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WOODROW WILSON CENTER UPDATE ON THE AMERICAS

# Local Markets for Illegal Drugs: Impacts, Trends, and New Approaches

REPORT ON THE SIDE-EVENT TO THE 55<sup>TH</sup> REGULAR SESSION OF CICAD<sup>1</sup>

## MAIN IDEAS AND RECOMMENDATIONS<sup>1</sup>

### INTRODUCTION

In order to develop concrete proposals to respond to the drug problem affecting the countries of the hemisphere—specifically the challenge posed by retail drug distribution—the Ministry of Foreign Affairs and the Ministry of Justice and Law of Colombia, in cooperation with the Woodrow Wilson Center, convened a dialogue between representatives of governments and members of civil society.

This forum, the second of its kind, was coordinated by and had significant support from the Inter-American Drug Abuse Control Commission (CICAD). Participants in the meeting included representatives of 12 countries in the hemisphere, members of 10 nongovernmental organizations, and experts. The discussions focused on two key issues: a) current impacts, trends, and challenges related to retail drug distribution; and b) new responses to local markets for illegal drugs. The event wrapped up with brainstorming sessions to come up with a series of recommendations; these are laid out at the end of this document.

As a starting point, it is worth noting that the debate recognized that information and evidence are in short supply, which makes it difficult to respond adequately to this challenge. In addition, it was clear that the existence of local illegal drug markets is a shared concern, manifested more intensely in urban areas.

<sup>1</sup> Report prepared by Juan Carlos Garzón, Global Fellow at the Wilson Center, with support from Eric Olson, Christine Zaino, and Verónica Colón.

<sup>2</sup> The contents of this document do not necessarily represent the positions and policies of the institutions and organizations that sponsored and participated in organizing this event. This document follows the Chatham House Rule; thus, it does not make specific references to participants' remarks or commit to official positions.



## RETAIL DISTRIBUTION OF ILLICIT DRUGS: CURRENT IMPACTS, TRENDS, AND CHALLENGES

The retail distribution of illicit drugs is one of the main challenges for the countries of the region, with significant impacts on citizen security, social development, and public health. One recent trend when it comes to the drug problem is the growth of local markets, which has fueled violence in cities, increased the supply of all types of drugs, and exposed vulnerable populations—particularly young people and marginalized sectors—to drug use and the negative consequences of the drug trade.

Taking into account this context, the first panel's remarks and discussions revolved around the following questions: What are the impacts of retail drug distribution at the local level? What are the main trends in local drug markets? What challenges do these trends pose from a standpoint of security, human rights, and public health?

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Citizen insecurity poses a rising challenge to democratic governance and the exercise of citizenship throughout Latin America and the Caribbean. Homicide rates are among the highest in the world and citizens throughout the region cite crime, followed by unemployment, as the dominant concern of daily life. Transnational organized crime, including but not limited to narco-trafficking, exacerbates levels of violence, compromises state institutions, and undermines democratic quality and the rule of law. The Latin American Program fosters comparative research and dialogue among scholars and policymakers from throughout the Americas regarding local, national, and international public policies to address citizen insecurity and related efforts to strengthen institutions, the observance of human rights, and the rule of law. The Program also focuses special attention on the changing sub-regional dynamics of organized crime and explores ways to diminish its pernicious effects on governance and insecurity. The Latin American Program sponsors a blog on citizen security, <http://scela.wordpress.com>, which has become a key resource for citizens and public officials throughout the region.

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### *The Multiple Impacts of Local Drug Markets*

Local markets for illegal drugs have a negative influence on the security situation and are a factor to consider in the high levels of violence faced by some cities in Latin America. Disputes over control of territory on the part of criminal bands, gangs, and organized crime have been triggered by the money generated from the local distribution of illegal drugs. A corollary to that has been the increase in levels of drug use, with a major concern being the greater availability of different types of substances—particularly those produced from cocaine base—along with the proliferation of synthetic drugs in some countries in the region.

Besides these effects, other negative consequences identified include the following:

- ***Social control and pressure exerted by organized crime at the local level.*** In those communities in which criminal organizations have a strong influence, social order is imposed based on the protection of illegal economies. These groups impose norms through the use of violence and intimidation, in a context marked by a lack of opportunities for residents—especially young people—and a weak institutional presence.
- ***Loss of public spaces and the creation of focal points for crime.*** The illegal drug trade takes over public places. Streets, schools, parks, and recreational areas are used for drug dealing and distribution. Local drug distribution creates focal points for crime and impunity, places where different crimes occur and affect the community. This has negative repercussions on the perception of security.
- ***The pressure by criminal organizations to which young people fall victim.*** Local markets for illegal drugs involve the participation of young people, who see this as an opportunity to make a living or who are often forced by criminal organizations to serve as lookouts or to sell different types of drugs.
- ***Authorities' responses at the local level tend to address the weakest players.*** The brunt of the authorities' intervention tends to fall on the weakest links in the chain—especially crimes committed in the open: problem drug users, people who are carrying small amounts of psychoactive substances, and neighborhood dealers. Meanwhile, the members of criminal organizations who reap the biggest profits and benefits are not targeted by the authorities.
- ***The application of a punitive approach to contain these markets has put pressure on prison systems.*** The actions of law enforcement and the judicial system, which have targeted the weakest links in the chain, have overburdened the prison systems of several countries in the region, which has aggravated the prison crisis. Particularly noteworthy is the effect on women involved in retail drug distribution, as well as the participation of children and senior citizens.
- ***Law enforcement actions tend to affect certain segments of society, particularly young people who are vulnerable and marginalized.*** The state's reaction to local markets for illegal drugs has played a role in criminalizing poverty and stigmatizing young people who live at the margins of society. This situation has had a negative impact on the relationship between law enforcement and communities, resulting in low levels of trust.

### *Recent Trends and Factors that Influence Local Markets for Illegal Drugs*

Along with the presence and expansion of local markets for illegal drugs has come an increase in the use of psychoactive substances, manifested with varying intensity depending on the country or the city. While admittedly these markets are nothing new, they have recently taken on special meaning because of their impact on citizen security. The recent changes are explained both by criminal groups' attempts to control territory and reap profits and by states' efforts to rein in this dynamic. Among the current trends, the following have been identified:

- ***The fragmentation of major criminal organizations as a result of disputes and state actions.*** As states have taken the offensive against the largest and most important organizations, one consequence has been the fragmentation of these groups. This process has been accompanied by disputes among criminal organizations and a greater emphasis on illegal economies at the local level—as in the case of the illegal drug trade and extortion.
- ***States' efforts to increase drug seizures and contain transnational trafficking have put pressure on local drug markets.*** More control over supply in the countries of the region has made cross-border trafficking in illegal drugs more difficult, which has had the effect of making psychoactive substances more widely available within the countries. Paying local criminal groups with drugs has led to an increase in the domestic supply.
- ***An increase in the use and proliferation of coca-based products and new substances—designer drugs.*** Several countries are especially concerned about the use of coca derivatives and the availability of low-purity cocaine—with serious consequences for drug users. Also worth noting is the proliferation of new substances that are hard for the authorities to recognize and that have potential for expansion, given the lack of information and existing legal gaps.
- ***Greater interaction between transnational criminal organizations and local criminal groups, with consequences for security.*** The use of local criminal organizations by transnational criminal organizations for the trafficking and distribution of illegal drugs has played a role in the growth of domestic drug markets. Disputes between these factions over the control of certain territories generate violence and have multiple consequences for citizen security. This dynamic is one of the main challenges for local governments.
- ***Changes in international routes, with a greater share of drug traffic headed for Europe and Asia, have been a factor in the proliferation of local markets.*** The opening of new drug trafficking routes by organized crime—in response both to state actions and to greater demand for certain substances, especially cocaine, in Europe and Asia—has intensified the flow of drugs through countries that once had a marginal role. One negative consequence of this has been the growth of local markets for illegal drugs.

### **NEW RESPONSES TO LOCAL MARKETS FOR ILLEGAL DRUGS**

Given the challenge posed by the increase in drug use in the region and the growth of drug markets—with clear consequences for security, public health, and human development—local governments and civil society

organizations have implemented innovative initiatives from a perspective of harm reduction, public health, and social development. These practices, which give the community an active role, offer a promising roadmap for responding to retail drug markets.

Within this framework, the aim of the second panel was to answer the following questions: From the standpoint of public health, law enforcement, and citizen security, as well as social development, what are the main components of a successful approach? What are the main challenges for strategies that seek to go beyond punitive actions? What concrete proposals can be suggested to address these challenges?

One important discussion focused on what is a realistic, achievable goal in terms of state responses to local markets for illegal drugs: whether to set out to eliminate them altogether, or whether to reduce the harm that illegal economies inflict on society, decreasing the levels of violence and corruption. Although no consensus was reached on this issue, it was emphasized that decreasing negative impacts and consequences should be a pivotal part of state interventions.

Based on an analysis of the “*De Braços Abertos*” program in São Paulo (Brazil) and the “Law Enforcement Assisted Diversion” program in Seattle (United States), as well as the experience in Chicago (United States), it is possible to identify some of the critical—and promising—components of responding to the challenges posed by illegal drug markets at the local level:

- Alternatives to punitive and correctional treatment for the weakest links in the chain, and access to social and health services.
- An increase in states’ social benefits, leading to socioeconomic alternatives for people involved in local markets for illegal drugs.
- An approach to drug use from the standpoint of public health, as well as specialized treatment for problem use.
- Evidence-based treatment for addictions, with a focus on harm reduction.
- The recovery, for the benefit of communities and citizens, of spaces that have been taken over by the illegal drug trade.
- Greater coordination among institutions, with a comprehensive response and the active participation of communities.
- Interventions designed to decrease the carrying and use of weapons in contexts in which local drug markets have an influence.
- Better supervision of problem drug users, particularly those who have fallen into crime.
- Interventions focused on reducing violence as a priority objective in contexts involving high levels of homicide and injury.

### **“De Braços Abertos” Program (São Paulo, Brazil)**

The program was developed in response to the critical situation in a neighborhood known as *Cracolândia* (Crackland), an area in the city center of São Paulo known up until now for the large number of crack dealers and users. The program offers area residents rooms in nearby hotels, professional training, and paid employment as street cleaners, as well as meals. It also has a site that provides medical care. The program is a joint effort of 13 municipal government ministries, including the Ministries of Culture, Labor, and Human Rights, as well as the Ministry of Health.<sup>1</sup>

The program does not force participants to stop smoking crack. However, preliminary information indicates that the use of this substance has been going down. In its first month, the program reached 3,284 individuals, treated 444 medical cases, and got 213 people to begin the detoxification process.

### **“Law Enforcement Assisted Diversion” Program (Seattle, United States)**

LEAD is a pilot program created jointly by the authorities and the community to address low-level drug and prostitution crimes in Seattle’s Belltown neighborhood and the Skyway area. LEAD offers community-based treatment and support services to people involved in drug-related crimes and prostitution, instead of handling these cases through the traditional criminal justice system.<sup>2</sup> The program is implemented by a coalition of law enforcement agencies, local public officials, and community leaders and groups. The four pillars of this type of approach are:

- Harm reduction.
- Community-based responses. Those who use the program must be integrated into the community so that they don’t move to other areas.
- Transparency and accountability.
- Most of the resources go to those who use the program.

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1. Insight Crime (2014), The Changing Face of São Paulo’s ‘Crackland.’ Available at: <http://www.insightcrime.org/news-analysis/the-changing-face-sao-paulos-crackland>.

2. Law Enforcement Assisted Diversion, <http://leadkingcounty.org>.



## RECOMMENDATIONS FROM THE BREAKOUT SESSIONS

After the two panel discussions, participants broke into working groups to discuss their positions on the impacts, trends, and challenges in terms of local drug markets, as well as approaches to confront them. Following are proposals from the different breakout sessions. These points do not claim to reflect a consensus but to report on the various viewpoints and perspectives.

The starting point is that there is no single response to the challenge posed by local markets for illegal drugs; however, any strategies to address this problem must be comprehensive. State interventions should have clearly defined objectives, based on evidence, and should be subject to performance evaluations. The following have been identified as key elements of any intervention:

1. A reduction of the harm and impact caused by the local drug trade, with special emphasis on containing and reducing violence, focusing on the most violent and harmful actors.
2. The separation of drug use from local drug distribution, with differentiated responses to each of the components in the chain and distinctions made between different types of substances.
3. Responses to address the underlying conditions—the multiple factors—behind the drug problem, going beyond a law enforcement approach and providing more social and health services.
4. Economic development, especially at the urban level, with the inclusion of segments of the population that up until now have remained marginalized.
5. Greater emphasis on prevention, with approaches that give an active role to communities and strengthen the social fabric.
6. Access to treatment for problem drug use, with interventions based on evidence.
7. Alternatives to punitive and correctional treatment for the weakest links in the chain and the most vulnerable segments of society, with particular emphasis on young people and women.
8. More effective control of borders, with interventions that seek to reduce drug trafficking and the availability of weapons.
9. A redistribution of resources, with more emphasis on drug demand and stronger capacity-building for the institutions responsible for tackling the problem.
10. Prevention of the recruitment of young people by criminal organizations involved in the local drug trade, by providing opportunities for education, employment, and recreation.

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