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Drug Control: International Policy and Approaches

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CONTENTS

SUMMARY

MOST RECENT DEVELOPMENTS

BACKGROUND AND ANALYSIS

Problem

Current International Narcotics Control Policy
- Eradication of Narcotic Crops
- Interdiction and Law Enforcement
- International Cooperation
- Sanctions/Economic Assistance
- Institution Development

Policy Approaches
- Overview
- Expansion of Efforts to Reduce Production at the Source
  - Political and Economic Tradeoffs
  - Use of Sanctions or Positive Incentives
- Expansion of Interdiction and Enforcement Activities to Disrupt Supply Lines/Expanding the Role of the Military
- Expansion of Efforts to Reduce Worldwide Demand
- Expansion of Economic Disincentives for Illicit Drug Trafficking

The George W. Bush Administration’s Anti-Drug Strategy

Certification Issues

Plan Colombia

Andean Regional Initiative

FOR ADDITIONAL READING
- CRS Reports

Drug Control: International Policy and Approaches

SUMMARY

Efforts to significantly reduce the flow of illicit drugs from abroad into the United States have so far not succeeded. Moreover, over the past decade, worldwide production of illicit drugs has risen dramatically: opium and marijuana production has roughly doubled and coca production tripled. Street prices of cocaine and heroin have fallen significantly in the past 20 years, reflecting increased availability. The effectiveness of international narcotics control programs in reducing consumption is a matter of ongoing concern.

Despite apparent national political resolve to deal with the drug problem, inherent contradictions regularly appear between U.S. anti-drug policy and other national policy goals and concerns. Pursuit of drug control policies can sometimes affect foreign policy interests and bring political instability and economic dislocation to countries where narcotics production has become entrenched economically and socially. Drug supply interdiction programs and U.S. systems to facilitate the international movement of goods, people, and wealth are often at odds. U.S. international narcotics policy requires cooperative efforts by many nations which may have domestic and foreign policy goals that compete with the requirements of drug control.

The mix of competing domestic and international pressures and priorities has produced an ongoing series of disputes within and between the legislative and executive branches concerning U.S. international drug policy. One contentious issue has been the Congressionally-mandated certification process, an instrument designed to induce specified drug-exporting countries to prioritize or pay more attention to the fight against narcotics businesses. In a significant development Congress waived the drug certification requirements for FY2002 in December 2001, and again for FY2003 in September 2002. Nonetheless, statutes still require the President, with certain exceptions, to designate and withhold assistance from countries that have failed demonstrably to meet their counternarcotics obligations.

P.L. 106-246, "Plan Colombia," a $1.3 billion military assistance-focused initiative to provide emergency supplemental narcotics assistance to Colombia, was signed into law July 13, 2000. Recently, U.S. policy toward Colombia has focused increasingly on containing the terrorist threat to that country's security. The Bush Administration's FY2004 budget request continues a policy, begun in FY2002, to request authority for the State and Defense Departments to supply assistance to Colombia for counter-terrorism purposes. For instance, U.S.-supplied helicopters and intelligence could be used to support military operations against guerrillas financed by drugs as well as against drug traffickers themselves.

Drug control approaches addressed in this issue brief include:
— Expansion of efforts to reduce foreign production at the source.
— Expansion of interdiction and enforcement activities to disrupt supply lines.
— Expansion of efforts to reduce worldwide demand.
— Expansion of economic disincentives for international drug trafficking.

Current trends in U.S. counternarcotics policy also are discussed in the brief. For analysis of the Andean drug issues, see CRS Report RL31383, *Andean Regional Initiative(ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors.*

MOST RECENT DEVELOPMENTS

In Congressional testimony on July 10, 2003, Acting State Department INL Assistant Secretary Paul E. Simons announced that coca cultivation in Colombia during the year 2002 had declined overall by more than 15%, a development he characterized as a "direct result of the robust U.S.-assisted aerial eradication program." According to Administration figures, the U.S. has provided over $1.7 billion in economic, humanitarian, and security assistance to Colombia to combat the damaging effects of illicit narcotics on the United States and Colombia, with another $600 million appropriated for fiscal year 2003. Even at current production levels, however, coca cultivation in the Andean Ridge remains more than adequate to sustain both current and immediately foreseeable U.S. and world demand for cocaine.

On June 2, 2003, President Bush submitted to Congress a list of foreign narcotics kingpins subject to U.S. legislative efforts to deny such individuals and entities access to U.S. financial systems and to prohibit U.S. individuals and companies from doing business with these kingpins. For the first time, foreign "entities" such as the Colombia's FARC and United Self-Defense Forces (AUC) are included in the list.

On March 3, 2003, the State Department's International Narcotics Control Strategy Report (INCSR) was released. The annual report to Congress provides an assessment of international drug production, trafficking, and drug related money laundering activities as well as background on U.S. international drug control policy, funding, and programs on a country by country basis. Actions by other nations to curb drug related activity and their efforts to cooperate with the United States are highlighted as well. According to the report, the Administration's central international drug control focus remains the Andean Region, especially Colombia, the world's leading producer and distributor of cocaine and a significant supplier of heroin to the United States. Mexico continued to be the major transit point for cocaine entering the United States.

BACKGROUND AND ANALYSIS

Problem

More than 14 million Americans buy illicit drugs and use them at least once per month, spending by most conservative estimates over $60 billion annually in a diverse and fragmented criminal market. Such drugs are to varying degrees injurious to the health, judgment, productivity and general well-being of their users. The 2002 *National Drug Control Strategy* (hereafter *Strategy*) of the White House Office of National Drug Control Policy (ONDCP) estimates the total costs of drug abuse to American society to be approximately $160 billion. The major components of this total are health care costs ($14.9 billion), workplace productivity losses ($110.5 billion) and losses related to crime, the criminal justice system, and social welfare ($35 billion). According to the *Strategy* more than 60% of the inmates in the federal prison system are drug law violators; moreover, the addictive nature and high price of most illegal drugs contribute significantly to the incidence of violent crime and property crime in the United States. Additionally, the U.S. illicit drug market generates billions of dollars in profits. Such profits provide international drug trafficking organizations with the resources to effectively evade and compete with law enforcement agencies, to penetrate legitimate economic structures, and, in some instances, to challenge the authority of national governments.

Calculated in dollar value terms, at least four-fifths of all the illicit drugs consumed in the United States are of foreign origin, including virtually all the cocaine and heroin and most of the marijuana, according to the ONDCP *Strategy* and the U.S. Drug Enforcement Administration (DEA) 2002 report, *Drug Trafficking in the United States*. According to DEA, the methamphetamine market is supplied predominantly from laboratories in both the United States and Mexico while most of the hallucinogens and illegally marketed psychotheraputic drugs and "designer" drugs are of domestic U.S. origin.

Drugs are a lucrative business and a mainspring of global criminal activity. According to a 2002 estimate by the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), as much as 930 tons of cocaine could have been produced from coca leaf grown in South America in 2001. If sold internationally at an average U.S. street price per gram of $100, the drug would yield a gross value of $93 billion, a figure exceeding the Gross National Income of three-quarters of the world's nations. A November 2002 study by the United Nations Office on Drugs and Crime estimated the net regional earnings of the illicit drug industry in the Caribbean at $3.3 billion, or about half the Gross National Income of Jamaica or Trinidad. Little is known about the distribution of revenues from illicit drug sales, but foreign supply cartels exercise considerable control over wholesale distribution in the United States and illicit proceeds are often laundered and invested through foreign banks and financial institutions.

In December 2002, the Chief of Operations of the U.S. Drug Enforcement Administration (DEA) told a Congressional panel that the number of hard-core heroin users in the United States had increased to "almost a million" from an estimated 630,000 in 1992. The DEA Heroin Signature Program, which identifies the sources of that drug seized by U.S. federal authorities, found that 56% of the seized heroin was of Colombian origin.

The federal anti-drug initiative has two major elements: (1) reduction of demand and (2) reduction of supply. Reduction of demand is sought through education to prevent dependence, through treatment to cure addiction and through measures to increase prices and risk of apprehension at the consumer level. Reduction of supply (which currently accounts for about 53% of the federal anti-drug control budget, according to the *Strategy*) is sought by programs aimed at destabilizing the operations of illicit drug cartels at all levels and severing their links to political power, and by seizing their products, businesses, and financial assets. As most illicit drugs are imported, a major interdiction campaign is being conducted on the U.S. borders, at ports of entry, on the high seas, and along major foreign transshipment routes and at production sites. An international program of source crop eradication is also being pursued. As reported in the *Strategy*, approximately 18% of the requested federal drug control budget of $11.7 billion for FY2004 is for interdiction and 9.2% is for international assistance programs. The major international components of federal policies for the reduction of illicit supply are discussed below.

Current International Narcotics Control Policy

The primary goal of U.S. international narcotics policy is to reduce the supply of illicit narcotics flowing into the United States. A second and supporting goal is to reduce the amount of illicit narcotics cultivated, processed, and consumed worldwide. U.S. international narcotics control policy is implemented by a multifaceted strategy that includes the following elements: (1) eradication of narcotic crops, (2) interdiction and law enforcement activities in drug-producing and drug-transiting countries, (3) international cooperation, (4) sanctions/economic assistance, and (5) institution development. The U.S. State Department's Bureau of International Narcotics and Law Enforcement (INL) has the lead role coordinating U.S. international drug intervention and suppression activities.

In April, 2001, the President requested $882 million in economic and counternarcotics assistance for Colombia and regional neighbors as part of an Andean Regional Initiative (ARI). The ARI proposal differed from the Plan Colombia program in two key areas: (1) spending on economic and social programs would be roughly equal to the drug control and interdiction components that had been the primary focus of Plan Colombia; and (2) more than half of the assistance was targeted to neighboring countries experiencing spillover effects from Colombia's civil conflict and from narcotrafficking activities in that country. The enacted appropriations bill (P.L. 107-115) cleared by Congress on December 20, 2001, provided $783 million for the Initiative, a cut of $99 million from the President's request. Of the appropriation, not less than $215 million was to be apportioned directly to the Agency for International Development (AID) for economic and social programs. The enacted bill included conditions on the use of funds for purchase of chemicals for the aerial spraying program in Colombia, limited the number of U.S. civilian and military personnel involved in Colombia to 800, and blocked funding for restoration of flights in support of the Peruvian air interdiction program until a system of enhanced safeguards is in place. The State Department's request for its Andean Drug Counter Drug Initiative (ACI) for FY2003 and FY2004 totaled $731 million for each year respectively.

Eradication of Narcotic Crops

A long-standing U.S. policy regarding international narcotics control is to reduce cultivation and production of illicit narcotics through eradication. In 2001, the United States supported programs to eradicate coca, opium, and marijuana in a number of countries. These efforts are conducted by a number of U.S. government agencies administering several types of programs. The United States supports eradication by providing producer countries with chemical herbicides, technical assistance and specialized equipment, and spray aircraft. The U.S. Agency for International Development (AID) funds programs designed to promote economic growth and to provide alternative sources of employment for the people currently growing, producing, or processing illicit drugs. AID also provides balance of payments support (especially to the Andean countries) to help offset the loss of foreign exchange (from diminished drug exports) occurring as a result of U.S.-supported anti-drug programs. U.S. eradication policy receives informational support from the State Department's Office of Public Diplomacy and Public Affairs (formerly the U.S. Information Agency (USIA)) which publicizes the dangers of drug abuse and trafficker violence. In addition, AID sponsors drug education and awareness programs in 33 Latin American, Asian, and East European countries. Requested FY2004 expenditures for eradication and crop control totaled $166.5 million and the total requested for alternative development globally was $223.9 million.

The eradication program in the Andes resulted in the elimination of an estimated 110,000 hectares of coca in Peru and Bolivia between 1995 and 2001, or almost 70% of the combined cultivated area in those countries. Nevertheless, cultivation in Colombia increased by 119,000 hectares or 234% over the same period. The shift in cultivation has had implications for Colombia's civil conflict, putting more "taxable" resources into the hands of Colombia's leftist guerrillas. The State Department's International Strategy report for 2001 notes that "The Colombian syndicates, witnessing the vulnerability of Peruvian and Bolivian coca supply to joint interdiction operations in the late 1990s, decided to move most of the cultivation to Colombia's southwest corner, an area controlled by the FARC, the country's oldest insurgent group."

Interdiction and Law Enforcement

A second element of U.S. international narcotics control strategy is to help host governments seize illicit narcotics before they reach America's borders. A related imperative is to attack and disrupt large aggregates of criminal power, to immobilize their top leaders and to sever drug traffickers' ties to the economy and to the political hierarchy. Training of foreign law enforcement personnel constitutes a major part of such endeavors. The Department of State funds anti-narcotics law enforcement training programs for foreign personnel from more than 70 countries. In addition, the Department of State provides host country anti-narcotics personnel with a wide range of equipment, and U.S. Drug Enforcement Administration (DEA) agents regularly assist foreign police forces in their efforts to destabilize trafficking networks. U.S. efforts to promote effective law enforcement against narcotics traffickers also include suggestions to nations on means to strengthen their legal and judicial systems. Finally, an important judicial tool against drug dealers is extradition. Since 1997, the U.S. government has successfully extradited 13 major traffickers from Colombia to face justice in the United States.

International Cooperation

Essentially all elements of U.S. international narcotics control strategy require international cooperation. By use of diplomatic initiatives, both bilateral and multilateral, the Department of State encourages and assists nations to reduce cultivation, production, and trafficking in illicit drugs. These bilateral agreements and international conventions have thus far been largely ineffective in reversing the growth of international narcotics trafficking, in part because they lack strong enforcement mechanisms and are not uniformly interpreted by member nations.

U.S. international narcotics control strategy also requires cooperation among governments to coordinate their border operations to interdict traffickers. To this end, the U.S. government has provided technical assistance for anti-drug programs in other countries. For FY2004, the State Department's international narcotics control budget request totaled $980 million to assist programs globally, including $91 million for Bolivia, $116 million for Peru, $463 million for Colombia, and $35 million for Ecuador. Also requested was $70 million for interregional aviation support, to provide aircraft for anti-drug programs in other countries. The United States also participates in multilateral assistance programs through the U.N. International Drug Control Program and actively enlists the aid and support of other governments for narcotics control projects. The U.N. currently assists 67 developing countries through development, law enforcement, education, treatment, and rehabilitation programs. For FY2004, the Bush Administration requested $35 million for general anticrime programs and $13 million for narcotics control-related contributions to international organizations; the majority of the latter constituted the U.S. voluntary contribution to the U.N. drug control program.

Sanctions/Economic Assistance

A fourth element of U.S. international narcotics control strategy involves the threat of, or application of, sanctions against drug producer or trafficker nations. These range from suspension of U.S. foreign assistance to curtailment of air transportation. Current law on International Drug Control Certification Procedures (P.L.107-228, Section 706) requires the President to submit to Congress not later than September 15 of the preceding fiscal year a report identifying each country determined to be a major drug transit or drug producing country as defined in section 481(e) of the Foreign Assistance Act of 1961. In the report the President must designate each country that has "failed demonstrably" to meet its counternarcotics obligations. Designated countries would be ineligible for foreign assistance unless the President determined that that assistance was vital to the U.S. national interest or that the country had made "substantial efforts" to improve its counternarcotics performance. Previous certification requirements had established a 30- calendar day review process in which the Congress could override the President's determinations and stop U.S. foreign aid from going to specific countries, but this process is no longer extant.

U.S. sanctions policy has been augmented with programs of economic assistance to major coca producing countries (see "Use of Sanctions or Positive Incentives" and "Bush Administration Anti-Drug Strategy," below). For FY2004 the State Department requested for drug related alternative development: approximately $1504 million for Colombia, $50 million for Peru, $42 million for Bolivia and $15 million for Ecuador.

Institution Development

A fifth element of U.S. international narcotics control strategy increasingly involves institution development, i.e. strengthening judicial and law enforcement institutions, boosting governing capacity, and assisting in developing host nation administrative infrastructures conducive to combatting the illicit drug trade. Institution development includes such programs as corruption prevention, training to support the administration of justice, and financial crimes enforcement assistance.

Policy Approaches

Overview

The primary goal of U.S. international narcotics control policy is to stem the flow of foreign drugs into the United States. A number of approaches have been proposed to reshape U.S. international narcotics control policy and implement it more effectively. Whatever ideas are ultimately selected will likely require funding on a scale sufficient to affect the drug problem. It is estimated that the illicit drug trade generates as much as half of the approximately $750 billion in illegal funds laundered internationally each year. Policymakers face the challenge of deciding the appropriate level of funding required for the nation's international narcotics control efforts within the context of competing budgetary priorities.

Another challenge facing the U.S. international narcotics control efforts concerns how to implement policy most effectively. Some observers argue that current U.S. policy is fragmented and overly bilateral in nature. These analysts suggest that to achieve success, policy options must be pursued within the context of a comprehensive plan with a multilateral emphasis on implementation. For example, they point out that some studies indicate that interdiction can actually increase the economic rewards to drug traffickers by raising prices for the products they sell. They agree, however, that interdiction as part of a coordinated plan can have a strong disrupting and destabilizing effect on trafficker operations. Some analysts suggest that bilateral or unilateral U.S. policies are ill-suited for solving what is in effect a multilateral problem. They cite the need for enhancing the United Nations' ability to deal effectively with the narcotics problem and for more international and regional cooperation and consultation on international narcotics issues. Proponents of bilateral policy do not necessarily reject a more multilateral approach. They point out, however, that such multinational endeavors are intrinsically difficult to arrange, coordinate, and implement effectively.

Between 1981 and 2001 The United States spent $8.57 billion on international narcotics control, mostly in Latin America. Yet estimated potential production of South American cocaine over the period increased from 140 to 170 tons to almost 870 tons, according to State Department and other U.S. government figures. According to ONDCP's *Strategy* the average price per pure gram of cocaine in 2000 was $212, approximately half what it was in 1981, and the average purity of a gram of street cocaine was 69% higher. For heroin the price and purity respectively were 77% lower and 147% higher in 2000 than in 1981. Some analysts believe, viewing such trends, that current efforts to reduce the flow of illicit drugs into the United States have essentially failed and that other objectives, policies, programs, and priorities are needed. Four major approaches which have been suggested, in various combinations, as part of an overall effort are set out below.

Expansion of Efforts to Reduce Production at the Source

This option involves expanding efforts to reduce the volume of narcotic plants and crops produced in foreign countries before the crops' conversion into processed drugs. Illicit crops may either be eradicated or purchased (and then destroyed). Eradication of illicit crops may be accomplished by physically uprooting the plants, or by chemical or biological control agents. Development of alternative sources of income to replace peasant income lost by nonproduction of narcotic crops may be an important element of this option.

Proponents of expanded efforts to stop the production of narcotic crops and substances at the source believe that reduction of the foreign supply of drugs available is an effective means to lower levels of drug use in the United States. They argue that reduction of the supply of cocaine — the nation's top narcotics control priority — is a realistically achievable option.

Proponents of vastly expanded supply reduction options, and specifically of herbicidal crop eradication, argue that this method is the most cost-effective and efficient means of eliminating narcotic crops. They maintain that, coupled with intensified law enforcement, such programs will succeed since it is easier to locate and destroy crops in the field than to locate subsequently processed drugs on smuggling routes or on the streets of U.S. cities. Put differently, a kilogram of cocaine hydrochloride is far more difficult to detect than the 300 to 500 kilograms of coca leaf that are required to make that same kilogram. Also, because crops constitute the cheapest link in the narcotics chain, producers will devote fewer economic resources to prevent their detection than to concealing more expensive and refined forms of the product.

In addition, eradication successes have been recorded in individual countries. According to INL's *International Narcotics Control Strategy Report* of 2002, for example, Pakistan has reduced opium cultivation by more than 95% since 1995 and Taliban-controlled Afghanistan accomplished a similar feat in a single year, eliminating more than 62,000 hectares or 97% of the opium crop between 2000 and 2001. However, INL reports that cultivation surged again to 31,000 hectares in 2002 under the relatively weak Afghan political authority that succeeded the Taliban, suggesting that an effective central government presence in drug crop areas is critical to the success of eradication projects.

Opponents of expanded supply reduction policy generally question whether reduction of the foreign supply of narcotic drugs is achievable and whether it would have a meaningful impact on levels of illicit drug use in the United States. They argue that aerial spraying in Colombia has failed to contain the spread of coca cultivation and point to drug syndicates' moving into opium poppy cultivation in Colombia and (more recently) Peru. Total Andean cultivation, in fact, has remained relatively stable in the past decade despite U.S. efforts, and because farmers are finding ways to increase productivity per unit of land, coca leaf production reached an all-time high in 2001, according to INL figures. Critics also suggest that even if the supply of foreign drugs destined for the U.S. market could be dramatically reduced, U.S. consumers would simply switch to consumption of domestically-grown or synthetic drug substitutes. Thus, they maintain, the ultimate solution to the U.S. drug problem is wiping out the domestic market for illicit drugs, not trying to eliminate the supply in source countries.

Some also fear that environmental damage will result from herbicides. As an alternative, they urge development, research, and funding of programs designed to develop and employ biological control agents such as coca-destroying insects and fungi that do not harm other plants. Others argue that intensified eradication will push the drug crop frontier and the attendant polluting affects of narcotics industries farther into ecologically sensitive jungle areas, with little or no decrease in net cultivation. In addition, reports have surfaced in Colombia of toxic effects of herbicides on legal crops and on the health of animals and humans, although the veracity of such accounts is debated.

Others question whether a global policy of simultaneous crop control is politically feasible since many areas in the world will always be beyond U.S. control and influence. Such critics refer to continuously shifting sources of supply, or the so-called "balloon syndrome": when squeezed in one place, it pops up in another. Nevertheless, many point out that the number of large suitable growth areas is finite, and by focusing simultaneously at major production areas, substantial reductions can be achieved if adequate funding is provided.

Some also question the value of supply reduction measures since world production and supply of illicit drugs vastly exceeds world demand, making it unlikely that the supply surplus could be reduced sufficiently to affect the ready availability of illicit narcotics in the U.S. market. Such analysts also suggest that even if worldwide supply were reduced dramatically, the effects would be felt primarily in other nation's drug markets. The U.S. market, they argue, would be the last to experience supply shortfalls, because U.S. consumers pay higher prices and because U.S. dollars are a preferred narco-currency.

Political and Economic Tradeoffs. Some suggest that expanded and effective efforts to reduce production of illicit narcotics at the source will be met by active and violent opposition from a combination of trafficker, political, and economic groups. In some nations, such as Colombia, traffickers have achieved a status comparable to "a state within a state." In others, allegations of drug-related corruption have focused on high-level officials in the military and federal police, as well as heads of state; In Mexico, according to a *Washington Times* report, smugglers often are protected by heavily-armed Mexican military troops and police who "have been paid handsomely to escort the drug traffickers and their illicit shipments across the border and into the United States." In addition, some traffickers have aligned themselves with terrorist and insurgent groups, and have reportedly funded political candidates and parties, pro-narcotic peasant workers and trade union groups, and high visibility popular public works projects to cultivate public support through a "Robin Hood" image. Because some constituencies that benefit economically from coca are well armed, if the United States were successful in urging foreign governments to institute widespread use of chemical/biological control agents, cooperating host governments could well face strong domestic political challenge and violent opposition from affected groups. Heavy military protection, at a minimum, would be required for those spraying or otherwise eradicating drug crops.

Some critics have argued, with respect to Colombia, that eradication campaigns can have the unintended effect of aggravating the country's ongoing civil conflict. Since Colombia's guerrilla groups pose as advocates of growers, spraying may broaden support for such groups, thereby contradicting the objectives of the government's counterinsurgency efforts in the affected zones. Such observers believe that Colombia's enforcement priorities should shift to targeting critical nodes in transportation and refining and, to the extent possible, sealing off traffic routes to and from the main coca producing zones. The argument is made that interdiction can disrupt internal markets for coca derivatives and that, compared to eradication, it imposes fewer direct costs on peasant producers and generates less political unrest.

For some countries, production of illicit narcotics and the narcotics trade has become an economic way of life that provides a subsistence level of income to large numbers of people from whom those who rule draw their legitimacy. "Successful" crop reduction campaigns seek to displace such income and those workers engaged in its production. In this regard, these campaigns may threaten real economic and political dangers for the governments of nations with marginal economic growth. Consequently, some analysts argue that the governments of such low-income countries cannot be expected to launch major crop reduction programs without the substitute income to sustain those whose income depends on drug production.

Use of Sanctions or Positive Incentives. Those promoting expansion of efforts to reduce production at the source face the challenge of instituting programs that effectively reduce production of narcotic crops and production of refined narcotics without creating unmanageable economic and political crises for target countries. A major area of concern of such policymakers is to achieve an effective balance between the "carrot" and the "stick" approach in U.S. relations with major illicit narcotics-producing and transit countries.

Proponents of a sanctions policy linking foreign aid and trade benefits to U.S. international narcotics objectives argue against "business as usual" with countries that permit illicit drug trafficking, production, or laundering of drug profits. They assert that this policy includes a moral dimension and that drug production and trafficking is wrong, and that the United States should not associate with countries involved in it. Such analysts maintain that U.S. aid and trade sanctions can provide the needed leverage for nations to reduce production of illicit crops and their involvement in other drug related activities. They argue that both the moral stigma of being branded as uncooperative and the threat of economic sanctions prod many otherwise uncooperative nations into action. They further stress that trade sanctions would be likely to provide a highly effective lever as most developing countries depend on access to U.S. markets.

Opponents of a sanctions policy linking aid and trade to U.S. international narcotics objectives argue that sanctions may have an undesirable effect on the political and economic stability of target countries, making them all the more dependent on the drug trade for income; that sanctions have little impact because many countries are not dependant on U.S. aid; that sanctions historically have little effect unless they are multilaterally imposed; and that sanctions are arbitrary in nature, hurt national pride in the foreign country, and are seen in many countries as an ugly manifestation of "Yankee imperialism." Finally, an increasing number of analysts suggest that if sanctions are to be fully effective, they should be used in conjunction with additional positive incentives (subject perhaps to a congressional certification/approval process) to foster anti-drug cooperation.

Alternatively, some suggest positive incentives instead of sanctions. They believe that narcotics-producing countries must be motivated either to refrain from growing illicit crops, or to permit the purchase or destruction of these crops by government authorities. Many argue that since short term economic stability of nations supplying illegal drugs may depend upon the production and sale of illicit narcotics, it is unrealistic to expect such nations to limit their drug-related activities meaningfully without an alternative source of income. The House Appropriations Committee report on the 1993 foreign operations appropriations bill suggested that when it comes to narcotics related economic development "there is too little emphasis in either actual funding or policy."

It has been suggested by some analysts that a massive foreign aid effort — a so-called "mini-Marshall Plan" — is the only feasible method of persuading developing nations to curb their production of narcotic crops. Such a plan would involve a multilateral effort with the participation of the United States, Europe, Japan, Australia, other industrialized nations susceptible to the drug problem, and the rich oil producing nations. The thrust of such a plan would be to promote economic development, replacing illicit cash crops with other marketable alternatives. Within the framework of such a plan, crops could be purchased or else destroyed by herbicidal spraying or biological control agents while substitute crops and markets are developed and assured.

Any such program would be coupled with rigid domestic law enforcement and penalties for non-compliance. Thus, it could require a U.S. commitment of substantially increased enforcement assets to be used against both growers and traffickers, and some observers assert it might require direct U.S. military involvement at the request of the host country. Significant coercion might be required, since drug crops typically produce a better cash flow than licit crops grown in the same region. For example, in Afghanistan a hectare of opium earns 30 to 45 times as much as a hectare of wheat at prevailing prices ($13,000 compared to $300 to $400). Even if the international community bought up the entire Afghan opium crop, the temptation to plant new opium could prove irresistible to farmers.

Critics have concerns regarding positive incentive concepts. They warn of the precedent of appearing to pay "protection" compensation — i.e., providing an incentive for economically disadvantaged countries to go into the drug export business. They also warn of the open-ended cost of agricultural development programs and of extraterritorial police intervention. Finding markets for viable alternative crops is yet another major constraint. Some experts argue that typical conditions of drug crop zones — geographical remoteness, marginal soils and, in certain countries, extreme insecurity — tend to limit prospects for legal commercial agriculture. According to one report, the soils in Colombia's Putumayo Department — an important center of coca cultivation — are simply too poor to support the number of people currently farming in the province if all converted to growing legal crops. Such observers believe that a more promising strategy is to foster development of the legal economy in other locales, including urban settings, in order to attract people away from areas that have a comparative advantage in coca or opium production. In the view of these analysts, the best "substitute crop" for coca or opium could well be an assembly plant producing electronic goods or automobiles for the international market.

Expansion of Interdiction and Enforcement Activities to Disrupt Supply Lines/Expanding the Role of the Military

Drug supply line interdiction is both a foreign and domestic issue. Many argue that the United States should intensify law enforcement activities designed to disrupt the transit of illicit narcotics as early in the production/transit chain as possible — well before the drugs reach the streets of the United States. This task is conceded to be very difficult because the United States is the world's greatest trading nation with vast volumes of imports daily flowing in through hundreds of sea, air, and land entry facilities, and its systems have been designed to facilitate human and materials exchange. This has led some analysts to suggest that the military should assume a more active role in anti-drug activities.

Congress, in the late 1980s and prior to appropriations for FY1994, had urged an expanded role for the military in the "war on drugs." The idea of using the military is not novel. Outside the United States, U.S. military personnel have been involved in training and transporting foreign anti-narcotics personnel since 1983. Periodically, there have also been calls for multilateral military strikes against trafficking operations, as well as increased use of U.S. elite forces in preemptive strikes against drug fields and trafficker enclaves overseas.

The military's role in narcotics interdiction was expanded by the FY1990-1991 National Defense Authorization Act. The conference report (H.Rept. 100-989) concluded that the Department of Defense (DOD) can and should play a major role in narcotics interdiction. Congress, in FY1989 and FY1990-1991 authorization acts, required DOD to promptly provide civilian law enforcement agencies with relevant drug-related intelligence; charged the President to direct that command, control, communications, and intelligence networks dedicated to drug control be integrated by DOD into an effective network; restricted direct participation by military personnel in civilian law enforcement activities to those authorized by law; permitted the military to transport civilian law enforcement personnel outside U.S. land area; expanded the National Guard's role in drug interdiction activities; and authorized additional $300 million for DOD and National Guard drug interdiction activities.

DOD's requested drug budget total for FY2004 was $817.4 million, as compared to $999 million for FY2003.

Despite the military's obvious ability to support drug law enforcement organizations, questions remain as to the overall effectiveness of a major military role in narcotics interdiction. Proponents of substantially increasing the military's role in supporting civilian law enforcement narcotics interdiction activity argue that narcotics trafficking poses a national security threat to the United States; that only the military is equipped and has the resources to counter powerful trafficking organizations; and that counter drug support provides the military with beneficial, realistic training.

In contrast, opponents argue that drug interdiction is a law enforcement mission, it is not a military mission; that drug enforcement is an unconventional war which the military is ill-equipped to fight; that a drug enforcement role detracts from readiness; that a drug enforcement role exposes the military to corruption; that it is unwise public policy to require the U.S. military to operate against U.S. citizens; and that the use of the military may have serious political and diplomatic repercussions overseas. Moreover, some in the military remain concerned about an expanded role, seeing themselves as possible scapegoats for policies that have failed, or are likely to fail.

Expansion of Efforts to Reduce Worldwide Demand

Another commonly proposed option is to increase policy emphasis on development and implementation of programs worldwide that aim at increasing public intolerance for illicit drug use. Such programs, through information, technical assistance, and training in prevention and treatment, would emphasize the health dangers of drug use, as well as the danger to regional and national stability. The State Department's Office of Public Diplomacy and Public Affairs and AID currently support modest efforts in this area. Some believe these programs should be increased and call for a more active role for the United Nations and other international agencies in development and implementation of such demand reduction programs.

Expansion of Economic Disincentives for Illicit Drug Trafficking

Proponents of this approach say that the major factor in the international drug market is not the product, but the profit. Thus, they stress, international efforts to reduce the flow of drugs into the United States must identify means to seize and otherwise reduce assets and profits generated by the drug trade. Some critics point out the challenges of tracking, separating out and confiscating criminal assets. These include the huge volume of all international electronic transfers — more than $2 trillion each day — and the movement of much illegal money outside of formal banking channels (through hawala-type chains of money brokers).

Policymakers pursuing this option must decide whether laws in countries where they exert influence are too lenient on financial institutions, such as banks and brokerage houses, which knowingly facilitate financial transactions of traffickers. If the answer is "yes," national leaders would then take concerted action to promote harsher criminal sanctions penalizing the movement of money generated by drug sales, including revocation of licenses of institutions regularly engaging in such practices. Finally, those supporting this option favor increased efforts to secure greater international cooperation on financial investigations related to money laundering of narcotics profits, including negotiation of mutual legal assistance treaties (MLATs).

The George W. Bush Administration's Anti-Drug Strategy

The direction of drug policy under President George W. Bush does not appear to be an immediate top foreign policy priority for the Administration.. To date, issues of international terrorism and homeland security appear to command more attention However, Bush administration officials are beginning to portray Colombia's counter-insurgency campaign as part of the broader worldwide campaign against terrorism. While Congress has stipulated that U.S. military aid to Colombia be dedicated to fighting drugs, support is growing in Congress and the Administration for providing direct support to Colombia's efforts to rein in the rebel groups. The extent of such support — and whether it might involve the use of American combat forces — remains to be determined. However, the Bush Administration's FY2003 Assistance and Emergency FY2002 Supplemental requests for Colombia together comprised at least $123 million for direct counterterrorism purposes, including respectively $98 million to equip and train the Colombian army to guard the country's main oil pipeline, which is frequently bombed by guerrillas, and $25 million to provide counterkidnaping training for Colombia's armed forces. In addition, the Supplemental request would allow U.S. funds to be used broadly to counter the "cross-cutting threat" to Colombian security posed by groups that use narcotics proceeds to finance terrorism and other anti-state activities.

Probable issues of concern to Congress relating to international drug control policy include the following:

(1) Can the Plan Colombia and the Andean Regional Initiative as currently envisioned have a meaningful impact on reducing drug shipments to the U.S. or in reducing the current level of violence and instability in Colombia? To what degree can a counter-drug plan which does not aim to deal a decisive blow to insurgent operations in Colombia be expected to meaningfully curb drug production and violence there?

(2) To what degree might a more regional approach to the drug problem in Colombia prove more effective and how might such an expanded initiative be funded?

(3) How does U.S. involvement in anti-drug efforts in the Andean nations affect other aspects of American foreign policy in the region, and in Latin America generally? Does a concentration on drug-related issues obscure more fundamental issues of stability, governance, poverty , and democracy (i.e., to what degree are drugs a major cause, or result, of the internal problems of certain Latin American countries)? Might U.S. pursuit of drug control objectives conflict in certain ways with efforts to resolve Colombia's ongoing civil conflict, for instance by alienating large rural constituencies in contested regions of the country?

(4) In the case of Colombia and other nations where insurgents are heavily involved in the drug trade, how can the United States ensure that U.S. military aid and equipment is in fact used to combat drug traffickers and cartels, rather than diverted for use against domestic political opposition or used as an instrument of human rights violations? How great is the risk that such diversions could take place, and is the degree of risk worth the possible gains to be made against drug production and trafficking?

(5) How extensive is drug-related corruption in the armed forces and police of the Andean nations? What impact might such corruption have on the effectiveness of U.S. training and assistance to these forces?

(6) Will an active role for the military in counter-narcotics support to foreign nations (i.e. Colombia) result in U.S. casualties? If so, is there an exit strategy and at what point, if at all, might Presidential actions fall within the scope of the War Powers Resolution; i.e., does the dispatch of military advisers to help other governments combat drug traffickers constitute the introduction of armed forces "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances"? (The War Powers Resolution requires the President to report such an introduction to Congress, and to withdraw the forces within 60 to 90 days unless authorized to remain by Congress.)

(7) Will the evolving strategy under the Bush Administration produce better results than previous strategies in reducing illicit drug use in the United States and in supporting U.S. narcotics and other foreign policy goals overseas? Is a proper balance of resources being devoted to domestic (the demand side) vs. foreign (the supply side) components of an overall national anti-drug strategy? Are efforts to reduce the foreign supply level futile while domestic U.S. demand remains high? Are efforts to reduce domestic demand fruitless as long as foreign supplies can enter the country with relative impunity?

(8) To what extent will the Administration's current priority in fighting terrorism affect implementation of antidrug policy? Has repositioning of equipment and resources to improve U.S. defenses against acts of terrorism, for example the shift of Coast Guard vessels from the eastern Pacific and the Caribbean to perform coastal patrols and port security functions, lowered defenses with respect to curbing drug flows? On the flip side of the issue, to what degree has committing anti-drug resources to support anti-terrorism objectives significantly enhanced the effectiveness of counterterrorism efforts?

(9) Should the aerial spraying program in Colombia be reappraised in the light of the continuing overall trend of expansion of coca cultivation in that country? Despite some recent and well publicized indications of progress in this arena, (a decrease in cultivation of

over 15% in 2002 by U.S. Government statistics and a 30% decrease in 2001 by U.N. estimates) coca cultivation in Colombia has increased more than 200% since 1995.

(10) To what extent should U.S. military assistance programs in Colombia target groups that use narcotics operations to finance terrorist activities (including leftist guerrillas and paramilitaries), as opposed to the narcotics trafficking infrastructure itself?

Certification Issues

On January 31, 2003, the President issued a Determination on Major Drug Transit or Drug Producing Countries, under the FY2002 modified guidelines described above. The President certified 20 of the 23 designated drug-producing or transit countries as having fulfilled their obligations under international narcotics agreements. The Determination identified Burma, Guatemala, and Haiti as countries that had "failed demonstrably" to meet their counternarcotics obligations but stated that continued provision of foreign assistance to two of the countries — Guatemala and Haiti — was in the vital national interests of the United States.

In the past, determinations to certify Mexico have often been the most contentious, and Mexico has been a focus of congressional attention and an important focus of U.S. foreign narcopolicy. While Mexico has been fully certified each year by a series of U.S. presidents, congressional resolutions to disapprove Mexico's certification were introduced in 1987, 1988, 1997, 1998, and 1999, and congressional criticisms of Mexico's certifications were voiced in many years. Resolutions of disapproval failed to reach floor action in most years, but both houses passed separate versions of weakened resolutions of disapproval in 1997, and a Senate resolution of disapproval reached the floor but was defeated in 1998. (For more detail, see CRS Report 98-174, *Mexican Drug Certification Issues: Congressional Action, 1986-2001*, by K. Larry Storrs.)

Following the July 2000 election of opposition candidate Vicente Fox as President of Mexico, a number of legislative measures were introduced to modify the drug certification requirements, and these initiatives were mentioned when President Bush met with President Fox in Mexico in mid-February 2001. Although President Bush certified Mexico as fully cooperative in drug control efforts on March 1, 2001, a number of legislators continued to press for modification of the existing certification process. In December 2001, legislation on "Modifications to the Annual Drug Certification Procedures" in the Foreign Operations, Export Financing and Related Programs Appropriations Act (P.L. 107-115, Section 591) was enacted that effectively waived the drug certification requirements for FY2002. It required the President to withhold assistance from the countries most remiss in meeting their international drug-fighting obligations, but permitted the President to determine what countries to put in the "worst offending" category and (under specified conditions) to provide U.S. foreign assistance to a designated country. Legislation on "International Drug Control Certification Procedures" in the Foreign Relations Authorization Act of September 2002 (P.L. 107-228) extended the waiver to FY2003. Such changes may reflect the fact that spokesmen from many countries have complained for years about the unilateral and non-cooperative nature of the drug certification requirements, and have urged the United States to end the process or at least to replace it with multilateral evaluation mechanisms.

A multilateral [drug performance] evaluation mechanism (MEM) has been established under the auspices of the Organization of American States (OAS). This mechanism is seen by many as a vehicle to undermine and facilitate abolishment of the existing U.S. sanctions-oriented unilateral certification process which is often viewed as an irritant to major illicit drug-producing countries, and which, opponents argue, does little to promote anti-drug cooperation.

Plan Colombia

On July 13, 2000, U.S. support for Plan Colombia was signed into law (P.L. 106-246). Included was $1.3 billion in emergency supplemental appropriations in equipment, supplies, and other counter narcotics aid primarily for the Colombian military. The plan aimed to curb trafficking activity and reduce coca cultivation in Colombia by 50% over five years. Though focused on military and law enforcement initiatives, Plan components included helping the Colombian Government control its territory; strengthening democratic institutions; promoting economic development; protecting human rights; and providing humanitarian assistance. Included as well was $148 million for Andean regional drug interdiction and alternative development programs. Supporters of the Plan argued that without enhanced U.S. aid, Colombia risks disintegration into smaller autonomous political units — some controlled by leftist or rightist guerrilla groups that are heavily involved in drug trafficking and violent crime -for- profit activity. Other observers cautioned that narcotics-related assistance to Colombia can, at best, produce serious reductions in illicit drug production only within a multi-year timeframe. They warn against enhanced U.S. involvement in a conflict where clear- cut victory is elusive and to a large degree dependent on reduction of the so far intractable U.S. domestic appetite for illicit drugs. Still others warned of the so- called "spillover" effect of Plan Colombia on neighboring nations such as Ecuador where narco-linked insurgents and paramilitaries increasingly operate. For additional data on issues relating to Plan Colombia see CRS Report RL30541, *Colombia: Plan Colombia Legislation and Assistance (FY2000-FY2001)*. See also CRS Report RS20494, *Ecuador: International Narcotics Control Issues.*

Andean Regional Initiative

In April 2001, the Bush Administration unveiled an Andean Regional Initiative (ARI) as a successor to Plan Colombia, requesting $882 million for the program. Of these funds approximately 45% percent were intended for Colombia and the remainder for six regional neighbors of Colombia (Bolivia, Brazil, Ecuador, Panama, Peru, and Venezuela) affected by drug trafficking and drug- related violence. By contrast, Colombia received two-thirds of the funds allocated under Plan Colombia. In December 2001, Congress passed the Foreign Operations Appropriations bill for FY2002, allocating $783 million to the ARI.. Of the $783 million, 49% were provided to Colombia and the rest to the other six countries. Of the Colombia funds, 36% were earmarked for economic and social and governance purposes and 64% for counternarcotics and security, a ratio largely reflecting the enforcement orientation of Plan Colombia. In the case of Peru and Bolivia, the economic and social share was significantly higher — 61% in both countries. For FY2003, the Bush Administration requested $980 million in ARI funding, of which 55% was for Colombia. The ARI request for FY 2004 totaled $990.7 million of which $463 million was for State Department Andean Counterdrug Initiative (ACI) funding for Colombia. For further information, see CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, and CRS Report RS21213, *Colombia: Summary and Tables on U.S. Assistance, FY1989-FY2004*.

For Additional Reading

CRS Reports

CRS Report RL30541. *Colombia: U.S. Assistance and Current Legislation*, by Nina M. Serafino.

CRS Report RS21213, *Colombia: Summary and Tables on U.S. Assistance, FY1989-FY2004*, by Nina Serafino.

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CRS Report RS20494. *Ecuador: International Narcotics Control Issues*, by Raphael Perl.

CRS Report 98-174. *Mexican Drug Certification Issues: U.S. Congressional Action, 1986-2001,* by K Larry Storrs.

CRS Report 98-159. *Narcotics Certification of Drug Producing and Trafficking Nations: Questions and Answers,* by Raphael Perl.

CRS Report RS20051. *North Korean Drug Trafficking: Allegations and Issues for Congress,* by Raphael F. Perl.

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CRS Report RL30886. *Mexico's Counter-Narcotics Efforts under Zedillo and Fox, December 1994 to March 2001,* by K. Larry Storrs.

CRS Report RL30892. *Drug Certification Requirements and Proposed Congressional Modifications in 2001*, by K. Larry Storrs.