper

Stiftung Wissenschaft und Politik
German Institute for International
and Security Affairs

Daniel Brombacher / Günther Maihold

Cocaine Trafficking to Europe

Options of Supply Control

RP 10
September 2009
Berlin

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SWP
Stiftung Wissenschaft
und Politik
German Institute
for International
and Security Affairs

Ludwigkirchplatz 3-4
10719 Berlin
Germany
Phone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN 1863-1053

Translation by Robert Blasiak

(English version of
SWP-Studie 14/2009)

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Daniel Brombacher is an SWP fellow

Prof. Dr. Günther Maihold is Deputy Director of the SWP

Cocaine Trafficking to Europe. Options of Supply Control

The 52nd session of the UN Commission on Narcotic Drugs (CND) concluded on March 20, 2009 in Vienna. The participating experts agreed on the fundamentals for international drug control policies for the next ten years, while simultaneously evaluating the results of the resolution drafted during the 1998 UN General Assembly Special Session (UNGASS) on the world's drug problem. The 1998 declaration envisioned a significant reduction in worldwide cultivation of opium poppy and coca by 2008. This objective was not achieved. Today, drug trafficking is the most lucrative branch of organized crime, with cocaine generating the highest revenues. In 2008, coca was cultivated across 167,000 hectares within the Andean region. Approximately 850 tons of pure cocaine were produced from the coca leaves harvested in this region. About 250 tons of cocaine were imported into Europe in 2008, with an estimated 20 tons reaching the Federal Republic of Germany, supplying nearly 400,000 cocaine consumers. Thirteen million Europeans have consumed cocaine at least once in their lives, and in 2008 alone, three and a half million adolescents and young adults consumed cocaine.

West Africa was the transfer point for approximately 20 tons of cocaine in 2008, however the empirical data sources underlying fluctuating UN estimates are rather weak. The fragile states in this region are unable to counter the actions of the better-equipped South American cocaine networks. The rise of the cocaine business is accompanied by potential dangers including growing levels of drug consumption, instability, corruption and the financing of armed non-state actors.

Drug consumption follows market mechanisms: consumption drops off as prices rise. The high price of cocaine, however, is not driven by production costs. These costs are vanishingly small. It is the public actions taken to control the supply of cocaine and the violent character of illegal markets which make the narcotic so expensive. On the one hand, these actions raise the risk of prosecution faced by the drug traffickers, and on the other hand, they cause shortages in supply of the drug. An intervention in the drug's value chain only makes sense from a supply-side viewpoint when it leads to price increase for consumers. This

point has compelling implications for drug control: efforts to stem drug supply, whether they be of a repressive, prosecutorial, or developmental character, must be judged based on their impact on the final price of cocaine. An exponentially increasing price curve runs parallel to the value chain of cocaine, meaning that the further along the value chain the cocaine is from the producing country, the higher the selling price. In Germany, for example, a kilo of cocaine has a street value – conservatively estimated – of 80,000 Euro. The same kilo of cocaine, however, costs 1,200 Euro in Colombia and the leaves necessary for its production, only 250 Euro. Due to the exponential value increase, a shortage of coca leaves or cocaine in the Andes production area does not have any effect on the retail prices in Europe. For this reason, interventions should be undertaken against the cocaine value chain when the price of the drug is already so high that the impact of the shortage does not go up in smoke – namely as close as possible to the consumer markets.

At the same time, the number of control points that must be crossed causes the risk level for traffickers to rise and therefore the drug prices to increase. In principle, it is possible on the international level, and is indeed the practice, to intervene at every point along the value chain with the help of legal, political and technical instruments. This includes the control of chemical precursors, eradication of illicit crops, alternative development plans, and interdiction efforts on drug transit routes. These intervention practices have recently been endorsed by the UN Commission on Narcotic Drugs and this study will analyze them from a price-based viewpoint according to their efficiency in controlling drug supply. It is clear that sensible drug control policies cannot be solely based on supply reduction, but also be built on measures for demand and harm reduction. The focus of this study is, however, on an analysis of the foreign policy instruments for drug control and excludes domestic policies for reducing demand.

The following conclusions were reached:

1. Interdiction efforts carried out close to consumer markets are the most efficient instrument for controlling international drug supply. The price levels and consumption of cocaine in Europe can only be controlled through the use of systematic transit interdiction in and around Europe. It would therefore be sensible to establish a joint system for interdiction in the framework of a European

agency. Two possibilities in this respect could be an expanded Maritime Analysis and Operations Centre – Narcotics (MAOC-N) or a reformed FRONTEX European border security agency. Selective interdiction efforts, as are currently used in the EU and its member states, only lead to a shifting of trade routes, as the criminal networks can react flexibly and do not need to worry about sparing costs. At the same time, areas characterized by limited state control and authority, which serve as transit zones, must be constricted over the long term through structural development, particularly in the field of security. At the moment, this applies primarily to West Africa, where numerous fragile states serve as bases for South American cocaine traffickers.

2. Alternative development programs, that is, programs for converting illegal crops into legal agricultural structures, enable the transformation from drug economies and should therefore continue to receive support in the framework of development cooperation. Alternative development projects are not, however, efficient vehicles for controlling drug supply. The availability, price and consumption of drugs in the consumer areas remain unaffected by these projects as well as programs to eradicate illicit crops. This is backed up by decades of experience in the Andean region. At the same time, a characteristic of the drug economy is that, even in the best case scenario, lost harvests only have a short term effect on the market and can quickly be replaced by displaced crops. Therefore, in the future, the European governments should continue refusing to participate in the eradication of illicit crops.

Coca Production and Cocaine Trafficking to Europe

The Problem: Coca Production in the Andes

In 2008, the three largest coca producing countries – Bolivia, Peru and Colombia – produced 845 tons of pure cocaine according to estimates by the United Nations Office on Drugs and Crime (UNODC).¹ The UNODC reported that the land used for coca cultivation in the three countries totals 167,600 hectares, which corresponds to twice the size of New York City.

From 2003 to 2007, the collective cultivation area rose continuously, although from 2007 to 2008 there was an 8 percent drop in cultivation levels. Colombia is the largest producer of coca with approximately 80,000 hectares of crops. In Peru, which was the largest producer until 1997, coca was cultivated on about 55,000 hectares in 2007, while in Bolivia the cultivated area was a little more than 30,000 hectares.² Ecuador and Venezuela only cultivate small quantities of coca with estimates generally putting the extent of illicit crops at under 100 hectares in each country.³

Although the collective area on which coca is grown is smaller today than in the record year 1999, estimated cocaine production levels today are higher

than at that time. In Colombia, cultivation levels in 2008 dropped by 18 percent from 2007 levels, but given the constant increases over the preceding years, the volume of coca cultivation is still as high as in 2003 (see Graphic 1, p. 9). At the same time, cultivation increased in Bolivia by 6 percent, and in Peru by 4 percent, in conformance with the trends of former years. Cultivation methods are more efficient today and the cocaine production process is more effective. This makes it possible for yields to increase even though the Colombian coca farmers are continuously pushed to displace and subdivide their crops and move to less fertile croplands due to aerial spraying and manual eradication campaigns. Therefore, the relative decrease in cocaine production was more marked than the drop in coca cultivation in 2008. Thus, coca is now cultivated in 24 of Colombia's 32 provinces. As in many other drug producing areas, Colombia's coca cultivation takes place in conflict or post-conflict regions where state control and regional authority is limited or nonexistent.⁴

The FARC, recidivist paramilitaries (AUC), new armed groups⁵ as well as numerous criminal networks participate in the cocaine value chain by taxing cultivation or directly controlling production and marketing.

In Peru, the coca production regions coincided for a long time with the operating area of the *Sendero Luminoso* guerillas which has recently begun to re-emerge.⁶ But since lawmakers in Peru and Bolivia

¹ In addition, smaller quantities of opium poppy are cultivated in Colombia for the US market. Illegal opiates in Europe originate largely from Afghanistan, cf. United Nations Office on Drug and Crimes (UNODC), *World Drug Report 2008*, Vienna 2008, p. 66, www.unodc.org/documents/wdr/WDR_2008/WDR_2008_eng_web.pdf.

² Cf. UNODC, *World Drug Report 2009*, Vienna 2009, pp. 63–65, www.unodc.org/documents/wdr/WDR_2009/WDR_2009_eng_web.pdf; UNODC, *Coca Cultivation in the Andean Region 2007. A Survey of Bolivia, Colombia and Peru*, Vienna, June 2008, p. 7; www.unodc.org/documents/crop-monitoring/Andean_report_2008.pdf; Connie Veillette and Carolina Navarrete Frías, *Drug Crop Eradication and Alternative Development in the Andes*, Washington, D.C., 2005 (Congressional Research Service [CRS], Report for Congress RL33163), p. 6, <http://digital.library.unt.edu/govdocs/crs/permalink/meta-crs-7943:1>.

³ The numbers quoted here are based on estimates by the UNODC. Using an alternative method of calculation, the U.S. Department of Justice arrives at markedly different estimates. For Colombia, it calculated a coca cultivation area of 157,200 ha (2007), while UNODC estimated 78,000 ha. Both institutions, however, corresponded for 2007 closely in their calculation of total annual cocaine production with a value of just under 1,000 tons.

⁴ Cf. UNODC, *World Drug Report 2009* [see note 2], p. 64; UNODC/Government of Colombia. *Colombia Coca Cultivation Survey 2009*, Vienna 2009, p. 7; UNODC, *Coca Cultivation in the Andean Region 2007* [see note 2], p. 13–17; Veillette and Navarrete Frías, *Drug Crop Eradication* [see note 2], p. 5.

⁵ Cf. International Crisis Group (ICG), *Colombia's New Armed Groups*, Bogotá/Brüssel, May 10, 2007 (Latin America Report No. 20), pp. 2–7.

⁶ Cf. Enrique Obando, "Peru's Shining Path Survives Decimation to Return to the Fray", in: *Jane's Intelligence Review*, Vol. 18, No. 3, 2006, pp. 15–18 (17); Joshua Partlow, "In Peru, a Rebellion Reborn. Dreaded Shining Path Returns as a Drug-Financed Movement Seeking Popular Support", in: *Washington Post*, November 12, 2008. Today, the Shining Path is comprised of between 400 and 700 men, at most, and acts primarily as a protective force financed by coca traffickers to guard coca fields.

From Coca Leaf to Cocaine

The cocaine alkaloid is created through extraction from coca leaves. The coca plant (*Erythroxylon coca*) can grow to heights of two and a half meters, but is kept shorter for commercial purposes. In principle, the evergreen bush can be cultivated in all moist tropical climes. Coca cultivation, however, is currently concentrated in the eastern reaches of the Andes in Bolivia, Colombia and Peru, and in smaller quantities in Ecuador and Venezuela. Sporadic cultivation has also been reported in Southeast Asia. Cultivation occurs at altitudes between 300 and 2000 meters above sea level, but the yields increase at higher altitudes. On average, the harvest from one hectare of coca plants yields a little over seven kilos of cocaine. The plants can be harvested four to six times per year.

The coca leaf is listed in Table 1 in the “Single Convention on Narcotic Drugs” of 1961, which means it is subject to the strictest possible international controls as a raw material for producing an addictive drug. Although Bolivia and Peru are signatories to the “Single Convention”, the chewing of coca leaves and their use in teas as well as medical remedies is widespread and legal in both countries. Among the indigenous populations in the Andes, there are numerous ritual uses for the coca leaf. Coca leaves only contain minimal quantities of alkaloids (0.5–1.1 percent), which means chewing leaves or drinking tea is only as stimulating as caffeine and does not have an intoxicating effect. In Colombia, northern Chile and northeastern Argentina, consumption of coca leaves is only legal in small quantities among some Andean indigenous minorities.

Cocaine is commonly extracted from coca leaves as cocaine hydrochloride salt (cocaine HCL), crack, free base, or paste (Pasta Base, Paco, etc.). For the production of ten kilos of cocaine HCL, a ton of dried leaves are ground or mashed – similar to grape stamping for wine – and mixed with cement and benzene. After several hours of stirring, about thirty liters of sulphuric acid is added to separate the cocaine from the leaves. By adding calcium carbonate, sodium carbonate or other solvents, coca paste is created, which is then dried. The dried paste itself is called paco and is smoked in many South American countries as a cheap drug. To further process the paste into cocaine HCL, it is purified with approximately two kilos of Potassium Permanganate (KMnO₄). The so-called cocaine base is created through adding acetone or ammonia. After dissolving this substance into one hundred liters of muriatic acid or methylbenzene and three liters of concentrated hydrochloric acid, ten kilos of cocaine HCL can then be filtered out as solid matter.

Cocaine HCL can be snorted or (less commonly) injected. Crack, paco and free base are smoked. Cocaine acts as a stimulant on the central nervous system. Its effect is similar to that of amphetamines and leads quickly to psychological dependency. The risk of dying from consumption of cocaine arises principally from mixing it with other drugs or through toxic reactions to additional ingredients used to cut the cocaine. Still, there are recorded examples of death due to small doses of cocaine.

allow coca growing within certain limits, armed non-state actors and coca production are not as closely linked in these countries as in Colombia. The limited legality of coca cultivation and the absence of massive eradication campaigns have led to coca only being cultivated in a few areas of Peru and Bolivia.⁷ The legal crops cover the demand for traditional uses of coca

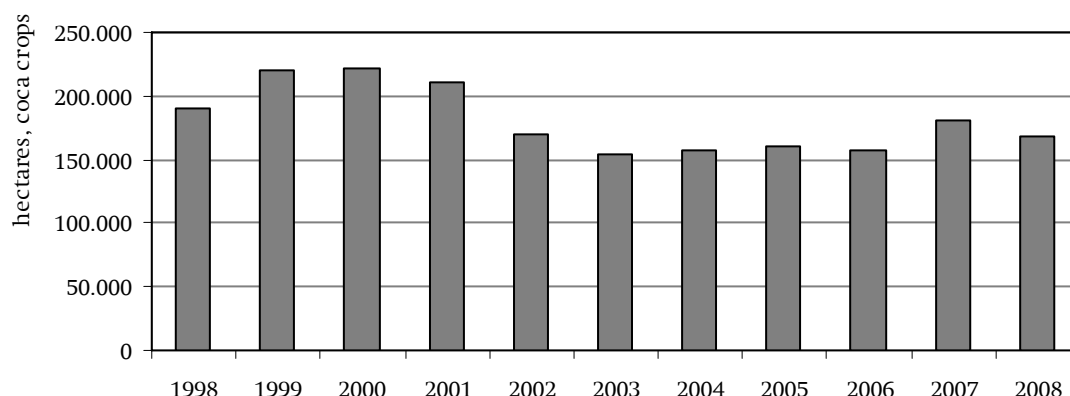
leaves – chewing of leaves or preparation in teas – which, in contrast to Colombia, remains widespread in both countries. In Bolivia, the Evo Morales government embedded the corresponding guideline “*Coca sí, Cocaína no*” in the new constitution in January 2009.⁸

⁷ Cf. UNODC, *Coca Cultivation 2007 in the Andean Region* [see note 2], pp. 14–16. In Peru, coca cultivation is concentrated in the upper Huallaga valley, the La Convención and Lares valleys, as well as in the valleys of the Apurimac and Ene rivers. In Bolivia, it can be mainly found in the Chaparé and Yungas provinces.

⁸ Asamblea Constituyente de Bolivia/Congreso Nacional [Constituent Assembly of Bolivia/Bolivian Congress], *Nueva Constitución Política del Estado*, Art. 384: “El Estado protege a la coca originaria y ancestral como patrimonio cultural, recurso natural renovable de la biodiversidad de Bolivia, y como factor de cohesión social; en su estado natural no es estupefaciente.” [The state protects the historical and traditional coca leaf as a part of the national cultural heritage, as

Graphic 1

Coca cultivation in Bolivia, Colombia and Peru 1998–2008 (in hectares of coca fields)

Source: UNODC, *World Drug Report 2009*, Vienna 2009.

As coca cultivation is partly legal in Bolivia and Peru, it is difficult to distinguish licit from illicit crops. Therefore it is virtually impossible to avoid excess coca cultivation for cocaine production. Meanwhile, President Morales has been announcing for some time his intention to expand the legal cultivation areas, while the International Narcotics Control Board (INCB), strictly interpreting the Single Convention of 1961, has vehemently criticized the Bolivian government on the issue of coca cultivation.⁹ During a speech at the UN CND in Vienna on March 11, 2009, Morales attempted to persuade the international assembly that the coca leaf should be stricken from the list of narcotic substances, thereby decriminalizing it.¹⁰ The EU, which has recognized the legitimacy of coca cultivation for traditional purposes, has planned for years to conduct a study on the legal demand for coca in Bolivia in order to make an estimate about the proper number of hectares needed for cultivation and to eliminate, or at least stem, excess production. The study has not yet proceeded past a statement of intent,

while it may be presumed that the Bolivian government is not particularly interested in the study being conducted.

Cocaine Trafficking Routes

How does cocaine move from the Andean region to Europe? In 2007, about 80 tons of cocaine were seized in Europe. In addition to air trafficking, EUROPOL has identified three dominant sea routes over which cocaine is trafficked to Europe, along which numerous variations in route and mode of transportation are possible (see map, p. 10):

- ▶ The Northern Route: Caribbean – Azores – Portugal/Spain
- ▶ The Central Route: South America – Cape Verde/Madeira/Canary Islands – Europe
- ▶ The African Route: South America – West Africa – Portugal/Spain

Along the first two routes – the North and Central – cocaine is normally transported from the Atlantic islands of Europe in fisher boats and speedboats and then brought to the European mainland. The most common transit countries for the cocaine originating in the Andean region and heading to Europe are Venezuela and Ecuador. Argentina, Ecuador, Mexico, Suriname and the former colonies and overseas territories of France, Great Britain and the Netherlands in the

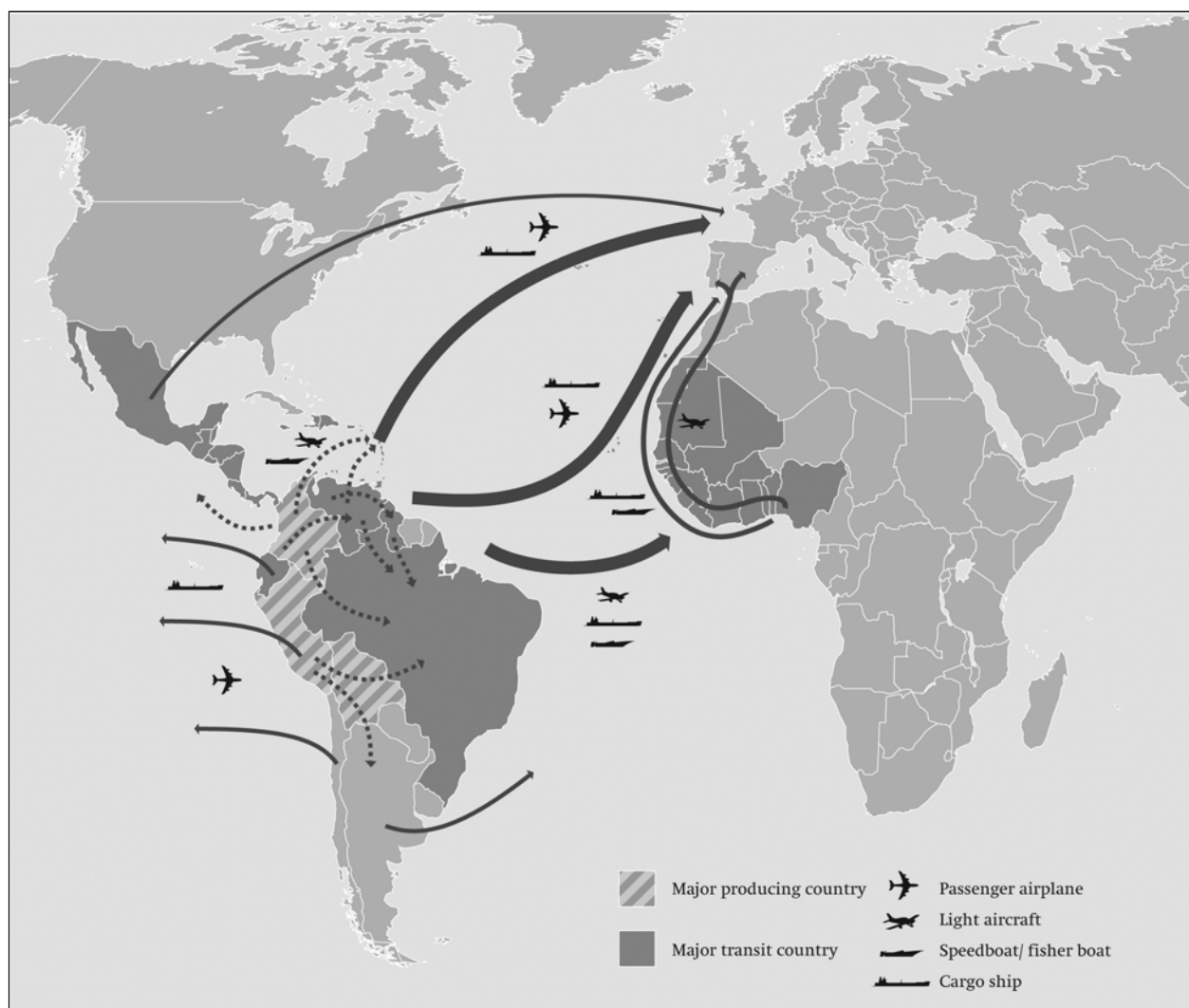
a natural and renewable resource of Bolivian biodiversity and as a factor of social cohesion; in its natural form, the coca leaf is not a drug].

⁹ International Narcotic Control Board (INCB), *Annual Report 2007*, New York 2008, p. 108, www.incb.org/pdf/annual-report/2007/en/annual-report-2007.pdf; Transnational Institute (TNI), *Bolivia: Unschedule the Coca Leaf*, www.ungassondrugs.org/index.php?option=com_content&task=view&id=189&Itemid=84 (retrieved on March 30, 2009).

¹⁰ Cf. Nicolas Richter, “Tödliche Therapie”, in: *Süddeutsche Zeitung*, March 13, 2009; Evo Morales, “Let Me Chew My Coca Leaves”, in: *The New York Times*, March 13, 2009.

Map

Most Important Cocaine Trafficking Routes to Europe



Source: © Can&Able.

Caribbean also frequently figure as transit countries.¹¹ Venezuela, in particular, has developed in recent years into a central hub for Colombian cocaine bound for the US and European markets. As the Chávez govern-

ment refuses legal cooperation with US authorities, the country is an ideal safe haven for Colombian traffickers.¹² Corrupt security forces, a winding 2,200

¹¹ Cf. EUROPOL, *Project COLA: European Union Cocaine Situation Report 2007*, The Hague, September 5, 2007, p. 4, www.europol.europa.eu/publications/Serious_Crime_Overviews/2007.5578-LR.pdf; for Germany in 2008, Brazil, Argentina and Peru were found to be the most important South American countries of origin and transit, Colombia and Venezuela less so, although in these cases larger single quantities were seized, cf. Bundeskriminalamt (BKA), *Rauschgift: Jahreskurzlage 2008. Daten zur Rauschgiftkriminalität in der Bundesrepublik Deutschland*, Wiesbaden 2008, p. 5, http://bka.de/lageberichte/rg/2008/jahreskurzlage_rg2008.pdf.

¹² Cf. GAO Report to the Ranking Member, Committee on Foreign Relations, U.S. Senate, *Drug Control. U.S. Counter-narcotics Cooperation with Venezuela Has Declined*, July 2009, www.gao.gov/new.items/d09806.pdf; U.S. Department of State, *International Narcotics Control Strategy Report (INCSR) 2008*, Vol. 1: *Drug and Chemical Control*, Washington, D.C., March 2008, p. 147, www.state.gov/p/inl/rls/nrcrpt/2008/vol1/pdf/index.htm; Andrew Webb-Vidal, "South American Cocaine Trafficking Operations Shift towards Venezuela", in: *Jane's Intelligence Review*, Vol. 18, No. 5, 2006, pp. 36–40; Günther Maihold, *Foreign Policy as Provocation, Rhetoric and Reality in Venezuela's External Relations under Hugo Chávez*, Berlin: Stiftung Wissenschaft und Politik, January 2009 (SWP Research Paper

kilometer long border that is virtually impossible to control and limited threat of criminal prosecution contribute to giving Venezuela comparative advantages for cocaine traffickers facing more rigorous law enforcement in Colombia. European attempts to establish closer operational ties with Venezuelan law enforcement agencies were aborted after a brief period, reportedly due to apparent unwillingness of the South American counterparts to enhance co-operation. Cocaine is frequently transported by speedboat from Venezuela on to the Lesser Antilles where it is then transshipped for the US and European markets. Increasing amounts of cocaine are sent directly from Venezuela to West Africa.¹³ Brazil also shares a 7,000 kilometer border with Bolivia, Peru and Colombia. The topography and vegetation along the border in the Amazon basin makes it difficult to effectively control drug trafficking.¹⁴ Networks of traffickers exploit the pathlessness of the Amazon region and deliver cocaine to Brazil along traditional smuggling routes. This lets them avoid the stricter controls at sea ports and airports in Bolivia, Peru and Colombia.

Currently, wholesale cocaine trafficking to Europe on all three routes is principally dominated by Colombian networks, which cooperate chiefly with Spanish groups, but more recently increasingly with Nigerian and Moroccan groups.¹⁵ Thus far, Colombian drug traffickers have shown little interest in small-scale dealing within the EU. While Colombian dealers do engage in street sales – particularly in Spain – they have little to do with these major networks.¹⁶

1/2009), p. 16. In 2007, the US government declared for the third time in a row by “presidential determination” Venezuela’s breach of the international drug control convention.

¹³ Ann Rogers, “Confronting Cocaine Smuggling in the Eastern Caribbean”, in: *Jane’s Intelligence Review*, Vol. 16, No. 12, 2004, pp. 10–17.

¹⁴ Cf. Joanna Wright, “Cocaine Traffickers Develop New Routes from Brazil”, in: *Jane’s Intelligence Review*, Vol. 18, No. 1, 2006, pp. 6–12 (6–9).

¹⁵ EUROPOL, *EU Organized Crime Threat Assessment (OCTA) 2008*, The Hague 2008, [www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_\(OCTA\)/OCTA2008.pdf](http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_(OCTA)/OCTA2008.pdf), p. 21.

¹⁶ Cf. European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), *Monitoring the Supply of Cocaine to Europe, Technical Data Sheets*, Lisbon, October 2008, pp. 4–15, www.emcdda.europa.eu/publications/technical-datasheets/cocaine-trafficking.

The Cocaine Gateways

The most important gateways for cocaine to enter Europe are Spain, Portugal and the Netherlands, and to a lesser extent, Germany, Belgium, France and Great Britain.¹⁷ EUROPOL distinguishes between two major target areas for the cocaine smuggled to Europe: the Northwest and Southwest regions. The Southwest Region with the Iberian Peninsula and offshore islands is currently the most important entry point for cocaine. Numerous connections with Hispanic and Lusophone production and transit countries, large and well established diaspora networks, the proximity to Africa, and long coastlines make the Iberian Peninsula the ideal gateway and most important hub for South American cocaine. The Northwest Region, which encompasses northern France, Belgium, the Netherlands, Germany and Great Britain, is the second most important entry point for cocaine. In this region, it is principally the highly developed transportation infrastructure, excellent connections to the production and transit zones via airports and sea ports, the access to trans-european corridors and again the presence of large diaspora communities, which attract drug-related organized crime. Germany, due to its central location in Europe and numerous borders, serves as a preferred transit hub for transporting drugs from Northwestern to Southern and Eastern Europe.¹⁸

In addition, human couriers (so-called *mulas*)¹⁹ originating in most Latin American countries, smuggle cocaine by ingesting smaller quantities of the narcotic or concealing it in their luggage and clothing on flights to Europe. The U.S. Department of State lists all countries in South America, with the exception of Uruguay, as cocaine transit countries.²⁰ Favored starting points for flights include the former Caribbean colonies and overseas territories of France, Great

¹⁷ Cf. EMCDDA, *Cocaine and Crack Cocaine: A Growing Public Health Issue*, Lisbon 2007, p. 18, www.bmg.bund.de/cdn_117/SharedDocs/Downloads/DE/Neu/Internationale-Drogenpolitik_EBDD-Cocaine,templateId=raw,property=publicationFile.pdf/Internationale-Drogenpolitik_EBDD-Cocaine.pdf (retrieved on March 30, 2009).

¹⁸ BKA, *Rauschgift: Jahreskurzlage 2008* [see note 11], p. 5. In the INCSR [see note 12], the U.S. Department of State’s country rating listed Germany as a “major transit hub” for illegal drugs; p. 417.

¹⁹ Spanish for “mule”. *Mulas* ingest quantities of up to 1 kg of cocaine in small bags.

²⁰ Cf. U.S. Department of State, *INCSR 2008* [see note 12], pp. 108–150.

Britain and the Netherlands as well as the Guianas, which remain closely linked with their respective colonial motherlands. Mexico has also increasingly become a point of origin for these couriers.²¹ A direct air traffic route exists between Brazil and West Africa.²² Temporarily, Dutch authorities searched all passengers on flights arriving at the Amsterdam Schiphol Airport from high risk countries for cocaine smuggling (such as the Netherlands Antilles, Suriname and Venezuela). The number of inspections has subsequently been reduced, but led in 2005 to an average of 175 arrests per month. In comparison, Germany has recorded a quite low number of cocaine confiscations at airports. Airport seizures accounted for just over a third of the 1.8 tons of cocaine that were discovered in Germany in 2007.²³

21 UNODC estimates that currently about 7 percent of the total cocaine trafficked through Mexico is diverted to Europe, principally by airplane, cf. UNODC, *World Drug Report 2008* [see note 1], p. 76.

22 Cf. Wright, "Cocaine Traffickers Develop New Routes from Brazil" [see note 14], p. 10–12. More than half of the cocaine that was seized at Brazilian airports in 2005 was bound for Africa.

23 BKA, *Rauschgiftkriminalität: Bundeslagebild 2007 – Tabellenanhang*, Wiesbaden 2007, www.bka.de/lageberichte/rg/2007/bundeslagebild_rg2007_tabellenanhang.pdf, p. 17. This amounted to about 557 kilograms.

The Path of Most Limited Statehood. The Displacement of Cocaine Trafficking to West Africa

Trafficking Routes in Flux

“West Africa is under attack from Latin American drug traffickers”²⁴ – UNODC Executive Director, Antonio María Costa, uses drastic words to describe the spike in cocaine smuggling via West Africa. In 2008, a report issued by the UN Secretary General pushed the UN Security Council to consider imposing sanctions on Guinea-Bissau in order to prompt the country to commit more seriously to fighting cocaine trafficking.²⁵ Since around 2005, it has been known that South American cocaine networks have increasingly switched to West Africa as a route for trafficking drugs, namely cocaine, to Europe. In general, a series of push and pull factors are offered as an explanation: the growing demand and higher prices for cocaine in Europe, the increasing control risks along direct routes, the shrinking US market for cocaine, and the excellent conditions criminal organizations find in West Africa.²⁶ This is a particularly problematic development for Europe as the establishment of a cocaine trafficking hub right at the gates of the European mainland not only raises the specter of potential increases in drug supply, but also a series of associated secondary effects, which could develop into a tangible security problem for the EU and its member countries. From 2005 to 2008, about 50 tons of cocaine were seized in West Africa, but in the preceding decade barely one ton was seized each year across the entire African continent (see Graphic 2, p. 15). Considering the common deficits among the security institutions in the region, which includes many of the world’s poorest countries, the actual quantity of cocaine trafficked may have been markedly higher. UNODC estimates, however, that in 2008 the amount of cocaine trafficked through West Africa decreased, with only 20 tons of cocaine crossing the region in

this year. This would correspond to 14 percent of the cocaine bound for Europe being transported through West Africa. However, based on empirical data from preceding years, it may be presumed that up to one third of the cocaine arriving on the European continent is first trafficked through Africa. For 2007, UN drug authorities still estimated a volume of 50 tons of cocaine passing through Africa. The alleged decrease in trafficking volumes in 2008 is based primarily on seizure data of questionable accuracy from African law enforcement authorities. Furthermore, it is not clear to what extent the recent drop in seizures may be due to traffickers adapting to and subsequently evading law enforcement strategies.²⁷ Therefore, a clear reversal in trafficking patterns remains up for discussion in the absence of comparable data extending across multiple years, even if the most recent seizure data, the slight increase in wholesale prices and the declining purity of cocaine in Europe may allow for such a conclusion.²⁸

Several African countries are under suspicion of becoming major hubs for cocaine smuggling, particularly Ghana, Guinea-Bissau (which has already earned the reputation of being Africa’s first narco-state), Guinea, Cape Verde and Senegal. Still, the true scale of drug trafficking in these and other countries in the region is not known. The coast of West Africa is geographically complex and virtually impossible to control, and therefore offers trafficking networks a multitude of possible routes and trafficking hubs. There is evidence of cocaine trafficking activities for most of the countries in the region. Finally, Sierra Leone, Benin and Togo have also been mentioned as trafficking hubs with increasing frequency.²⁹

²⁷ Cf. UNODC, *Transnational Trafficking and the Rule of Law in West Africa: A Threat Assessment*, Vienna, July 2009, pp. 16–17.

²⁸ Cf. UNODC, *Drug Trafficking as a Security Threat in West Africa*, Vienna, November 2008, pp. 3–4; UNODC, *World Drug Report 2009* [see note 2], pp. 72–78.

²⁹ Cf. EUROPOL, *European Union Cocaine Situation Report 2007* [see note 11], p. 4; ICG, *Guinea-Bissau: In Need of a State*, Dakar/Brussels, July 2, 2007 (Africa Report No. 142), p. 21; “Togo to Extradite Alleged Colombian Druglord to US”, *Associated Press*, January 17, 2009; “Benin: Screening out Morally Unfit Crime Fighters”, *IRIN News*, October 29, 2008, www.irinnews.org/Report.aspx?ReportId=81183 (retrieved on March 30, 2009);

²⁴ UNODC, *The Threat of Narco-Trafficking in the Americas*, Vienna 2008, p. 1.

²⁵ Cf. “Guinea-Bissau: Assistance Not Sanctions Needed to Fight Drug Trade”, *IRIN News*, October 7, 2008, www.irinnews.org/report.aspx?ReportID=80800 (retrieved on March 30, 2009).

²⁶ UNODC, *The Threat of Narco-Trafficking in the Americas* [see note 24], pp. 11–14.

Investments that have recently been made by South American nationals in several West African countries, such as the purchasing of real estate and canneries, which will probably serve as cover businesses, lead to the conclusion that lasting structures are currently being established with the goal of expanding cocaine trafficking operations.³⁰

The Transatlantic Division of Labor in Drug Trafficking

There is currently only a basic understanding of the division of labor among South Americans, Europeans and Africans. According to the findings of international drug control institutions, however, two main cocaine transfer procedures can be distinguished. The first procedure involves paying West African middlemen – as was the practice of Colombian cartels with Mexican helpers – with small quantities of cocaine for the assistance they offered with transport, delivery of goods, and transshipment. These small quantities of what may be deemed currency cocaine are smuggled by air couriers to Europe or sent by parcel post.³¹

Currently, the four countries from which the highest numbers of couriers originate are Guinea, Nigeria, Mali and Senegal. More than half of the couriers are Nigerian nationals – including the flights that originate outside of Nigeria. Nigerian networks also commonly control street sales in Europe; in France, the majority of all foreigners arrested for drug dealing offenses are Nigerian. In Austria, Ireland and Switzerland they make up between a fifth and a quarter of that group. In Germany, Nigerians have been active in small scale dealing for about fifteen years. In comparison to other ethnic groups, Nigerian networks demonstrate a high degree of flexibility and inner-ethnic networking. The air couriers themselves are often not members of criminal organizations. They are used by traffickers as a means of transportation, being

“loaded and unloaded” in the respective importing and exporting countries.³²

The second procedure involves transshipping wholesale quantities of cocaine from South America onto fisher boats on the open sea, temporarily storing it in West Africa, and then transporting it to Europe in less suspicious yachts, cargo ships or fisher boats, primarily to Galicia and Portugal’s northern coast.³³ In 2006, 69 percent of the total cocaine seized in Europe was done so by Spanish and Portuguese authorities. In 2007 Spain, with 38 tons of confiscated cocaine, was responsible for nearly half of all European seizures. These large-scale transatlantic operations are mainly controlled by South Americans; for this reason, the Brazilian and Colombian governments recently sent police units and investigative teams to West Africa to improve cooperation among the respective law enforcement organizations.³⁴ The substantial increase in seizures by the Portuguese Coast Guard in recent years seems to point to the development of a Luso-phone trafficking route running from Brazil to Portugal via Guinea-Bissau and Cape Verde.³⁵

32 UNODC, *Drug Trafficking as a Security Threat in West Africa* [see note 28], pp. 10–14; UNODC, *Transnational Trafficking* [see note 27], p. 15. Professional networks often employ the “shotgun approach”. This means that a large number of couriers are booked on the same flight as the limited capacities of security authorities at airports are known. In December 2006, Dutch authorities arrested 32 couriers on a single flight arriving in Amsterdam from Casablanca.

33 According to estimates of UNODC and INTERPOL, large freighters, fisher boats and yachts transport quantities of between 0.5 and 4 tons of cocaine, which are then transshipped off the coast. Using this method, fishermen in Guinea-Bissau now operate in large numbers to pickup cocaine shipments at sea. See “Guinea-Bissau: Fishermen Turn to Trafficking As Fish Profits Drop”, *IRIN News*, July 29, 2008, www.irinnews.org/PrintReport.aspx?ReportId=79507 (retrieved on March 30, 2009).

34 Cf. UNODC, *World Drug Report 2009* [see note 2], p. 70; Chris Kraul, “Anti-Narcotics Agencies Target West Africa Routes”, in: *Los Angeles Times*, January 8, 2009.

35 Antonio Mazzitelli, “Transnational Organized Crime in West Africa: The Additional Challenge”, in: *International Affairs*, Vol. 83, No. 6, 2007, pp. 1071–1090 (1075); EUROPOL, *European Union Cocaine Situation Report 2007* [see note 11], p. 4. In 2003 cocaine seizures in Portugal rose more than tenfold from about 3 tons in 2003 to nearly 35 tons in 2006. However, recent seizure data point towards a harsh decline of cocaine seizures in 2007, with Portuguese authorities reporting only about 7.5 t of confiscated cocaine for that year. Cf. EMCDDA, *Statistical Bulletin 2009, Table SZR-10 Quantities (kg) of cocaine-seized1995–2007*, www.emcdda.europa.eu/stats09/szrtab10 (retrieved on August 31, 2009).

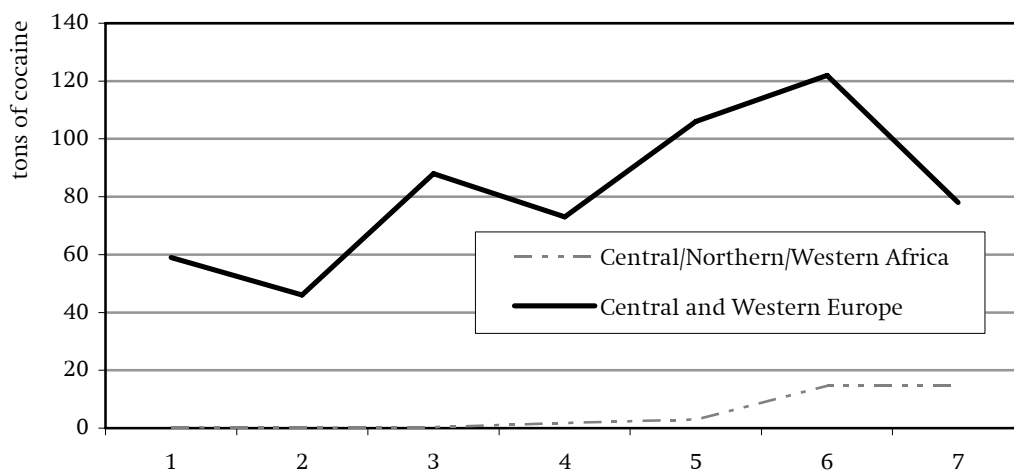
Markus M. Haeffliger, “Die Venezolaner in Freetown. Ein Prozess in Sierra Leone zeigt, wie Kokain über Westafrika nach Europa gelangt”, in: *Neue Zürcher Zeitung*, March 22, 2009.

30 UNODC suspects that the evident increase over the past years in foreign direct investment in all West African transit countries is due in part to the financial dealings of cocaine networks and money laundering, UNODC, *Drug Trafficking as a Security Threat in West Africa* [see note 28], p. 47.

31 Cf. UNODC, *Narco-Trafficking in the Americas Narco-Trafficking in the Americas* [see note 24], pp. 11–14; EUROPOL, *European Union Cocaine Situation Report 2007* [see note 11], p. 4.

Graphic 2

Cocaine seizures 2001–2006 in Central and Western Europe and in Central, Northern and Western Africa (in tons of cocaine)



Source: UNODC, *Comprehensive Drug Classification, Data Report 2009*, Vienna 2009.

Lastly, the container traffic running from South America to West Africa and from West Africa to Europe also holds possibilities for cocaine trafficking. In 2007, around fifty containers with a cargo of lumber were counted during a month-long observation phase of the freighter ship traffic between South America and West Africa. This level of trade between two timber-rich, low-price regions may seem suspicious not only to customs officers – it seems that in this case the lumber was serving as an inexpensive decoy cargo for cocaine. At the same time, each month several thousand containers are transported by ship from West Africa to Northwestern Europe. A large portion of these containers are declared to be empty and are therefore rarely inspected. In addition to maritime transport, South American drug traffickers make use of small retrofitted airplanes for transatlantic flights, which depart from Colombia, Brazil, Venezuela or Suriname, and land on illegal airstrips in West Africa.³⁶ But the point at which the cocaine reaches West African territory often does not serve solely as a hub for transshipping for continued maritime transport. Smaller quantities are also sent across remote land channels to neighboring countries, which often have airports offering direct flights to Europe.

³⁶ Cf. Mazzitelli, “Transnational Organized Crime” [see note 35], p. 1075, 1087. In 2005, one of these landing strips was discovered on the Bissagos Archipelago off the coast of Bissau. The small aircraft normally fly with cocaine cargos weighing half a ton.

Cases have already been recorded in which cocaine has been transported overland to Morocco in order to then be smuggled onto Spanish territory. Accordingly, Mali’s capital, Bamako, is an important transit point for cocaine although it is located approximately 1,000 kilometers inland.³⁷

Weak Governance as a Pull Factor for Cocaine Trafficking

With the exceptions of Nigeria and Ghana, there is probably no other Western African nation capable of independently opposing the actions of cocaine trafficking organizations. 100 kilos of pure cocaine arriving on the shores of the main transshipment hub, Guinea-Bissau, have a street value in Europe that is roughly equivalent to the entire annual international development aid given to that country. Several hundred kilos of cocaine arrive in Guinea-Bissau on a weekly basis.³⁸ If the estimates of the UNODC are correct and USD 450 million is paid to intermediaries in West Africa on a yearly basis, this sum equals the entire foreign direct investment in 2005 to Ghana,

³⁷ Cf. UNODC, *Drug Trafficking as a Security Threat in West Africa* [see note 28], pp. 16/17.

³⁸ ICG, *Guinea-Bissau: In Need of a State* [see note 29], p. 21.

Guinea-Bissau, Guinea, Mali and Senegal.³⁹ With the exception of three countries, all of the members of the Economic Community of West African States (ECOWAS) are ranked on the UN's list of least developed countries. In addition, the five least developed countries in the world are also located in West Africa.⁴⁰

The "weak" and "failed" states in West Africa are only able to fulfill to a limited extent their public governance functions in the areas of security, social services and legitimacy/rule of law.⁴¹ In West Africa, there are notorious deficits in the state monopoly on the legitimate use of force and state control of national territories, which are both necessary elements for deterring organized crime. A vivid example of the consequences of such state failures is the fact that Guinea-Bissau currently does not have a prison. West Africa offers ideal conditions for cocaine trafficking networks to operate. The region is used as a transit zone and – like the production zones – is characterized by limited governance capabilities, which makes it possible to establish transnational black markets and freely conduct illegal value added activities.

As the level of drug control has been steadily increasing along direct routes, West Africa offers comparative cost advantages as opposed to more closely controlled transit zones. The result has been an explosive rise in organized crime activities in this region. Local drug consumption often rears its head for the first time due to the supply of addictive drugs and the spread of currency cocaine, as in Central America and Brazil – but now also in Guinea-Bissau.⁴² In addition, the drug trade is also accompanied by a series of other negative phenomena such as corruption, violent crime, money laundering and the

smuggling of small arms. Currently, this is most visible in Mexico, where official statistics point to conflict associated with drug cartels causing over 6,000 deaths in the past year.⁴³ In the drug business, violence replaces the binding trade laws, which govern legal commercial dealings. According to estimates, over 80 percent of the acts of violence in the drug economy are not associated with any type of intoxication or other directly drug-related crimes, but rather with monetary issues or power struggles between criminal actors.⁴⁴

The minimal level of drug control and investigative pressure levied by the poorly functioning security authorities and legal institutions of West Africa can often be neutralized by even moderate levels of corruption. According to UN estimates, about one fourth of the total revenues from wholesale smuggling remain in the hands of West African intermediaries – according to current statistics this would equal approximately USD 250 million. There have been reports of cabinet members and high level military officials being corrupted with drug money in many West African states, particularly Guinea-Bissau.⁴⁵ The establishment of black markets aggravates development problems in the region and increases the incentives for members of these societies to pursue illegal activities.⁴⁶ Moreover, there are reasons for concern as the use of the high returns on cocaine trafficking remains unknown. UNODC and European security authorities fear that connections are developing between cocaine traffickers and certain political groups and that these groups could gain massive revenues from participating in cocaine trafficking. During the putsch attempts and successful coup in Guinea-Bissau in August 2008 and in Guinea in December 2008, there was evidence that drug money was being used. With the help of these monetary inflows, additional attempts to overthrow governments in the region could be financed,

³⁹ Cf. the data in the World Bank *Country Data Profiles*, available at <http://web.worldbank.org> (retrieved on October 23, 2008).

⁴⁰ Cf. United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLS), *Country Profiles*, www.unohrlls.org/en/ldc/related/62 (retrieved on February 11, 2009).

⁴¹ Cf. Ulrich Schneckener, "States at Risk – zur Analyse fragiler Staatlichkeit", in: *States at Risk. Fragile Staaten als Sicherheits- und Entwicklungsproblem*, Berlin: Stiftung Wissenschaft und Politik, November 2004 (SWP-Studie 43/2004), pp. 12–20.

⁴² Cf. "Guinea Bissau: Cocaine to Europe Produces Addicts Locally", *IRIN News*, March 3, 2008, www.irinnews.org/report.aspx?ReportID=77084 (retrieved on March 30, 2009).

⁴³ Edward Schumacher-Matos, "In Mexico, Faltering, Not Failed", in: *Washington Post*, February 21, 2009; Tim Rutten, "The War We Gave Mexico", in: *The Los Angeles Times*, February 28, 2009.

⁴⁴ Jonathan P. Caulkins and Peter Reuter, "What Price Data Tell Us about Drug Markets", in: *Journal of Drug Issues*, Vol. 28, No. 3, 1998, pp. 593–612 (605); Jonathan P. Caulkins et al., "How Goes the War on Drugs?", Washington, D.C.: RAND Corporation, 2005 (RAND Drug Policy Research Center Occasional Paper), p. 10.

⁴⁵ Cf. ICG, *Guinea-Bissau: In Need of a State* [see note 29], p. 22.

⁴⁶ Cf. Schneckener, "States at Risk" [see note 41], p. 7.

politicians could be toppled and conflicts protracted.⁴⁷ Along the Sahel band, a zone characterized by limited, if not absent levels of governance, a worrying contingent scenario emerges in which the Tuareg, Maghrebian al-Qaida and drug traffickers work together. If cocaine trafficking were to be rerouted through Libya and Egypt over well established cannabis routes, terrorist groups could expect to take on a lucrative role – a situation the US government fears.⁴⁸

47 The murder in March 2009 of Army Chief Batiste Tagmé and the acting president, Nino Vieira in Guinea-Bissau was seen as being linked to cocaine trafficking, cf. “El ‘Narco’ se instala en Guinea-Bissau” [Drug Trafficking Settles into Guinea-Bissau], in: *El País*, March 22, 2009.

48 Cf. “West Africa is Crime, Terrorism ‘Black Hole’ – UN Expert”, *Reuters*, January 13, 2008; U.S. Department of State, *INCSR 2008* [see note 12], p. 17.

Rising Cocaine Consumption in Europe and Instruments for Combating it: Supply vs. Demand Control

Rising Cocaine Consumption in Europe

The first joint anti-narcotics policy that the EU drafted for the years 2000–2004 stated that its main goal was to “reduce significantly” the consumption and accessibility of drugs in Europe.⁴⁹ This objective was not achieved. Since 2000, the use of illegal drugs grew in Europe for virtually every substance, including cocaine.⁵⁰ Thirteen million Europeans have consumed cocaine at least once in their lifetime. In 2008 alone, calculations point to three and a half million adolescents and young adults (15–34 years old) using cocaine. Currently, a total of four and a half million Europeans consume cocaine each year. According to estimates, approximately 250 tons of cocaine are smuggled from Latin America to Europe on an annual basis. While cocaine usage levels among American adults are about 50 percent lower than twenty years ago, European consumption has been steadily growing since the mid 1990s.⁵¹ Still, with suspected imports of between approximately 550 and 700 tons of cocaine in 2008, the USA remains the largest market for cocaine. While seizures in the USA have been mostly declining since 1990, they have increased dramatically in Europe and West Africa – a sure sign that the volume of cocaine being smuggled to Europe has multiplied.⁵² Last year’s stabilization of consumption levels

in several European countries and the recent decrease in seizures in both Europe and Africa may indicate a deceleration in the European cocaine market’s rapid growth. However, alleging a trend reversal would be premature. Consumption levels have quadrupled in United Kingdom in the past years, while levels have doubled or tripled in Spain, Italy and France. The United Kingdom is home to 26 percent of all of Europe’s cocaine users, closely followed by Spain with 24 percent and Italy with 22 percent. Consumption stabilized in all three countries in 2008, albeit at historically unprecedented high levels. A little less than 10 percent of Europe’s cocaine users reside in Germany, with levels rising by 4 percent in 2008.⁵³ From 2000 to 2005, the number of criminal acts linked to cocaine increased by 62 percent across Europe.

Supply Control: Regulating Prices

Two strategic paradigms have arisen within international drug enforcement policy – on the one side, control of drug supply, and on the other, containment of drug demand. Instruments for controlling supply can be applied at any point along the value chain, from the cultivation of the primary product, coca leaves, to the retail sale to the consumer. These instruments include

- ▶ Controlling chemical precursors;⁵⁴
- ▶ Eradication of illicit crops;
- ▶ Alternative development initiatives (AD);
- ▶ Surveillance activities along transit routes and at borders;

⁴⁹ Cf. Council of the European Union, EU Drugs Strategy 2000–2004, Brussels, December 1, 1999, 12555/3/99 CORDROGUE 64, § 3, p. 4, www.emcdda.europa.eu/attachements.cfm/att_2006_EN_cordrogue64en.pdf (retrieved on March 30, 2009).

⁵⁰ Cf. Georges Estievenart, “La Estrategia Antidrogas de la Unión Europea y América Latina” [The Anti-drug Strategies of the EU and Latin America], in: Álvaro Camacho Guizado (Ed.), *Narcotráfico: Europa, Estados Unidos, América Latina* [Narco-trafficking: Europe, Latin America, USA], Bogotá: Universidad de los Andes, 2006, pp. 13–39 (14–22).

⁵¹ It may be assumed that the reduction in cocaine consumption in the USA, even as prices sink, is linked to awareness campaigns and changing consumption trends, cf. Peter Reuter, “The Limits of Supply Side Control”, in: *The Milken Institute Review*, Vol. 1, 2001, pp. 14–23 (18).

⁵² Cf. U.S. Department of Justice, *National Drug Threat Assessment 2009*, Washington, D.C., December 2008, p. 2, www.usdoj.gov/ndic/pubs31/31379/index.htm (retrieved on January 6, 2009).

⁵³ Cf. BKA, *Rauschgift: Jahreskurzlage 2008* [see note 11], p. 4; UNODC, *World Drug Report 2009* [see note 2], pp. 81–83. Analysis of river water in German cities undertaken by the Institute for Biomedical and Pharmaceutical Research (IBMP) in 2005 for SPIEGEL magazine, points to much higher levels of cocaine being consumed in Germany than was surmised based on survey results, see “Deutsche koksen ungeahnte Mengen”, in: *Spiegel Online*, November 9, 2005, www.spiegel.de/wissenschaft/mensch/0,1518,383687,00.html (retrieved on March 30, 2009).

⁵⁴ The term “chemical precursors” indicates substances, which are necessary for converting the organic starting product (coca, opium poppy) into drugs.

- Law enforcement in the production, transit and consumption areas and countries.

The Elasticity of the Drug Demand

Supply control instruments use the price of narcotics as leverage to limit drug consumption. The assumption is that through law enforcement, eradication of primary materials, seizure of chemical additives and cocaine or cocaine precursors (coca leaves, coca paste, cocaine base), the goods will become more expensive, which in turn will lead to price increases for the end product and a subsequent fall in demand. In order for demand really to be governed by prices, the consumers must react to changes in price with corresponding behaviors. As prices rise, they would need to abandon consumption and as prices fall, increase consumption levels accordingly. In economic terms, this mechanism is referred to as price elasticity of demand. In the past, it had been common sense that addictive drugs would have a very low level of demand elasticity, if at all, which implies that price increases would be shouldered and accepted by consumers. Today, however, most experts assume that the price elasticity of drug demand is indeed relatively high.⁵⁵ Normally, a basis for demand elasticity of -0.5 to -1 is set for cocaine. In other words, it is assumed that a price increase of 10 percent leads to a 5 to 10 percent decrease in demand for the drug.⁵⁶ The alternative reaction, namely that consumers would substitute a cheaper alternative for the overpriced addictive drug, is difficult to substantiate.⁵⁷ Due to widespread poly drug use among

consumers, meaning that they use several drugs simultaneously, it is unclear whether hard drugs are complements or substitutes.⁵⁸ Given this uncertainty, it is not possible to limit the control measures against cocaine trafficking used in the following example to a single type of drug. These measures must be applied to all addictive drugs within integrated drug control policies in order to maintain equally high price levels for comparable drugs.

The high price of drugs is due, on the one hand, to the risk of falling prey to law enforcement and related hazards, which people involved in drug trafficking accept, such as being the victim of acts of violence. On the other hand, loss of materials through seizures and stricter controls can maintain high prices and drive them even higher. Like heroin, cocaine is a cheaply produced agricultural product. If produced under legal conditions, a dose of cocaine would have a price equivalent to an aspirin tablet.⁵⁹ The illegality of the product and its corresponding scarcity lead to its extreme price increase – a characteristic of drugs mirrored by other illegal goods.⁶⁰ This at the same time supplies the main argument used by opponents of the repeated calls to legalize drugs.⁶¹ Indeed, under the assumptions of demand elasticity, it is to be expected that drug consumption would increase rapidly as drugs became available at extremely low prices due to the elimination of the costs of illegality.⁶²

between alcohol prices and cocaine consumption, however, was determined in one case study (see *ibid.*, p. 60).

⁵⁸ Cf. Caulkins, *Response to NRC Assessment* [see note 57], pp. 11–12.

⁵⁹ Cf. Rhodes et al., *Illicit Drugs. Price Elasticity* [see note 55], pp. 15–20; C. Peter Rydell and Susan S. Everingham, *Controlling Cocaine. Supply Versus Demand Programs*, Washington, D.C.: RAND Corporation, 1994, pp. 10–11.

⁶⁰ Cf. John M. Walsh (Washington Office on Latin America [WOLA]), *U.S. Drug Policy: At What Cost? Moving beyond the Self-Defeating Supply-Control Fixation*, Statement to the Joint Economic Committee of the U.S. Congress, Washington, D.C., June 19, 2008, p. 6, http://jec.senate.gov/index.cfm?FuseAction=FilesView&FileStore_id=745af217-b72f-4b0e-b596-30d171d03cbb (retrieved on March 31, 2009); Peter Reuter, “Sobre la Coherencia de la Política de EE.UU. hacia Colombia” [Regarding the Coherency of US Policies with Colombia], in: Camacho (Ed.), *Narcotráfico* [see note 50], pp. 77–106 (96); Rydell and Everingham, *Controlling Cocaine* [see note 59], pp. 9–14.

⁶¹ Cf. “How to Stop the Drug Wars”, in: *The Economist*, March 5, 2009.

⁶² On the other side of the discussion, proponents of drug legalization expect it to bring about an end to the violent drug economies. This, however, would only be the case if legalization were to occur simultaneously on a worldwide scale. Currently, however, only a few OECD members realis-

⁵⁵ The articles from William Rhodes et al., *Illicit Drugs: Price Elasticity of Demand and Supply, Final Report*, Cambridge, Mass.: Abt Associates Inc., 2000, pp. 12–14, and Caulkins and Reuter, “What Price Data Tell Us about Drug Markets” [see note 44], p. 604, both contain an overview of the literature related to price elasticity of drug demand; cf. also Charles F. Manski, John V. Pepper, and Yonette Thomas, *Assessment of Two Cost-Effectiveness Studies on Cocaine Control Policy*, Washington, D.C.: Committee on Data and Research for Policy on Illegal Drugs, National Research Council, 1999, pp. 25–26.

⁵⁶ Cf. Manski, Pepper, and Thomas, *Assessment of Two Cost-Effectiveness Studies* [see note 55], p. 26.

⁵⁷ The so-called cross price elasticity; for debates in the research community see Jonathan P. Caulkins, *Response to NRC Assessment of RAND's Controlling Cocaine Study*, Washington, D.C.: RAND Corporation, 2000, p. 12. One of the rare empirical analyses on the topic is offered by Rhodes et al., *Illicit Drugs: Price Elasticity* [see note 55]. This study arrives at the conclusion that there is only a minor level of cross price elasticity between cocaine and comparable drugs. A correlation

Thus, drug consumption follows a price-driven logic, which supply control instruments seek to exploit. The efficiency of an intervention in the trafficking chain from the viewpoint of price mechanisms, namely whether it actually has an effect on the drug's end price, depends, however, on the value of the material that is being "taxed" by the risks of law enforcement or directly removed from the market through seizures. This is clarified in the following sample calculation.

A Sample Calculation

A small-scale farmer in the Andean region receives the equivalent of approximately EUR 250 for the quantity of coca leaves needed to produce one kilogram of cocaine.⁶³ This kilo of cocaine is then worth EUR 1,200 to the intermediaries in the producer country. When the same kilo of cocaine is then traded again in transit, it gains a market value of between EUR 12,000 and EUR 15,000.⁶⁴ Conservative estimates then point to the same kilo of cocaine, cut with adulterants, having a retail value on a German street of EUR 80,000. Graphic 3 illustrates this multiplication in value.

The roughly estimated market prices at each stage of the production and trafficking process show that changes in the price of coca leaves in the producing countries will have no noticeable effect on the end price.⁶⁵ The value of the coca leaves is too low and

only represents a vanishingly small portion of the wholesale and retail value of the narcotic. Assume for a moment the implausible case that the price of the leaves necessary to produce a kilogram of pure cocaine were to suddenly increase ten-fold from EUR 250 to around EUR 2,500.⁶⁶ When the price increase is passed on and reflected in the street sale prices, it would only increase the end price by about EUR 2.50 per gram. As German cocaine was shown to only have an average purity level of 25 percent in 2006, a ten-fold increase in the price of coca leaves would only cost German consumers EUR 0.60 per gram.⁶⁷ With an average price of EUR 60.00 per gram, this increase would not, however, motivate consumers to stop purchasing or even lead to any real price change.

Displacing Problems, Not Solving Them

Supply control efforts always run the danger of being neutralized through so-called balloon effects. When one squeezes a balloon, the displaced air moves in the balloon and pops out at another point along its surface. This simple image illustrates the dilemma of problems being merely displaced rather than eliminated. Such displacement effects commonly occur as a result of crop eradication, alternative development – when coca crops are replaced with legal crops – and increased surveillance of transit routes. Increased risk of falling prey to public law enforcement activities in one region or along a certain transport route only leads to temporary supply reductions, price increases and more intense cutting of drugs. If areas with limited levels of national or international territorial

tically support such a policy. The legal steps taken in Argentina and Mexico in August 2009 to decriminalize the possession of drugs will not have the effect of undermining the illegal drug economies or its inherent violence, since the illegal business is maintained through decriminalizing the possession, but not the production or trafficking in illicit drugs. See Alexei Barrionuevo, "Latin America Weighs Less Punitive Path to Curb Drug Use", in: *New York Times*, August 27, 2009.

⁶³ Cf. UNODC, *World Drug Report 2008* [see note 1], p. 68. In 2007, the price for a kilo of coca leaves was between USD 2.50 and 3.80 in Peru and Bolivia, respectively. In Colombia, where trading is conducted almost universally in paste, the UNODC calculated a similar leaf price to that in Peru. For this sample calculation, an average was selected of USD 3.00/kg (rounded: EUR 2.50).

⁶⁴ Cf. Francisco Thoumi, "The Numbers Game. Let's All Guess the Size of the Illegal Drug Industry", in: *Journal of Drug Issues*, Vol. 35, No. 1, 2005, pp. 185–200 (190).

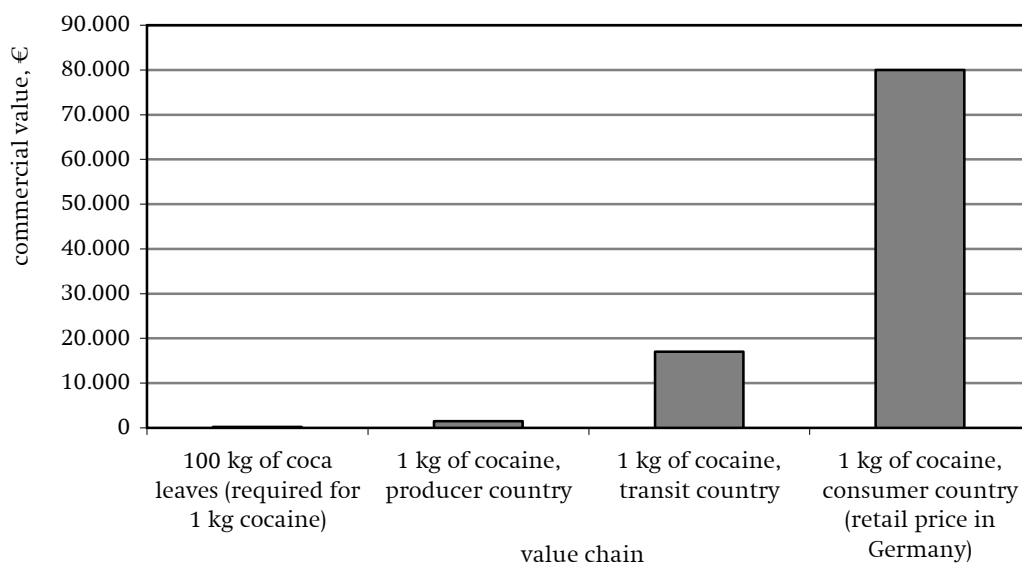
⁶⁵ This assumes the conditions of additive price formation, and thus the passing on of cost increases along the drug production value chain. In the relevant subject literature, it is normally assumed that drug prices form additively, although

the intransparent character of these price increases does not allow for definite statements to be made on this topic. The multiplicative price formation hypothesis supposes that relative price increases at an early stage on the value chain lead to multiplicative price increases at later stages, but does not seem to be supported by empirical comparisons. Advocates of crop eradication like to use mixed models of additive-multiplicative price formation, cf. for this debate: Manski, Pepper, and Thomas, *Assessment of Two Cost-Effectiveness Studies* [see note 55], pp. 22–23. With a mixed model, Rhodes et al., *Illicit Drugs. Price Elasticity* [see note 55], pp. 14–17. Rydell and Everingham, *Controlling Cocaine* [see note 59], pp. 13–15, and Caulkins, *Response to NRC Assessment* [see note 57], p. 10, work with additive models.

⁶⁶ The sample calculation draws on Reuter, "Supply Side Control" [see note 52], p. 19.

⁶⁷ Cf. EMCDDA, *Statistical Bulletin 2008, Table PPP-7 Purity of Cocaine Products at Retail Level*, www.emcdda.europa.eu/stats08/ppptab7a (retrieved on March 31, 2009).

Graphic 3
Value Chain of Cocaine Trafficking



control efforts are readily available, the previously described balloon effect occurs. This holds equally for cultivation as well as transportation. Areas characterized by limited security governance hold comparative advantages for traffickers in illegal goods.⁶⁸ Many other nations have the appropriate climate and soil necessary for cultivating coca and opium poppy.⁶⁹ Other states also have an ideal geographic location in order to serve as transit zones for drug trafficking. Nevertheless, four states (Afghanistan, Bolivia, Colombia, Peru) cultivate over 90 percent of the worldwide supply of coca and opium poppy, and there is only a relatively low number of states that attract massive flows of illegal drugs. A primary goal of national and international anti-narcotic authorities must therefore be to make illegal commercial activities more costly in these areas and countries as well.

Reducing Demand: Regulating Consumption

In multilateral fora, drug producing countries always stress the shared responsibility of the consumer countries in combating narcotics-related problems. The

recurrent charge is: if there were no demand, there would be no supply. In contrast to supply control, strategies aiming to reduce demand focus not on the price of illegal drugs, but rather directly on regulating consumption. These methods, employed particularly in the EU, focus on prevention, therapy and harm reduction. According to the level of their addiction, users should be prevented from further consumption or reactively cured of their dependency, and the harm that drug consumption causes to the person and society should be mitigated. If the user already exhibits symptoms of addiction, the efforts at harm reduction are targeted at stemming the spread of HIV and hepatitis. Typical instruments employed to control drug demand, which have also been proven successful in Germany, include campaigns to raise awareness, the establishment of shooting galleries and outreach clinics, needle exchange programs, and a wide range of therapeutic treatments.⁷⁰ While facing growing drug consumption, Brazil became one of the first Latin American countries to shift its drug control policies in 2006 towards a more treatment-based approach.

At the same time, a deterrent effect arises from the criminalization of drug consumption and the threat of law enforcement or the social stigmatization that

⁶⁸ Cf. Thoumi, "The Numbers Game" [see note 64], pp. 191–196.

⁶⁹ Cf. "Las Políticas contra las Drogas, Reformas y Relaciones Colombo-Américanas" [Anti-drug Politics and Reforms and Colombian-American Relations], in: Camacho (Ed.), *Narcotráfico* [see note 50], pp. 163–184 (167).

⁷⁰ Cf. The Drug Commissioner of the German Federal Government, *Drogen- und Suchtbericht*, May 2008, pp. 84–92, 99–112.

accompanies people who have been prosecuted for drug consumption. Consumers and small-time retail dealers, who are generally also drug users themselves, are threatened with imprisonment, which is normally considered to be an element of supply control. This practice carries a degree of potency according to demand-based mechanisms, as obtaining and using drugs within the penal system is more difficult, meaning the market has lost consumers.⁷¹

As international drug control issues have domestic as well as international political implications, governments often have difficulties in finding a balance between controlling supply and controlling demand. Actions aiming to affect demand are often domestically contentious as they generally administer rather than eliminate drug consumption. Meanwhile, the call for a “balanced approach” to drug control is repeated like a mantra in all multilateral anti-drug conventions and declarations. It means that there should be a joint obligation between consumer and producer countries. In the EU Drugs Strategy (2005–2012), the Council of the European Union confirmed that the principle of “shared responsibility”⁷² is the foundation of EU drug policy as well as for most of its member states’ governments.⁷³

By now, the producer and transit states have also recognized that they must resort to measures for reducing demand in order to address the growing consumption levels there. Corresponding adjustments have also been made to several European governments’ development policy, which now provides partner countries with products aimed at demand and harm reduction.

Meanwhile, statistical analysis of the US market shows that instruments for reducing demand are more cost efficient in containing drug consumption than instruments of supply control.⁷⁴ Nevertheless,

supply control remains at the center of the anti-narcotic efforts of many governments. Both the CND’s political declaration and its action plan from March 2009 reconfirm supply control as one of the cornerstones of international drug control policies. At the same time, the Europeans, with the German Federal Government taking the lead, have not been able to push through their demand to focus multilateral drug control on a more demand-oriented and health-based approach.⁷⁵ During the 2009 CND, the US delegation continuously blocked explicit textual references to harm reduction.⁷⁶

⁷¹ Cf. Rydell and Everingham, *Controlling Cocaine* [see note 59], pp. 6–9; Reuter, “The Limits of Supply Side Control” [see note 52], p. 22.

⁷² Cf. Council of the European Union, *EU Drugs Strategy (2005–2012)*, November 22, 2004, 15074/04 CORDROGUE 77, § 29, p. 16, <http://register.consilium.eu.int/pdf/en/04/st15/st15074.en04.pdf>; EMCDDA, *Monitoring the Supply* [see note 16], p. 16.

⁷³ See e.g. for Germany: Deutscher Bundestag, *Nationale und internationale Maßnahmen für einen verbesserten Kampf gegen Drogenhandel und -anbau in Entwicklungsländern*, BT-Drucksache 16/8776, April 9, 2008, p. 2.

⁷⁴ Cf. Rydell and Everingham, *Controlling Cocaine* [see note 59], pp. xiv–xvi, pp. 9–14; Rosalie Liccardo Pacula (RAND Corporation), *What Research Tells Us about the Reasonableness of the*

Current Priorities of National Drug Control. Testimony Presented before the House Oversight and Government Reform Committee, Subcommittee on Domestic Policy on March 12, 2008, Santa Monica, CA: RAND Corporation, 2008, www.rand.org/pubs/testimonies/2008/RAND_CT302.pdf (retrieved on March 31, 2009).

⁷⁵ Cf. Commission on Narcotic Drugs (CND), 52nd Session, March 11 to 20, 2009, *Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem*, Vienna, March 20, 2009. Cf. also the call by the three ex-presidents of Brazil, Colombia and Mexico – Fernando Cardoso, César Gaviria und Ernesto Zedillo – for a paradigm shift in international drug control towards harm reduction, education, and combatting organized crime three “The War on Drug Is a Failure” [Summary], in: *Wall Street Journal*, February 23, 2009, <http://online.wsj.com/article/SB123535114271444981.html>.

⁷⁶ Due to this refusal by the US, the term “harm reduction” does not appear in the final declaration. It was replaced by the euphemism “related supportive services”, see “UN/US: Time Lag in Vienna?”, in: *New York Times*, January 30, 2009; “Umdenken in der globalen Drogenpolitik? Abschluss der UN-Drogenkonferenz in Wien – die USA in der Kritik”, in: *Neue Zürcher Zeitung*, March 21, 2009.

Course of Action I: International Supply Control in Drug Producing Zones

How can international supply control policy be efficiently formulated to become an appropriate conceptual counterpart to internal demand reduction strategies? What contingencies are open to the EU and its member states to effectively regulate cocaine supply – and consequently retail prices and consumption level within the EU? In the following sections, the three central instruments for supply control in or close to producer countries are analyzed according to their efficiency and functionality based on price mechanisms: crop eradication, alternative development and precursor control.

Option 1: Crop Eradication

Aerial Fumigation and Manual Crop Eradication in the Andean Region

For three decades, US administrations have seen crop eradication as the preferred instrument of international anti-narcotic policy. According to the US State Department, the vast and easily recognizable crops are the most vulnerable link in the drug's value chain.⁷⁷ For this reason, the American government has been continuously supporting or actively carrying out crop eradication programs in Latin America since the 1980s. The USA has repeatedly called for increased levels of cooperation from the EU in these campaigns and in the past has often reacted crossly to the reticence of the Europeans on this issue.⁷⁸ The European Union and its member states have an ambivalent stance towards eradication measures. The EU Drugs Strategy remains open to such a program in conjunction with alternative development programs, while the European Monitoring Centre for Drugs and Drug

Addition (EMCDDA) in Lisbon doubts the effectiveness of this strategy.⁷⁹

So what do these eradication campaigns look like? Within the framework of the Andean Counterdrug Initiative (ACI), which has been operating since 2000, seven Latin American countries have been receiving financial and technical support for supply control programs under the leadership of the State Department. The central activity of the ACI is assisting in the implementation of the *Plan Colombia*, which was developed in 1999 by President Andrés Pastrana of Colombia. The plan originally foresaw an “integrated” – not purely military – handling of the drug problem and internal conflict in Colombia. Since 2000, the US government has made over USD 6 billion in funds available to *Plan Colombia*. The majority of this financing, however, was channeled into the systematic eradication of drug crops and the strengthening of Colombia's security forces. In Colombia, coca and opium poppy crops are aerially fumigated with the herbicide Glyphosat or stripped by hand. American contractors assist Colombian police in these efforts. According to UN sources, 229,130 hectares were eradicated in 2008 in Colombia alone.⁸⁰

Due to the environmental degradation associated with aerial fumigation of illicit crops (see below for more details), and due to improved regional control by security forces, in Colombia there has been increased usage of the manual method of uprooting

⁷⁷ Cf. U.S. Department of State, *INCSR 2008* [see note 12], p. 16.

⁷⁸ Cf. Markus Schultze-Kraft, “Narcotráfico en América Latina: Un Nuevo Consenso Internacional” [Drug Trafficking in Latin America: A New International Consensus], in: *Política Exterior* (Madrid), Vol. 22, No. 126, November–December 2008, pp. 105–114 (113).

⁷⁹ Cf. *EU Drugs Strategy 2005–2012* [see note 72], § 29, p. 17; EMCDDA, *Monitoring the Supply* [see note 16], p. 10.

⁸⁰ Cf. UNODC, *World Drug Report 2009* [see note 2], p. 66; U.S. Department of Justice, *National Drug Threat Assessment 2008*, October 2007, www.usdoj.gov/ndic/pubs25/25921/25921p.pdf (retrieved on March 31, 2009), pp. 1–6; UNODC estimates the total coca growing area in Colombia only at 81,000 ha. coca crops. However, the coca bush can be harvested more than once each year, which explains the divergence in the collected data. In addition, fields can often be replanted very quickly after fumigation. There are estimates from the time prior to 2005, which point to 85 percent of all eradicated crops in Colombia being replanted. For the year 2007, the INCB assumes that the replanting rate was approximately at 50 percent, INCB, *Annual Report for 2007* [see note 9], p. 70; Veillette and Navarrete Frías, *Drug Crop Eradication* [see note 2], p. 16.

coca bushes. In 2008 for the first time, more coca was eradicated manually on the ground than through aerial fumigation.⁸¹ Manual eradication campaigns in Bolivia and Peru have been co-financed by the US government since the 1990s.⁸²

The so-called *Plan Dignidad*, which was started in 1997 with US support by the Bolivian government under then president Hugo Banzer, temporarily led to an abrupt fall in illegal coca cultivation in Bolivia's principal production zone, Chaparé by employing massive clear-cutting programs. The successes, however, were short-lived and quickly offset by the displacement of crops.⁸³ Particularly in Bolivia, the well-organized coca farmers (*cocaleros*) offer vehement opposition to eradication campaigns, which continue to be executed under the administration of President Evo Morales with the goal of limiting excess production. Following the Bolivian government's expulsion of U.S. Drug Enforcement Agency (DEA) staff in November 2008, it was expected that due to Bolivia's limited level of technical capacity, eradication efforts and seizures would decline. However, cocaine seizures in Bolivia increased considerably in 2008 and in the first semester of 2009 and several major cocaine laboratories were destroyed.⁸⁴

Dubious Successes

The annually increasing number of coca fields eradicated in Colombia is only a success story at first glance as coca farmers are able to neutralize the effects of crop eradication through more efficient cultivation methods, replanting, and displacement of crops. While

the coca leaf prices today are above the average in the 1990s in Bolivia, Peru and Colombia, cocaine prices had been sinking in the USA and Europe since the 1980s until recently. Cocaine was also readily available to American and European consumers at virtually every moment over the past decades.⁸⁵ The common assumption espoused by supporters of eradication programs, that the harvest of every coca field that is eradicated will not be consumed as cocaine at a later date, is too simplified. Coca cultivation and cocaine production follow market mechanisms and are oriented towards demand. Lost quantities of coca or cocaine are, if possible, replaced and hence do not lead to deprivation on the part of the consumer. As shown in the preceding sample calculation, even massive price increases for coca leaves would not, in all likelihood, have a noticeable effect on cocaine's street price, and hence consumption levels. Due to price-based considerations, crop eradication is not useful as long as crop displacement is possible.

At the same time, aerial fumigation and the relocation of crops have negative external effects. The impact of Glyphosat fumigation on people and ecosystems is highly controversial.⁸⁶ The displacement of coca farming to increasingly remote and previously untouched areas also has severe detrimental effects on the biosphere. Clearing of forests and the use of hazardous fertilizers lead to the destruction of tropical rain forests and endanger biodiversity.⁸⁷

The U.S. Government Accountability Office (GAO) evaluated *Plan Colombia* in October 2008 and delivered a sobering assessment. The improvements to the security

⁸¹ "Colombia/coca. Eradicación en duda" [Colombia/Coca. Eradication Measures in Doubt], *BBC Mundo*, December 29, 2008, http://news.bbc.co.uk/1/hi/spanish/latin_america/newsid_7802000/7802563.stm (retrieved on March 31, 2009).

⁸² Cf. Veillette and Navarrete Frías, *Drug Crop Eradication* [see note 2], pp. 2–8.

⁸³ Cf. Daniel Kurtz-Phelan, "'Coca Is Everything Here', Hard Truths about Bolivia's Drug War", in: *World Policy Journal*, Vol. 22, No. 3, 2005, pp. 103–112 (104); Noam Lupu, "Towards a New Articulation of Alternative Development: Lessons from Coca Supply Reduction in Bolivia", in: *Development Policy Review*, Vol. 22, No. 4, 2004, pp. 405–421 (406).

⁸⁴ "Evo Asegura que sin la DEA Mejoró la Lucha Antidrogas" [Evo Asserts that the Efforts against Drugs Have Improved without the DEA], in: *Los Tiempos*, December 13, 2008; "En 8000 Acciones, Antidrogas se Confiscó 18,5 Tn de Droga" [In 8000 Anti-narcotic Activities, 18.5 tons of Drugs Were Seized], in: *La Razón*, August 27, 2009; UNODC, *World Drug Report 2009* [see note 2], pp. 70–76.

⁸⁵ Cf. UNODC, *Coca Cultivation in the Andean Region 2007* [see note 2], p. 19/20; Reuter, "Sobre la Coherencia de la Política de EE.UU. hacia Colombia" [see note 60], p. 93.

⁸⁶ Cf. Veillette and Navarrete Frías, *Drug Crop Eradication* [see note 2], p. 11–13. While the US government and US supported studies deny any negative external effects of Glyphosat Ecuadorian and Colombian studies arrive at different results. In 2004 alone, there were approximately 5,000 complaints in Colombia regarding health-related, ecological and agricultural damages associated with aerial fumigation. The Ecuadorian government has taken a dispute on repeated Colombian fumigations in Ecuadorian border provinces to the International Court of Justice, suing its neighbor for ecological and health damages.

⁸⁷ See e.g.: Germán Andrés Quimbayo Ruiz, "¿Es realmente el cultivo ilícito el principal responsable del daño ecosistémico en Colombia? [Is Illegal Cultivation Really the Main Culprit for Damage to Colombia's Ecosystem?]", Amsterdam: Transnational Institute, 2008 (Informe sobre políticas de drogas No. 28), www.tni.org/detail_page.phtml?act_id=18985 (retrieved on March 31, 2009).

situation were positively evaluated as were the successes in reducing opium poppy cultivation. However, the stated goal of *Plan Colombia*, namely the reduction by 50 percent of coca cultivation and cocaine production from 2000 to 2006, was judged a failure. The GAO measured the coca cultivation area in 2006 as 15 percent larger than 2000; cocaine production levels were 6 percent higher than in 2000.⁸⁸

Over the same time period, cocaine smuggling in the USA has increased, despite the fact that since implementation of *Plan Colombia* began in Colombia with American support, over one million hectares of coca and opium poppy fields have been eradicated. Availability shortfalls, price increases and higher levels of cutting of cocaine in the USA in 2007 and 2008 are, in all likelihood, due to the current war against and between cartels in Mexico rather than eradication campaigns in the producer countries. This interpretation is self-evident as cocaine production during the same time period remained high between 850 and 1,000 tons.⁸⁹ Thus, it holds logically that logistical delays rather than production shortages occurred. The GAO evaluation shows that the massive coca eradication campaigns carried out within *Plan Colombia* were ineffective. The line of argument that crop eradication hindered an even greater growth in drug production can, however, be neither proven nor disproven. The market characteristics underlying the drug business speak against production increases irregardless of demand levels.

Option 2: Alternative Development

The Alternative Development Paradigm

The objective of alternative development projects is to transform illegal crops into legal agriculture, therefore making a legal way of life possible for small-scale farmers. According to EMCDDA calculations, the European Commission and the EU member states currently finance 37 alternative development projects

in the Andean region with a budget exceeding EUR 140 million.⁹⁰ The EU supports efforts to commercialize alternative goods by offering preferential trade agreements with countries in the Andes and Central America, who now are allowed to export about 90 percent of their goods into the EU exempt of tariffs. For the EU and most of its member states, alternative development programs are the central pillar of their international drug control policy. Contrary to the widespread misconception that it is principally European governments which support alternative development projects, the US government has also been supporting such programs in Latin America since the 1970s. The United States Agency for International Development (USAID) oversaw alternative development projects in the Andean region from 2000 to 2005 that had a combined budget of USD 1.6 billion.⁹¹ Similar to the UNODC-supported *familias guardabosques* (ranger families) program of the Colombian government⁹², which combines crop eradication activities with alternative development programs, the US government uses these projects as an incentive to turn away from illegal cultivation.⁹³ This is the crux of the difference between the alternative development instruments employed by most European governments, which are implemented without any conditionalities. In Germany for example, the Federal Ministry for Economic Cooperation and Development (BMZ) and the *Gesellschaft für Technische Zusammenarbeit* (German Technical Cooperation, GTZ) view the ranger program critically due to its connection with forced eradication and therefore oppose German involvement in the program – even after the Uribe administration, for whom the program is a prestige object, explicitly requested

⁸⁸ Cf. GAO Report to Joseph Biden, Chairman of the Committee on Foreign Relations, U.S. Senate, *Plan Colombia. Drug Reduction Goals Were Not Fully Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance*, October 2008, www.gao.gov/new.items/d0971.pdf. In its evaluation, the GAO utilizes estimates of the U.S. Department of Justice regarding the extent of cultivation, not the UNODC numbers provided in the graphic.

⁸⁹ Cf. *ibid.*, pp. 3–6, 17–21; U.S. Department of Justice, *National Drug Threat Assessment 2009* [see note 52], pp. 2–5].

⁹⁰ 12 in Bolivia, 14 in Colombia, 10 in Peru and 1 in Paraguay, where cannabis is grown, EMCDDA, *Monitoring the Supply* [see note 16], p. 21.

⁹¹ Cf. Veillette and Navarrete Frías, *Drug Crop Eradication* [see note 2], pp. 20–21.

⁹² The Uribe administration's *Familias Guardabosques* program has been implemented since 2003 with activities in 21 of the country's 32 provinces. The objective is to reward communes which renounce coca cultivation with financial incentives and support in the form of social and developmental aid. The entire commune is held accountable if there is any deviation from the basic conditions of non-cultivation, which may result in financial support being discontinued. According to UNODC, 100,000 families have participated in the program since 2003, which has led to over 10,000 ha of land being converted to legal cultivation.

⁹³ Cf. U.S. Department of State, *INCSR 2008* [see note 12], p. 17.

German support during Chancellor Merkel's May 2008 visit to Colombia.⁹⁴

There are a series of typical difficulties that have arisen in the past in connection with the implementation of alternative development projects:⁹⁵

- ▶ The remoteness of cultivation areas and the lack of infrastructure makes it difficult to establish market access for licit goods;
- ▶ Displacement of crops or balloon effects;
- ▶ Poor timing in the coordination efforts between eradication campaigns and the preparation of alternative development measures;
- ▶ Resistance from armed non-state actors and a precarious security situation;
- ▶ Unclear proprietorship on land, which frightens off long-term investment;
- ▶ Comparative disadvantages of alternative goods with coca and cocaine.⁹⁶

In order to overcome or avoid these adversities, development agencies from the OECD member states rely on integrated alternative development programs, which extend beyond the actual transformation of cultivation practices.⁹⁷ The German "Development-oriented Drug Control" program of the BMZ/GTZ follows just such an approach and attempts to place drug control policies within the larger framework of development policy. The program does not pay attention solely to supply control, but rather to development in general in a drug environment. This includes measures for infrastructural improvement which touch on market access, support for communal development, youth and adult education, creation of legal certainty for farmers, support for civil conflict man-

agement, etc.⁹⁸ Obstacles inherent to alternative development should be addressed with the help of this expanded approach, improving the incentive structure for eliminating illegal cultivation over the long term. At the same time, preventive measures should stem migration towards drug cultivation areas by supporting local development in the at-risk regions.⁹⁹

The Objectives Behind Alternative Development

Alternative development projects are usually evaluated on the basis of whether they succeed in causing a lasting transformation from illegal to legal agricultural production; discussions usually circulate around reaching solutions to the previously listed challenges. However, the contribution of alternative development measures to the primary objective of drug supply control is not assessed by donors or recipients, although the Europeans see these measures as the central pillar of international drug control policy. Every measure implemented to address supply control should, however, be questioned in terms of whether it has an effect on the availability and price of the drug for the consumers. Meanwhile, this question does not play a role in national and international debates on alternative development. As demonstrated, even massive price increases for coca leaves would not have any appreciable effect on the end price of cocaine in consumer zones. This is equally true for alternative development projects as well as the previously discussed eradication of crops. The objective of international supply control – scarcity of a drug and/or price increases – is also not achieved via alternative development programs. Even if a transformation of cultivated areas occurs, this often leads merely to the displacement of crops as is often the case with eradication campaigns. Accordingly, the American auditing office, GAO, was not able to demonstrate any noticeable effects on crop volumes in its evaluation of *Plan Colombia*. Since 2000, over USD 500 million have been made available for alternative development in Colombia alone, but potential successes were eliminated by crop relocation.¹⁰⁰

⁹⁴ Carsten Wieland, *Unterstützung in Zeiten des Umbruchs. Bundeskanzlerin Merkel besucht Kolumbien*, Bogotá: Konrad-Adenauer-Stiftung, June 2008 (Länderinformation Kolumbien), www.kas.de/proj/home/pub/56/1/year-2008/dokument_id-13959/index.html.

⁹⁵ Cf. Linda Farthing and Benjamin Kohl, "Conflicting Agendas: the Politics of Development Aid in Drug-Producing Areas", in: *Development Policy Review*, Vol. 23, No. 2, 2005, pp. 183–198; Kurtz-Phelan, "Coca Is Everything Here" [see note 83]; Lupu, "Towards a New Articulation" [see note 83], pp. 405–421.

⁹⁶ Coca and cocaine are imperishables, resistant to pests, and valuable. Unlike alternative agricultural products, they have a continuous retail chain extending to the end user.

⁹⁷ US offices and UNODC have replaced the concept "alternative development" with the terms "alternative livelihoods" and "sustainable livelihoods" respectively.

⁹⁸ BMZ and GTZ, *Entwicklungsorientierte Drogenkontrolle. Politik, Strategien, Erfahrungen und intersektorale Lösungsansätze*, Bonn/Eschborn 2004, pp. 18–21.

⁹⁹ Examples for projects supported by the European Commission in Bolivia include PRODEVAT in Cochabamba and APEMIN I and II in La Paz, Oruro and Potosí.

¹⁰⁰ Cf. GAO, *Plan Colombia* [see note 88], p. 47.

Large-scale renunciation of coca cultivation would only be possible if alternative goods could bring higher prices than coca. In addition, farmers would need to be provided with a high degree of legal certainty and planning reliability, be able to switch to a legal way of life, and profit in their new lifestyles from far-reaching improvements in local development. On the other hand, higher prices for alternative goods could easily be compensated for by intermediaries and cocaine producers offering better payment for coca and coca derivatives, as the profit margins are so large and price increases could, in principle, be passed along down the value chain.

For European governments, alternative development projects are politically more attractive than crop eradication. These projects are considered to be socially acceptable, while crop eradication programs deprive farmers of their livelihoods and negatively affect the environment as well. Both packages of programs, however, need to prove their effectiveness as a means of international drug supply control. Alternative development programs are sensible if they are able to penetrate the self-reinforcing constellation of development deficiencies and drug economies or succeed in eliminating the economic foundation for armed conflicts.¹⁰¹ This would contribute to a sustainable reduction in the structural deficiencies which led to the establishment of a drug economy in the first place. The associated contribution to good governance through the use of integrated approaches is important, because it may entail the long term elimination of displacement effects and contain the expansion of drug crops. Alternative development projects do not make sense as a vehicle for reducing illegal drug availability or consumption in Europe or the USA though.¹⁰² Therefore, alternative development should no longer be seen by Europe as the most important or even sole pillar of international drug supply control. This encourages false expectations and blocks more efficient instruments from being considered. Alternative development programs should not be measured by whether they contribute to a reduction in cultivation. They should be evaluated according to whether they eliminate the structural conditions required for

illegal drug production or at least subvert them. At the same time, these programs must be supported by systematic international interdiction efforts, as it is only possible to permanently transform areas of illicit cultivation if the continuous supply chain of drugs is disrupted. Farmers would then desist from growing coca for the same reason that it is so difficult to establish plantings of alternative agricultural goods in marginalized drug cultivation zones – the difficulty in bringing these products to markets. Without a supply chain and access to global markets, commercialization ceases as does cultivation.

Option 3: Precursor Control

Chemical precursors are essential components for the production of cocaine and many other drugs. For this reason, monitoring and oversight of trading in these products is an important instrument for supply control. Its use is not limited to producer zones, but the focus has been on availability of precursors in these areas, which is why it is discussed in this section. Trading in precursors is regulated by the 1988 *UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances* and monitored by the INCB. Presently, 23 chemicals are on the international list of compounds whose trade is restricted. Most precursors have dual-usage characteristics and can therefore be diverted from legal dealings.

Precursor control associated with the cocaine production process concentrates on potassium permanganate (KMnO₄). It is the key ingredient needed for extracting cocaine, but also serves numerous other industrial purposes. Potassium permanganate is the only cocaine precursor listed in Table I in the Annex to the 1988 UN Convention on Narcotic Drugs. This makes it subject to particularly stringent controls. To improve controls, the EU has signed special contracts with all countries in the Andean region, with the exception of Venezuela, regulating the trading of precursors.¹⁰³ The quantities of KMnO₄ necessary for producing cocaine are, however, relatively small com-

¹⁰¹ Cf. BMZ and GTZ, *Entwicklungsorientierte Drogenkontrolle* [see note 81], pp. 18–31, and GTZ, *Drugs and Conflict. How the Mutual Impact of Illicit Drug Economies and Violent Conflict Influences Sustainable Development, Peace and Stability*, Eschborn 2007.

¹⁰² Cf. Michael Kennedy, Peter Reuter, and Kevin Jack Riley, *A Simple Economic Model of Cocaine Production*, Washington, D.C.: National Defense Research Institute, 1994, pp. 2–6.

¹⁰³ Furthermore, together with the World Customs Organization (WCO), the INCB jointly administers *Project Cohesion* (formerly *Project Purple*). The project aims to coordinate and add more authority to national efforts to prosecute illegal diversion of the precursor from legal economic cycles. In the EU, such efforts by the member states are supported by the *EU Joint Unit on Precursors*.

pared with the other chemicals used in the process.¹⁰⁴ To produce a ton of pure cocaine, approximately 200 kilos of KMnO_4 are required. According to information from the German Federal Institute for Drugs and Medical Devices (FIDMD), from 2005 to 2007, Germany alone exported approximately 37,000 tons of KMnO_4 to South America for legal purposes. Despite very strict monitoring conditions – as is the case in most European countries – and dedicated verification of end recipients, the illegal diversion of KMnO_4 , particularly of small quantities, cannot be precluded.¹⁰⁵ In 2007, 144 tons of KMnO_4 were seized by Colombian authorities alone. In addition, this precursor is also produced in illegal laboratories.¹⁰⁶ Extensions of the EU's current control measures against smuggling of KMnO_4 and diversion of legal flows within the producer countries are very limited and the surveillance instruments need to be constantly reassessed in order to eliminate loopholes.

104 See text box, p. 8.

105 Accordingly, the Department of State refers to Germany as a “major precursor chemical source country” in its 2008 International Narcotics Control Strategy Report (INCSR) [see note 12], but points to excellent control mechanisms (ibid., p. 6 and p. 416).

106 Cf. INCB, *Annual Report 2008*, Vienna 2008, p. 14, 68; *World Drug Report 2009* [see note 2], p. 67. In 2007, Colombia destroyed four laboratories that were producing KMnO_4 .

Course of Action II: International Supply Control in Drug Transit Zones

From a price-based perspective, it is clear that neither crop eradication campaigns nor alternative development projects serve as efficient means of drug supply control. At the same time, the possibilities of controlling cocaine precursors have also been largely exhausted. Since the first application of supply control measures in the Andean region three decades ago, the cultivation levels and availability of cocaine have remained unchanged aside from short-term fluctuations. A significant drop in cocaine prices was even recorded over this time period. So how efficient is supply control in transit zones? Depending on the proximity to production and consumer zones, different intervention instruments can be considered.

Interdiction Close to Producers

In addition to crop eradication, the governments of the producer countries and the USA have focused their efforts on the prevention of drug transport within the region and the nearby transit zones. One of the best known examples was the US-supported air interdiction program enforced in the 1980s and 1990s over Peruvian territory in the border region with Colombia. It was implemented with the objective of cutting off sub-regional trade in cocaine raw material, which was providing Colombian cocaine labs with coca paste from Bolivia and Peru. In the 1980s, there were limited levels of coca cultivation in Colombia, but even in those years Colombian labs were focused on producing cocaine HCL. It was, in fact, possible to reduce illegal air traffic along this route. The Colombian cocaine networks, however, responded by using alternate routes and started to grow coca in their own country. While coca production in Bolivia and Peru shrank due to anti-drug programs and a lack of market outlets, cultivation expanded in Colombia causing a huge balloon effect. The result was that the land area used for coca cultivation in the three countries remained largely stable from 1992 to 2002.¹⁰⁷

¹⁰⁷ Cf. Cornelius Friesendorf, "Squeezing the Balloon? U.S. Air Interdiction and the Restructuring of the South American Drug Industry in the 1990s", in: *Crime, Law & Social Change*,

Over the past years, the EU and some of its member states have also supported the establishment of a more rigid interdiction system in the Caribbean. From 1996 to 2001, the EU supported the *Barbados Plan of Action* along with the USA and Canada. The plan offered help to small Caribbean nations and the CARICOM community to improve border control, monitoring of maritime traffic, and cooperation with security authorities.¹⁰⁸

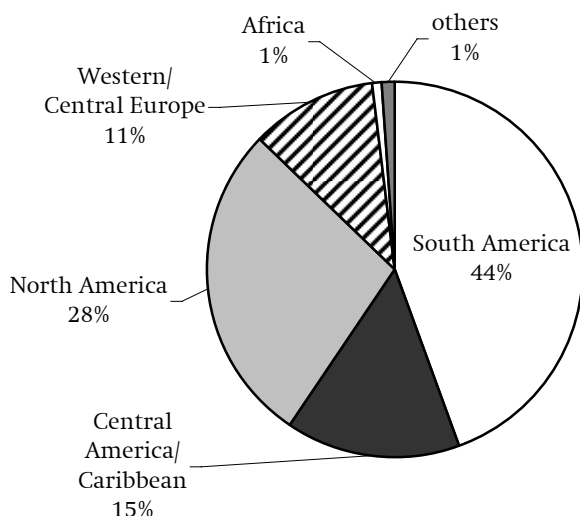
Statistics however show that the control regime in Latin America is already particularly effective: in 2008, 60 percent of the world's cocaine seizures took place in South and Central America and the Caribbean (see Graphic 4, p. 30). More than a quarter of all seizures were carried out in Colombia alone. In other words, almost two thirds of the cocaine seized worldwide – more than 400 tons in 2008 – is detected at an early stage on the value chain in which, firstly, the market price is still low, secondly, the lost product can quickly be replaced due to the proximity to the production zone, and thirdly, the purity levels are so high that losses can be replaced not only by stored quantities, but also through more intense cutting of the cocaine. It is therefore unlikely that an increased level of interdiction near the producer countries will have an effect on the end price and availability of cocaine in the consumption zone.¹⁰⁹

Vol. 44, No. 1, 2005, pp. 35–78 (46–53); Francisco Thoumi, "Ventajas Comparativas Ilegales, el Desarrollo de la Industria de Drogas Ilegales y el Fracaso de las Políticas contra las Drogas en Afganistán y Colombia" [Comparative Illegal Advantages, the Development of the Illegal Drug Industry and Failure of Anti-drug Policies in Afghanistan and Colombia], in: *Colombia Internacional*, Vol. 54, No. 2, 2005, pp. 30–48 (39).

¹⁰⁸ Cf. EU-Kommission, RELEX, *EU Programmes to Fight Drugs along the Cocaine Route*, December 2004, http://ec.europa.eu/external_relations/drugs/coc.htm (retrieved on January 20, 2009); Alain Labrousse, "La Cooperación en Materia de Drogas entre la Unión Europea y América Latina y el Caribe" [Cooperation between the EU, Latin America and the Caribbean on Drug Matters], in: Camacho (Ed.), *Narcotráfico* [see note 50], pp. 39–59 (45–48).

¹⁰⁹ Cf. UNODC, *World Drug Report 2009* [see note 2], p. 70. According to UNODC estimates, approximately 40 percent of cocaine in circulation is seized.

Graphic 4
Worldwide Cocaine Seizures, 2007 (in Percent)



Source: UNODC, *World Drug Report 2009*, Vienna 2009.

Interdiction Close to Consumers

The Efficiency of Interventions Conducted near Consumers

The desired effects of price increases and availability shortages within the consumption areas are more probably due to intervention measures introduced at a late stage on the value chain, namely near the final destination of the trafficked drug. At this stage, the price is exponentially higher: ten tons of cocaine that are seized at a Colombian harbor on the Caribbean coast have a value roughly equal to one ton seized off the coast of Cape Verde.¹¹⁰ Border seizures and control measures are responsible for cocaine's high prices rather than its production or transport costs. This implies that supply control measures aimed at increasing prices only make sense from a European point of view when the interventions occur near the common external border.¹¹¹ At the same time, cocaine trafficking networks are more severely affected if the drugs are seized at the end of the value chain, as loss of material has already occurred at earlier stages and

¹¹⁰ The sample according to Thoumi, "The Numbers Game" [see note 64], p. 190.

¹¹¹ Cf. Rydell and Everingham, *Controlling Cocaine* [see note 59], p. 14.

delays are incurred when replacement material has to be brought from the production zone. The damage to the criminal network is correspondingly higher as it will, most probably, attempt to pass on the costs for the losses to its consumers. This train of reasoning is supported by the observed doubling of cocaine prices between January 2007 and September 2008 in the USA and the temporary scarcity and cutting of supply.¹¹² This startling development very closely mirrors the intensification of anti-narcotic efforts by Mexico's Calderón administration since the beginning of 2007 and the escalation in wars between the different cartels.¹¹³ This has led to the trafficking route regularly being interrupted near the US consumer zone. For the same reasons, the so-called Mérida Initiative¹¹⁴, which aims to fight drug trafficking in Mexico and Central America and is planned to run from 2008 to 2011 with a budget of USD 1.4 billion, will likely have further impact on the availability and price of cocaine in the USA, Mexico and Central America. The strategy currently being prepared by the Obama administration of monitoring the Mexican border in the future with an increased police and troop presence should reinforce the potential effects of the Mérida Initiative.¹¹⁵

The European Interdiction System

The EU Drugs Strategy 2005-2012 and the EU Drugs Action Plan 2009-2012 include supply controls in transit zones and in the proximity of the external EU

¹¹² Cf. U.S. Department of Justice, *National Drug Threat Assessment 2008* [see note 80], pp. 1–6; U.S. Department of Justice, *National Drug Threat Assessment 2009* [see note 52]. Since mid-2008, the price of cocaine has risen by 90 percent in Mexico, see "Se dispara 90% precio de la cocaína: SSP" [Cocaine prices increase by 90 percent: Office for Public Security], in: *El Porvenir*, March 16, 2009.

¹¹³ Cf. Walsh, *U.S. Drug Policy: At What Cost?* [see note 60], pp. 6–7; "On the Trail of the Traffickers", in: *The Economist*, March 7, 2009.

¹¹⁴ Cf. Günther Maihold and Daniel Brombacher, *Zentralamerika zwischen den Fronten. Die Region wird zum Schauplatz der internationalen Drogenökonomie*, Berlin: Stiftung Wissenschaft und Politik, August 2009 (SWP-Aktuell 44/2009), pp. 3–4; Günther Maihold and Claudia Zilla, *Geteilte Sicherheit in Lateinamerika. Neue subregionale Initiativen und das Engagement der USA*, Berlin: Stiftung Wissenschaft und Politik, September 2008 (SWP-Aktuell 46/2008), p. 6–7; Elisabeth Malkin, "Money to Fight Drug Gangs is Released to Mexico", in: *New York Times*, December 3, 2008.

¹¹⁵ Ginger Thompson, "Obama Says He Will Review Request for Guard on Border", in: *New York Times*, March 13, 2009.

borders as instruments of joint anti-narcotic policy. Over the period from 2009 to 2011, the EU will also execute projects for combating heroin and cocaine trafficking through the use of the EU's Instrument for Stability.¹¹⁶ The Commission's objective is to control drug trafficking in concentric circles around Europe.¹¹⁷ This strategy makes sense as a supply control measure as it is being executed systematically. But as long as alternative operation areas exist – often territories characterized by fragile governance structures – criminal organizations can evade law enforcement and seek out alternate routes, thus avoiding drug seizures. From a European perspective therefore, the smaller the radius of the chosen surveillance and control circle, the easier it will be to monitor the highest possible number of transit routes. Since the trading price of cocaine increases as it comes closer to the EU's consumer markets, there are many arguments for establishing a control circle as close to the EU borders as possible.

Thus far, the most important operative measure from Europe in this respect was the founding of the Maritime Analysis and Operations Centre – Narcotics (MAOC-N) in September 2007. The headquarters is located in Lisbon and currently seven EU member states are participating members.¹¹⁸ EUROPOL, the European Commission and further EU member states retain observer's status. The MAOC-N, which is entrusted with operational assignments, coordinates monitoring and prosecutorial efforts by the participating states to prevent drug trafficking along aerial and naval routes. The focus on the Atlantic is explained by the increases in cocaine trafficking to Europe over the past years and the emerging importance of West Africa as a cocaine trafficking hub. In its first year of

operation, MAOC-N coordinated the seizure of approximately 30 tons of cocaine. The French government tightened its controls on the Mediterranean in September 2008 by founding the Centre de Coordination pour la Lutte Anti-Drogue en Méditerranée with headquarters in Toulon. The COLA project, led by EUROPOL, ultimately coordinates EU states' unilateral prosecutorial efforts to combat cocaine trafficking, thereby making an important contribution to improving interdiction efforts and transit control along the EU's external border.¹¹⁹

The Flexibility of Criminal Networks

The enumerated measures are sensible. It is, however, not distinguishable whether they are following a strategy that will systematically prevent drug trafficking to Europe.

Experience has shown that sporadic or scattered approaches just lead to the displacement of trafficking routes and not to the long-term disruption of commercial chains. Criminal organizations dealing in drugs learn quickly and are so flexible that, as things stand today, they can only be dislocated but not eliminated.¹²⁰ They react quickly to variations in anti-narcotic strategies by choosing alternate routes, means of transportation and trade partners.¹²¹ Since the 1980s, the occasional price increases for cocaine in the USA, which generally disappear within a few months, are evidence of cocaine networks' ability to spontaneously adapt to changes in law enforcement activities that have exhibited initial levels of success.¹²²

With the collapse of the large Colombian cartels of Cali and Medellín in the 1990s, the typical hierarchical structure that they had exhibited has become uncommon among criminal networks involved with drugs. Today, cocaine networks are characterized by more of a pillar-like structure than a pyramidal structure, with many smaller groups that operate

116 Cf. *EU Drugs Strategy 2005–2012* [see note 72], § 27.5, p. 15, and § 30.3, p. 19; *EU Drugs Action Plan 2009–2012*, www.emcdda.europa.eu/attachements.cfm/att_66226_EN_EU%20drugs%20action%20plan%20for%202009-2012-EN.pdf (retrieved on January 25, 2009); *Instrument for Stability – The EU's Response to Some of Today's Global Threats*, Brussels, April 17, 2009, § 2 Transregional threats, <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/09/164&format=HTML&aged=0&language=EN> (retrieved on April 30, 2009).

117 Cf. Labrousse, "La Cooperación en Materia de Drogas" [see note 108], p. 49; European Commission, *EU Programmes to Fight Drugs along the Heroin Route*, http://ec.europa.eu/external_relations/drugs/heroin.htm (retrieved on January 22, 2009); *EU Programmes to Fight Drugs along the Cocaine Route* [see note 108].

118 France, Ireland, Italy, the Netherlands, Portugal, Spain and Great Britain.

119 EMCDDA, *Cocaine and Crack Cocaine* [see note 17]. As a complement to the COLA Project, EUROPOL manages the Cocaine Logo System, which retraces the origins of seized cocaine.

120 Cf. Michael Kenney, *From Pablo to Osama, Trafficking and Terrorist Networks, Government Bureaucracies, and Competitive Adaption*, Pennsylvania 2007, pp. 56–66.

121 Cf. *ibid.*, pp. 3–15.

122 Cf. Jonathan P. Caulkins u.a., *How Goes the "War on Drugs?"*, Santa Monica, CA: RAND Corporation, 2005 (RAND Drug Policy Research Center Occasional Paper), p. 7.

autonomously and only carry out operations at one stage of the value chain.¹²³

As is thought to be the case with Colombia's Norte del Valle cartel, today's drug bosses control a sort of umbrella organization, which cannot be destroyed by eliminating the leadership as each of the separate elements of the organization operates independently. Such decentralized enterprises are able to quickly replace missing elements in the producing and trafficking chain and take full advantage of technical innovation.¹²⁴ The situation between public security agencies and criminal networks is therefore similar to an arms race as costs rise continuously for both sides, but neither party can profit from the increased financial investment levels. Therefore, in the long run, trafficking in illegal goods leads not to an increase in efficiency, but rather to its decrease, quite contrary to the development of legal businesses.¹²⁵ Simple means of transportation have to be replaced with more complex ones, and direct transport routes with more complicated ones.¹²⁶ While the additional effort needed to cross longer distances and additional borders raises the financial costs for traffickers, it is still more economical than risking losses of materials and workers. Arms races are settled when one of the two opponents no longer has the resources needed to continue and to neutralize preceding steps of their adversary. This is not likely to occur for the OECD states or the criminal networks as the profit margins in the drug economy are so high. This point will, however, quickly be reached for many of the West African states, which have been affected by cocaine trafficking in recent years. Perhaps this point has already come.

123 Cf. Stefan Mair, *Die Globalisierung privater Gewalt. Kriegsherren, Rebellen, Terroristen und organisierte Kriminalität*, Berlin: Stiftung Wissenschaft und Politik, April 2002 (SWP-Studie 10/2002), p. 18; Michael Kenney, "The Architecture of Drug Trafficking: Network Forms of Organisation in the Columbian Cocaine Trade", in: *Global Crime*, Vol. 8, No. 3, 2007, pp. 233–259 (234–238).

124 Cf. *ibid.*, pp. 243–251.

125 Cf. Kenney, *From Pablo to Osama* [see note 128], p. 66.

126 Just a few examples of the flexibility of drug traffickers: in 2000, Colombian authorities discovered an over 30 meter long submarine, which was being built for cocaine smuggling. Since the 1990s, drug traffickers have been using miniature submarines in the Caribbean, which cannot be aerially detected. In 1996, the Colombian president's plane was loaded with three kilos of heroin on its way to the UN General Assembly, cf. *ibid.*, pp. 67–71.

Cocaine Trafficking: Europe's Free Ride Comes to an End

For quite some time, it has been possible for the EU and its member states to largely limit their activities regarding cocaine supply control to political dialogue and alternative development measures. It was possible to be a free-rider, relying on the US engagement in Latin America, particularly since prior to the establishment of cocaine trafficking routes over West Africa, Europe shared most of the same transit zones with the USA. Now the growing consumption levels in Europe and the increasing influx of cocaine flows to the continent in recent years have forced the European governments to reconsider their efforts for controlling cocaine supply. The US government has had only a partial involvement in controlling drugs in West Africa and offers limited or no support to the affected countries, although a safe harbor for trafficking in illegal goods has been established in relative proximity to Europe. How can the EU and its member states effectively react to this challenge?

A Narrow Concept of Drug Transit Control

First of all, an increase in interdiction efforts around Europe is required. Rudimentary efforts have already been made in this respect. Sporadic or scattered measures, which were long the norm, are no longer feasible. The flexibility of criminal networks requires a systematic approach as further increases in cocaine trafficking via West Africa are to be expected. The organizations carrying out drug operations there will, by all indications, increasingly take over more and more segments of the value chain from the South Americans who currently still dominate the business. Measures such as MAOC-N are a step in the right direction and would have certain chances to succeed if they were applied more systematically and consistently, as the starting conditions for combating cocaine trafficking are much better for Europe than the USA. The analogy that is commonly drawn between the Mexican and West African cocaine transit zones fails in two regards: firstly, the EU does not share a land border with Africa; secondly, the passenger traffic and trade levels between the EU and West Africa are much lower than between the USA

and Mexico. Every month, about nine million vehicles cross the 3,000 kilometer long border between the USA and Mexico in addition to extensive aerial and maritime traffic. Mexico is the third-largest importer of products for its northern neighbor.¹²⁷ On the other hand, the 10,000 containers which reach European ports each month from West Africa and the much simpler aerial and maritime traffic patterns between West Africa and the EU seem humble in comparison. These circumstances increase the chances of success for systematic interdiction. It is therefore time to establish drug trafficking control in transit zones near and along the external border of the EU as a definite element of European joint operational cooperation, similar to the efforts to contain international migration flows within the framework of FRONTEX. Sights must therefore be set on trafficking routes to Europe in the entire region surrounding the EU, as the drug trade will only be hobbled if alternate routes and operation areas are eliminated. The understanding of the concept of a common external border is also very broad for FRONTEX operations; the member states' joint maritime border patrols operate within West African waters.¹²⁸ A systematic approach to the interdiction of drug flows, however, can not be limited purely to the aerial and maritime routes across the Atlantic to Europe's southern border, as is currently the practice of MAOC-N. If the monitoring mechanisms were only increased over the Atlantic, it could be assumed that cocaine would be re-routed in West Africa over the traditional cannabis smuggling routes through the Sahara to North Africa and subsequently across the Mediterranean to Europe. In order to preventatively eliminate the risk of such displacement effects and the overflow of such cat and mouse games between security authorities and criminal networks, it makes sense that drug trafficking controls along the EU's external border and nearby transit zones be coordinated under the umbrella of FRONTEX or a central European authority built on the basis provided by

¹²⁷ Cf. Walsh, *U.S. Drug Policy: At What Cost?* [see note 60], p. 9.

¹²⁸ Cf. Roderick Parkes, *Gemeinsame Patrouillen an Europas Südflanke. Zur Frage der Kontrolle der afrikanischen Einwanderung*, Berlin: Stiftung Wissenschaft und Politik, September 2006 (SWP-Aktuell 44/2006), pp. 1–2.

MAOC-N. In its current form, however, FRONTEX is not suitable for taking on anti-drug trafficking efforts as it does not have the capacity required. Furthermore, the legal framework of FRONTEX operations has not yet been defined unambiguously. A central European authority for drug control built on an expanded MAOC-N or reformed FRONTEX would need to work closely with the current cocaine coordination office at EUROPOL in order to collect relevant information from the different national agencies. The fractured jurisdiction regarding European drug control that is spread among the directorates of the European Commission, European Council, and member states, the abandoning of a separate EU budget for anti-drug efforts, and the development of drug-relevant projects based on regional and national drug budgets rather than a sectoral drug budget have all led to a counter-productive fragmentation of the EU's operational anti-narcotic policies. It worsens the pre-conditions for the development and implementation of a systematic and comprehensive supply control strategy.¹²⁹

A Broader Concept of Transit Control

As long as criminal networks can relocate within transit states to routes or regions characterized by limited statehood, however, even a comprehensive plan for combating drug trafficking will reach its limits if interdiction efforts are not concentrated solely on the EU's external border. Therefore, a systematic approach based on a double strategy of surveillance and containment of drug trafficking must be accompanied by measures to raise the costs of illegal business in fragile states in order to have a deterrent effect and lower the number of possible relocation areas. Accompanying interventions are also needed to structurally change the aforementioned relocation zones. In other words, state building instruments must be employed with the objective of stabilizing or establishing state security functions in fragile states that could be the setting for flows of illegal goods.¹³⁰ Cape Verde is seen as a success story for such policies as it was able to improve its national control functions within the span of a few years with the help of developmental aid, technical assistance and material

support from the EU and its member states. These improvements acted as a deterrent against flows of illegal goods or at least made them more visible. Sanctions, on the other hand, such as those being considered against Guinea-Bissau, will not cause any changes as the country's authorities are unable to control their own territory and do not have enough resources to reinforce such efforts. At the same time, state building measures – particularly in the security sector – could serve to contain what the EU sees as problematic developments, namely the continued destabilization of fragile states in West Africa, the corruption of their armed forces and political elites, and the possible convergence of drug traffickers with armed non-state actors and terrorists. The European approach to adopt the guiding principles of good governance and to stabilize legal systems by anchoring them more firmly in the drug-related development policy in drug-producing countries is therefore sensible, but must also be applied to transit zones. Areas where illegal businesses are endemic, frequently used by organized crime networks to evade law enforcement, could be reduced over the long term through employing these structural instruments of state building.

The EU has apparently realized this and has introduced a series of measures through the European Commission, which should structurally address the problem of drug trafficking in West Africa. The projects are planned to be partially financed using the funds of the Instrument for Stability set aside for the 2009-2011 timeframe, which refers for the first time explicitly to the problem of cocaine trafficking in West Africa.¹³¹ It was particularly due to the Portuguese EU Council Presidency in the first half of 2007 that – probably because of the considerable increase in flows of cocaine through Portugal – these issues are now on the agenda of the European institutions. First successes in cooperation with producer and transit countries on drug control have since been recorded. Still, the EU has also recognized the potential secondary threats associated with the establishment of cocaine trafficking in West Africa. The resolution that the EU members introduced at the UN CND session in March 2008 therefore promises West Africa more support in combating drug trafficking. On a bi-regional level, Brussels has been trying to make drug issues a

¹²⁹ Cf. Labrousse, "La Cooperación en Materia de Drogas" [see note 108], pp. 42–49.

¹³⁰ Cf. Schneckener, "States at Risk" [see note 41], pp. 22–26, see p. 26 for an overview of the external measures that can be appropriately taken to support central state functions.

¹³¹ *Instrument for Stability* [see note 124].

constant in dialog with ECOWAS.¹³² During negotiations with ECOWAS, France, which held the EU Council Presidency for the second half of 2008, placed stress on security risks emanating from the Sahel region and on measures that are meant to preventatively counter a mixing of organized crime with terrorism. Since 2006, the European Commission has financed a project aiming to construct a network between the Andean coca cultivation countries and West Africa, which would serve as a platform for exchanging legal and operationally relevant information. The project is being implemented by UNODC and is currently supplemented by a comprehensive capacity building program for West African police and customs officers.¹³³

The ECOWAS member states are planning to implement a *Regional Action Plan* for combating drug trafficking. On a bilateral basis, using the European Development Fund, the EU finances several projects, which also aim to stop the expansion of organized crime. In this way, Guinea-Bissau's government has been receiving support since 2008 through an ESDP advisory mission to prepare for a reform of its security sector. The joint action plan of the EU and Cape Verde envisions further intensification of their bilateral cooperation for eliminating cocaine trafficking.¹³⁴ Still, some states reject more comprehensive or technical cooperation with the EU. Initiatives to station more liaison officers from European law enforcement agencies in West Africa often face a variety of obstacles.

Just as with the rather narrow concept of transit control through interdiction, the measures introduced by the EU and its member states are of a selective rather than strategic-systematic fashion. If the selective measures take hold, there is still a danger

that it will only lead to the problems being displaced once again rather than leading to a solution in the form of sustained and widespread deterrence of criminal networks.

¹³² Cf. Mazzitelli, "Transnational Organized Crime" [see note 35], pp. 1077–1084. In a very similar vein, it is suspected that Hezbollah is financed by Lebanese living in exile, who participate in West African diamond smuggling and drug trading. For more information, see Richard Reeve, "Senegambia's Trafficking Hubs", in: *Jane's Intelligence Review*, Vol. 16, No. 3, 2004, pp. 26–29 (29).

¹³³ Cf. EU-Kommission, *The EC Support to Law Enforcement and Intelligence Cooperation against Cocaine Trafficking from Latin America to West Africa*, May 18, 2007, http://ec.europa.eu/external_relations/drugs/docs/lac_intelligence.pdf (retrieved on March 31, 2009); Chris Kraul, "West Africa Gets Help Fighting South American Drug Traffickers", in: *Los Angeles Times*, February 13, 2009.

¹³⁴ *Plan d'Action UE-Cap Vert*, October 24, 2007, § 2.2: Sécurité/Stabilité, www.eu2007.pt/NR/rdonlyres/2BC5B737-1C23-4F50-B21F-844411FB36F7/0/071018PLANOACCAO.pdf (retrieved on January 19, 2009).

Conclusions: European Courses of Action for Supply Control

In the March 2009 Political Declaration and Action Plan on international anti-drug efforts issued by the UN Commission on Narcotic Drugs, alternative development and crop eradication measures remain central instruments for international drug supply control. As was shown in an analysis of the four possible supply control instruments however, these measures point drug control efforts in the wrong direction. Supply control measures within the production zone dissipate due to the low prices commanded by coca leaves and displacement effects. The renewed classification of supply control measures within the drug-producing countries as a cornerstone of anti-drug efforts causes unrealistic expectations, ties up resources that could be better used in other areas, and blocks ones view of other probative instruments. A systematic interdiction system near the EU's external border would be Europe's most effective drug-control policy on the supply side and could serve as a sensible complement to national demand and harm reduction programs. The following recommendations can therefore be formulated for establishing an efficient and coherent supply control policy for Germany and Europe.

Firstly, Europe should ensure that in the future the focus of international supply control policy is on interdiction near the consumption zone rather than on alternative development. It can be expected that through systematic monitoring of drug routes around Europe, short and medium-term effects will be seen on cocaine end prices and, hence, consumption levels. Such a joint strategy would need to be coordinated by a centralized European agency. Selective measures, such as those currently being applied by MAOC-N in the Atlantic, only lead to the displacement of trafficking routes over the medium-term, as criminal networks can react flexibly and do not need to spare any expense in securing alternative means of transportation or new trafficking routes. As long as regions characterized by weak governance are available for evasion, drug trafficking organizations can use them to prevent more intense controls. Therefore, programs to support and consolidate public governance capabilities in these regions, in particular in the field of law enforcement and border control, are a core requirement for achieving a sustained reduction in the number and size of such relocation zones. This is

especially applicable to West Africa where numerous fragile states offer a wide range of operating areas for South American cocaine traffickers.

Secondly, alternative development programs enable the structural transformation of illicit economies in drug-producing countries and should therefore continue to be supported within the framework of development cooperation. They should not, however, still be seen as supply control instruments because alternative development as a paradigm has not been able to make any contribution in this regard.

Thirdly, decades of operational experience in the Andes has shown that crop eradication has no effect on the availability, price and therefore consumption of drugs. Accordingly, there should be continued desistance from participating in crop eradication measures.

Abbreviations

ACI	Andean Counterdrug Initiative
AUC	Autodefensas Unidas de Colombia (United Self-Defense Forces of Colombia)
BMZ	Federal Ministry of Economic Cooperation and Development (Germany)
BKA	Federal Criminal Police Office (Germany)
CND	Commission on Narcotic Drugs
CRS	Congressional Research Service (USA)
DEA	Drug Enforcement Agency (USA)
ECOWAS	Economic Community of West African States
EMCDDA	European Monitoring Centre for Drugs and Drug Addiction (Lisbon)
ESDP	European Security and Defence Policy
EUROPOL	European Police Office
FARC	Fuerzas Armadas Revolucionarias de Colombia (Revolutionary Armed Forces of Colombia)
FIDMD	Federal Institute for Drugs and Medical Devices
FRONTEX	European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
GAO	Government Accountability Office (USA)
GTZ	German Technical Cooperation
IBMP	Institute for Biomedical and Pharmaceutical Research (Germany)
ICG	International Crisis Group
INCB	International Narcotics Control Board
INCSR	International Narcotics Control Strategy Report (U.S. Department of State)
INTERPOL	International Criminal Police Organization
IRIN	Integrated Regional Information Networks (Information Service of OCHA)
MAOC-N	Maritime Analysis and Operations Centre – Narcotics
NRC	National Research Council (USA)
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OCTA	Organized Crime Threat Assessment (EUROPOL)
OECD	Organisation for Economic Co-operation and Development
RAND	Research and Development Corporation
RELEX	European Commission General Directorate for External Relations
TNI	Transnational Institute (Amsterdam)
UNGASS	United Nations General Assembly Special Session
UNODC	United Nations Office on Drugs and Crime
UN-OHRLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States
WCO	World Customs Organization
WHO	World Health Organization
WOLA	Washington Office on Latin America