



---

Aktionsprogramm Drogen und Entwicklung  
Drugs and Development Programme

Deutsche Gesellschaft für Technische  
Zusammenarbeit (GTZ) GmbH  
German Technical Cooperation

# **Drugs and Conflict**

Discussion Paper  
by the  
GTZ Drugs and Development Programme

## Table of Contents

|   |           |
|---|-----------|
| <b>Preface</b> .....                                      | <b>3</b>  |
| <b>Introduction</b> .....                                 | <b>4</b>  |
| <b>1. Drugs and Conflict</b> .....                        | <b>5</b>  |
| 1.1 Crisis Prevention and Conflict Transformation .....   | 5         |
| 1.2 The Illicit Drug Economy .....                        | 6         |
| 1.2.1 Production of Illicit Drugs .....                   | 7         |
| 1.2.2 Trafficking of Illicit Drugs.....                   | 7         |
| 1.2.3 Consumption of Illicit Drugs .....                  | 8         |
| 1.2.4 Actors in the Drug Economy .....                    | 8         |
| 1.3 The Linkages Between Illicit Drugs and Conflict ..... | 10        |
| <b>2. The emergence of a Drug Economy</b> .....           | <b>12</b> |
| 2.1 The Weakening of State.....                           | 12        |
| 2.1.1 Informal Economy and Illegal Economy .....          | 12        |
| 2.2 Economies of Violence.....                            | 13        |
| 2.3 Other Factors .....                                   | 14        |
| <b>3. Consequences of a Drug Economy</b> .....            | <b>15</b> |
| 3.1 Destabilisation of State and Society .....            | 15        |
| 3.2 Consumption of Illicit Drugs.....                     | 20        |
| <b>Conclusions and Future Challenges</b> .....            | <b>22</b> |
| <b>References</b> .....                                   | <b>25</b> |

|  |    |
|--|----|
| Diagram 1 Actors in the Drug Economy                     | 9  |
| Diagram 2 Dynamics of Drugs and Conflict                 | 11 |
| Diagram 3 The Elements of a Drug Economy                 | 11 |
| Diagram 4 Potential Production In Cocaine in Metric Tons | 17 |
| Box 1 Thailand and the Crazy Medicine                    | 17 |
| Box 2 Colombia - Civil War and Coca                      | 19 |
| Box 3 South Africa - Drugs and Violence                  | 20 |

## Acknowledgement

The text of this paper has been prepared by Jenny Ikelberg, consultant to the GTZ “Drugs and Development Programme”.

In 2002, Michael Alexander and Angelika Pohnitzer drafted the paper “Drogen und Konflikt” (in German) on behalf of the GTZ “Drugs and Development Programme” and the GTZ project “Crisis Prevention, Conflict Transformation and Peace-Building”. This draft was very useful for preparing the present paper. The present publication was intensively discussed within the team of the GTZ “Drugs and Development Programme”, Christoph Berg (teamleader) and Susanne Schardt (demand reduction expert) as well as with Dunja Brede, from the priority area “Crisis Prevention and Peace-Building” of the GTZ division “Governance and Democracy”.

We would like to thank all contributors for their committed and valuable work.

## Preface

With this paper we would like to invite you to an open discussion on the interrelation between drugs and conflict.

The aim of this paper is to:

- Give an introduction to the complexity of the subject
- Increase the awareness of the interaction between drugs and conflicts
- Encourage the cooperation between the two disciplines
- Stimulate discussions

The aim of the paper is not to:

- Provide solutions
- Present a manual on how to handle drugs and conflict issues in technical cooperation

It is planned for 2004 that this discussion paper will be revised to include all comments, additional contributions to the discussion and recommendations. With the intention of making the forthcoming paper a true contribution to the discussion of Drugs and Conflicts we are thankful for all inputs at all levels.

In a next step we intend to elaborate recommendations and first guiding principles on how to work with drugs and conflict issues in the field.

Eschborn, September 2003

Christoph Berg  
Teamleader "Drugs and Development Programme"  
GTZ division health, education and social protection

## Introduction

Why should we talk about illicit drugs in the context of conflict?

Because

- the majority of illicit drug crops are cultivated in countries characterised by civil wars, conflicts, instability and violence.
- drug cultivation regions are frequently the arena for violent conflicts between:
  - state and warlords, rebel groups or guerrillas
  - groups competing for the control of illicit drugs production
  - state and farmers who try to defend their coca or opium fields from eradication

Because

- weak states and conflict regions offer favourable conditions for the trafficking of illicit drugs
- competing trafficking organisations wage violent operations against each other
- violent conflicts between law enforcement institutions and well-armed trafficking organisations have resulted in a high number of casualties on both sides

Because

- drugs are consumed by soldiers, also by child soldiers, in war to increase the willingness to fight and alleviate the associated pain
- illicit drugs are increasingly consumed in transit regions, which frequently are located in conflict countries
- people who consume drugs are more likely to commit crime and use violence

Although there are evidently several linkages between drugs and conflict, there are hardly any studies on the subject. During the last five years crisis prevention and conflict transformation received increased attention. The interest has, however, not included the perspective of illicit drugs and their often close connection to conflict. It is accepted that drugs finance warlords, rebel groups and guerrillas in their fight against the state but the links between drugs and conflict are more complex than that. The aim of this paper is to increase the awareness of the linkages between the two subjects as well as to stimulate further discussions. For those working in development cooperation, it is important to understand and consider the interaction between the two subjects in the planning and implementation of development measures. It is particularly important to discuss in which conflict situations development-oriented drug control is possible. Another relevant issue is to determine the target groups for development cooperation – usually, producers and consumers are the target group but how should drug traffickers, for example, be approached? More information is needed to identify the actors and to understand their motives. There are many unanswered questions and a pressing need for more research. This paper will contribute to a long overdue discussion on the interrelation between drugs and conflict.

The first part of the paper will give a brief introduction to the field of crisis prevention and conflict transformation as well as the elements of and the actors in a drug economy. The second part describes the process of failure of state, the appearance of economies of violence and how this provides ideal conditions for the emergence of a drug economy. The third part considers the consequences of a drug economy, such as intensified state failure, corruption and increased violence.

# 1. Drugs and Conflict

Production, trafficking and consumption of illicit drugs are often a result of crisis and conflicts. On the other hand, illicit drugs also cause conflicts. These conflicts vary largely in range and degree. For example, during the last five years in Bolivia, the farmers have violently protested against the attempts by the government to destroy their coca fields. In Pakistan in the late 1980s, small-scale farmers fought landowners, who demanded a share of their opium harvest. Larger drug related conflicts have occurred in the border region of Iran and Afghanistan, which have caused the death of more than 3,000 Iranian soldiers during the last ten years. Also, European cities experience conflicts connected to drug trafficking and consumption. Between the end of 1980 and the beginning of 1990, Kosovar-Albanian and Syrian-Lebanese drug traffickers fought over the control of the heroin distribution net in Zurich – within a few hours, one clash claimed more than a dozen victims. The most recent major conflict is the ongoing “war on drugs” in Thailand. Within three months, more than 2,000 people have been killed (see box 1, p. 17).

## 1.1 Crisis Prevention and Conflict Transformation

Since the end of the Cold War, the number and the brutality of intrastate conflicts have drastically increased. These conflicts not only dramatically affect the civilian population, they also imply ecological, economic and social cost. In this context, conflict refers to a violent conflict, which is initiated when two or more parties perceive a divergence of interest or incompatible goals or values. The conflict can be about territory, independence, autonomy, ideology, power or resources. However, *“the problem is not the conflicts per se, but the way in which they are managed and resolved. The goal of development cooperation must therefore be to help prevent or transform violence as a means of pursuing conflicts, and to support constructive forms of conflict management.”*<sup>1</sup> The Carnegie Commission on Preventing Deadly Conflict has identified a number of factors and conditions that make societies prone to conflicts and warfare. They include<sup>2</sup>:

- A lack of democratic processes and unequal access to power. The risk is especially high when power stems from ethnic or religious identity and when leadership is repressive and disposed to the abuse of human rights.
- Social inequality marked by grossly unequal distribution of, and access to, resources. Conflict is most likely where the economy is in decline.
- Control by a single group of valuable natural resources, such as gems, oil, timber, and drugs.
- Rapid demographic change that outstrips the capacity of the state to provide essential services and job opportunities.

Many organisations and networks are working to prevent and transform violence and conflict. Below follows a brief presentation of a few of these organisations.

In November 2000, the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) launched the *Crisis Prevention and Conflict Transformation Programme*<sup>3</sup> on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ). The objective was to increase the awareness of the connection between development cooperation and conflicts, and to enhance the potential of development cooperation in this field. The main focus of the programme is to develop concepts and instruments for crisis prevention, conflict transformation and peace building and to apply these in development cooperation. The aim

---

<sup>1</sup> GTZ - Norbert Ropers (2002): Peace-Building, Crisis Prevention and Conflict Management: Technical Cooperation in the Context of Crises, Conflicts and Disasters (p. 11).

<sup>2</sup> WHO (2002) *World report on violence and health*, Summary p. 23

<sup>3</sup> <http://www.gtz.de/crisisprevention/english/approach.htm>

is to promote political and social conditions and to strengthen civil society to enable peaceful conflict management in partner countries. The creation of the programme was a response to a general increased interest in crisis and conflicts within development cooperation. The initial attempt of aligning development policy more closely with the tasks of crisis prevention and conflict transformation were *the DAC Guidelines on Conflict, Peace and Development* by the Development Assistance Committee (DAC) of the OECD in 1997.

Relevant guidelines and policy documents from the UN, EU, OECD are available at the website of the *Crisis Prevention and Conflict Transformation Programme*. It also presents links to organisations active within crisis prevention and conflict transformation.

The World Bank has also increased its work in the field of crisis and conflicts. Both inside the Bank and externally with partners, the *Conflict Prevention and Reconstruction Unit (CPR)*<sup>4</sup> are responsible for promoting the subject.

*The Conflict-Prevention and Post-Conflict Reconstruction Network (CPR)*<sup>5</sup> emerged at a meeting of post-conflict/transition and emergency units of multilateral and bilateral organisations, convened by the World Bank in Paris in April 1998. It is an informal network, which aims at improving operational effectiveness in conflict prevention and conflict transformation.

## 1.2 The Illicit Drug Economy

It is often stated that the world wide illicit drug trade is unrivalled profitable. The yearly turnover is estimated to US\$ 400-500 billion, which is approximately the same size as the international trade in textiles, oil and gas, or world tourism<sup>6</sup>. The international drug economy has profited from the globalisation through the division of labour in cultivation, production, chemical industry, trafficking and money laundering. A small number of people make large profits in the drug economy. For small-scale opium or coca farmers, profits are low but for the people controlling the drug trade it is a lucrative business. Approximately 99 percent of the global illicit drug income is earned by drug trafficking groups<sup>7</sup>. Most of the profit from illicit drug trade is made in developed countries.

In this paper, illicit drug production and trafficking mainly refer to the plant-based drugs opium (heroin) and coca (cocaine), where the linkages between drugs and conflict are most severe. Cannabis is omitted because of a lack of research. However, in countries like Morocco and Cambodia, where cannabis is produced at large scale for commercial purpose and export, the illicit cannabis economy also causes conflicts. In Mindanao, the Philippines small-scale cannabis production controlled by guerrilla groups has contributed to the aggravation of both local and regional conflicts. Synthetic drugs are a growing problem for many developing countries, although the importance in the international drug trade is still limited. However, synthetic drugs are not completely excluded from this report since their production, trade and consumption already contributed to conflicts, for example between Burma and Thailand.

Before discussing the connections between drugs and conflict, the organisation of and the actors in illicit drug production, trafficking and consumption will be briefly described.

---

<sup>4</sup> <http://lnweb18.worldbank.org/essd/essd.nsf/CPR/Home>

<sup>5</sup> <http://www.developmentgateway.org/node/118839/>

<sup>6</sup> UNDCP (1998) Technical Series no 6, p.3

<sup>7</sup> International Narcotics Control Board (2001) *Illicit Drugs and Development* p.2

### **1.2.1 Production of Illicit Drugs**

Most of the world's illicit opium is cultivated in Afghanistan, Myanmar and Lao PDR, with Afghanistan contributing approximately 75 percent of the global production. Coca production is concentrated to three Andean countries; Colombia - the largest producer - Bolivia and Peru, together they account for more than 98 percent of the world cocaine supply<sup>8</sup>.

Frequently, opium poppy is grown in remote and mountainous areas. However, in some regions of Afghanistan, the poppy can be found on easily accessible, flat and fertile land. Coca is cultivated in remote tropical zones, where it is able to grow under a variety of altitudinal, climatic and soil conditions. Opium and coca cultivation regions are characterised by poor accessibility, deficit infrastructure, lack of irrigation and low state presence. The social standard is low, which is expressed in low education, malnutrition and infant mortality. The majority of opium and coca cultivators conduct a mix of subsistence farming and cash crop production, in which the illegal drug crop often constitutes their only source of cash income. The income is frequently used to bridge over periods of food deficit.

Another important reason for the production of drugs in many cases is the lack of economic alternatives. The remoteness and the poor infrastructure of the majority of the production areas make it difficult to access markets for alternative agricultural products. The lack of credit also limits the farmers' possibilities of invest in other activities. The only credit available is often what warlords and drug lords offer farmers – an advanced payment on their future drug production. For example, in Afghanistan, this system forces farmers to continue their drug cultivation to be able to repay the credits.

### **1.2.2 Trafficking of Illicit Drugs**

In the age of globalisation, borders have opened up, trade barriers have fallen and access to information has been facilitated. Not only the legal business has taken advantage of this process but also transnational organised crime and especially the traffickers of illicit drugs. Traffickers are highly mobile and unrestricted by national boundaries; they frequently move their laboratories and trade routes to regions where the national government is least in control. The Mexico-Central America corridor is currently predominant for cocaine flow from the Andean region into the United States. This situation occurred in large part due to increased law enforcement pressure in South America and the Caribbean. Drug traffickers then turned to experienced Mexican smuggling organisations to move their products into the United States<sup>9</sup>.

The drug trade is controlled by organised groups and in some cases cartels, often organised along ethnic, family or friendship lines. These multinational distribution and marketing networks exist both for consuming countries and for many processing and transit countries. New groups have sprung up in Eastern Europe and the countries of the former Soviet Union, where crumbling state control has been an open invitation to the organised crime. Trafficking routes often go through conflict or post-conflict countries. For example, between 70 and 90 percent of the heroin consumed in Europe is transported on the "Balkan route" – from Afghanistan via the I.R of Iran, Turkey to the Balkan countries for further distribution. Lately, the ancient "silk route" through Central Asia and the Russian Federation has gained in importance for the trafficking of opium. Because of the illegal nature of the drug economy, risk-minimising attitudes dominate concerning locations and relations to other actors. Violence is often used against competitors, governments or as personal protection.

---

<sup>8</sup> UNDCP (1998) Technical Series no 6, p.4

<sup>9</sup> Marshall, Donnie R. May 15, 2001

### **1.2.3 Consumption of Illicit Drugs**

The consumption of illicit drugs has become a global phenomenon. According to the 2002 World Drug Report, 128 countries have reported drug abuse. The traditional classification between developing countries as drug suppliers and developed countries as drug consumers is thus no longer valid. Today, it affects almost every country, although its extent and characteristics differ from region to region. Most countries, in which illicit drugs are produced and transported, now face significant domestic drug abuse problems, the so-called spillover effect. Drug abuse may also continue or even rise after local illicit drug production has been reduced. Pakistan, for example, still faces severe opium and heroin consumption problems after having eliminated virtually all illicit opium poppy production by 2001.

The largest market for cocaine is still the United States, but lately, the number of cocaine users in South America has increased considerably, especially in Argentina, Chile and Brazil. The abuse of opiates is concentrated to Europe and Asia, where Iran, Laos and Pakistan are major consumption countries. East and Southeast Asia has become the main arena for the use of amphetamine-type stimulants (ATS). Thailand has the largest numbers of ATS-abusers in the world, which in February 2003 led the government to declare a “war on drugs”.

The consumption of drugs is not a new phenomenon; people have taken psychoactive drugs against illness, pain and hardship or for religious and recreational purposes for hundreds of years. The substances used have, however, become stronger and more addictive through chemical processes. Consumption techniques have also changed making the effects of drugs more powerful and the risk of addiction more serious. Traditional use of substances, formerly culturally and spiritually embedded and controlled in many societies, is decreasing while compulsive use and abuse of drugs increases in almost all countries.

People who abuse drugs come from all different levels of the society, although there are certain tendencies: illicit drug use is most common among men, but it is reported to increase among women. Drugs are primarily used among young adults between the age of 18 and 25, but drug use seems to start at an increasingly young age in most countries<sup>10</sup>.

### **1.2.4 Actors in the Drug Economy**

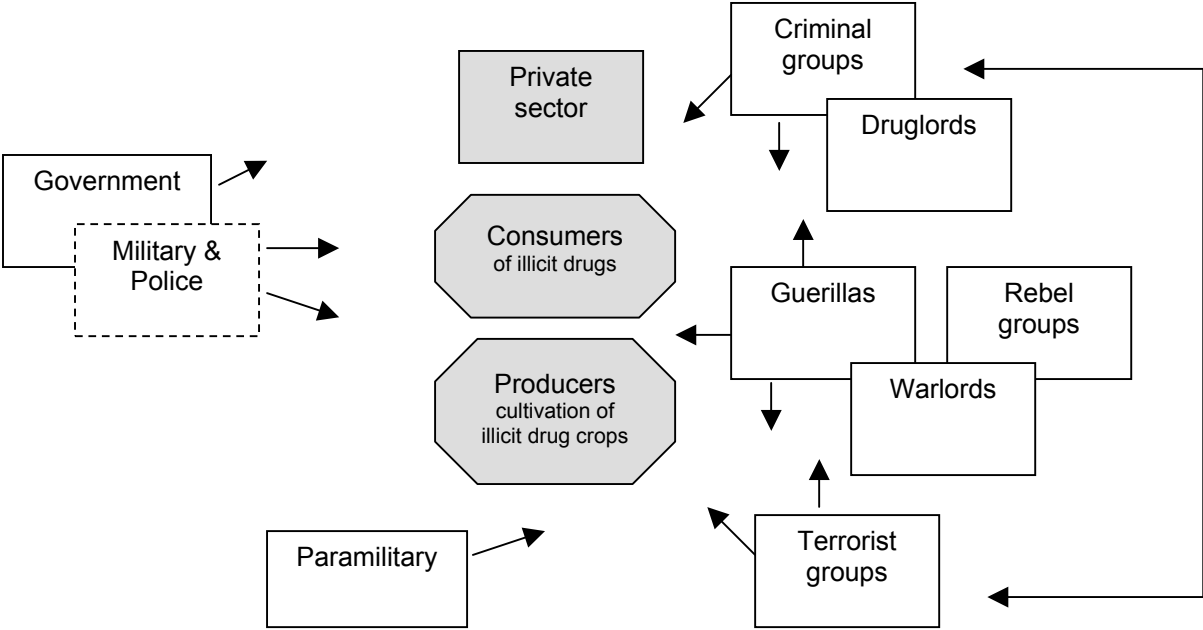
Before determining how to act in a drug related conflict, it is important to clarify who the actors in a drug economy are. Following the identification, it is necessary to find those who actively can and are willing to support peace and political stability. It is just as important to understand the motives of the profiteers in order to be able to offer alternatives and, where possible, enable their reintegration into the civil society.

In the following part, the main actors in the drug economy are briefly described, as well as how they relate to and integrate with each other. The table below presents the actors in the drug economy. The producers and consumers have already been discussed in the part above. The distinction between the different categories of actors is made on a theoretical basis, in reality some groups overlap, especially rebel and terrorist groups.

---

<sup>10</sup> UNDCP (1998) Technical Series no. 6, p.10

**Diagram 1** *Actors in the drug economy*



***Criminal Groups - Organised Crime***

Organised crime is the illegal activity of people and organisations whose acknowledged purpose is profit through illegitimate business. One very profitable activity is the trafficking of illicit drugs, in which drug lords, drug rings and mafia groups operate the business. The organisation of criminal groups involved in drug trafficking is diverse and ranges from highly organised transnational groups to small-scale family business operations. Organised crime is characterised by the use of violence, which is deliberately utilised to achieve goals. These groups successfully avoid local law enforcement efforts by operating on the international arena and use their profits for bribery in order to corrupt the legal system and avoid prosecution.

***Insurgent Groups - Rebels and Guerrillas***

Rebel groups oppose the political system and question the legal order. They are involved in conflicts with the political system and their use of violence is therefore, predominantly, directed against the state. The end of the Cold War affected many rebel groups in two ways: ideologically through the discredit of the social system and economically, through the withdrawal of financial support. This was, for example, the situation for FARC in Colombia. The loss of financial support forced insurgent groups to seek alternative finance sources, which some found in the profitable drug economy. Initially, their involvement was restricted to taxation of drug production. Later, they constructed own plantations and laboratories and established connections to terror- and criminal groups. In this collaboration, criminal organisations often run the drug trafficking operation, while rebel groups control the territory where drugs are cultivated, stored and transported. Drugs, as a source of finance, have thus become a factor in prolonging civil wars.

***Warlords***

Regions can be controlled either by rebel groups or by individual warlords. Warlords couple their aspiration for prestige and power with economic interests. They try to make profits from governmental deregulation, which is accomplished through the use of or the threat of violence. They commonly have ethnic or clan ties to the population in the region they control. The economic interest has connected warlords to the drug economy and just as rebel groups; warlords tax production of illicit drugs or exchange drugs against weapons.

***Terrorists***

Terrorists, in contrast to rebel groups, are prepared to use threat or violence against civil targets as methods to reach political goals. In recent decades, the violence has become more extreme. The structure, similar to the one of organised crime, has also changed into a network of relatively autonomous cells. The taxation of drug production and trafficking, fund the weapons, equipment, training and soldiers of terror groups. This became particular clear after the attacks of September 11, 2001, when the connection between Al Qaeda and the Taliban was generally acknowledged - Al Qaeda financed much of the Taliban's activities through the taxation of drug production.

### ***Military and Police***

The control of illicit drugs is frequently the concern of police and military. Some of their activities pass under the striking name "War on Drugs". In countries with limited governmental reach, especially in remote regions, other actors such as security companies, paramilitary or other private actors of violence carry out drug control. In some regions these groups contribute to an intensification of the conflicts, which is the situation of the paramilitary in Colombia. Where corruption is prevalent, military and police may use their connections to the drug economy for personal enrichment or as extra funds to be used for military and secret operations. (Corruption is further discussed in chapter 3)

### ***The Private Sector***

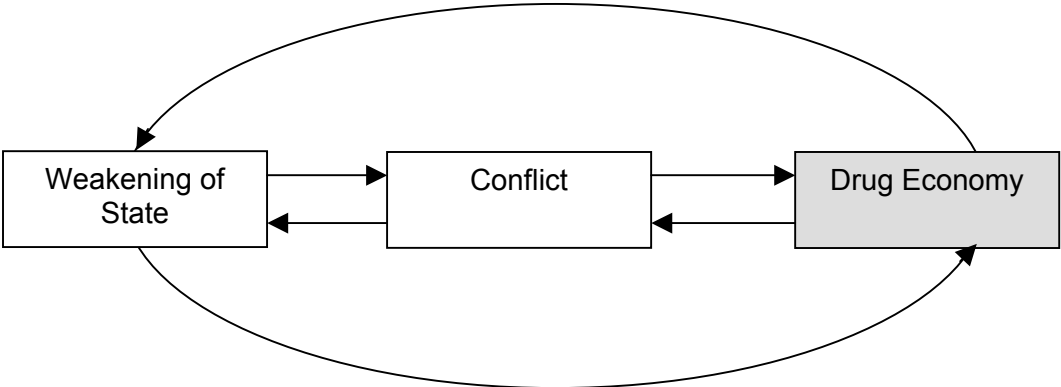
Actors involved in illegal activities need partners in the legal sphere. These partners are individuals or groups of individuals who perform illegal operations in legal business such as security companies, finance institutions, entertainment business or other international companies. Additionally, finance institutions and informal parallel banking systems offer opportunities for investment, temporary parking of funds and money laundering, which frequently also occurs within the tourist, construction and transportation sectors.

## **1.3 The Linkages Between Illicit Drugs and Conflict**

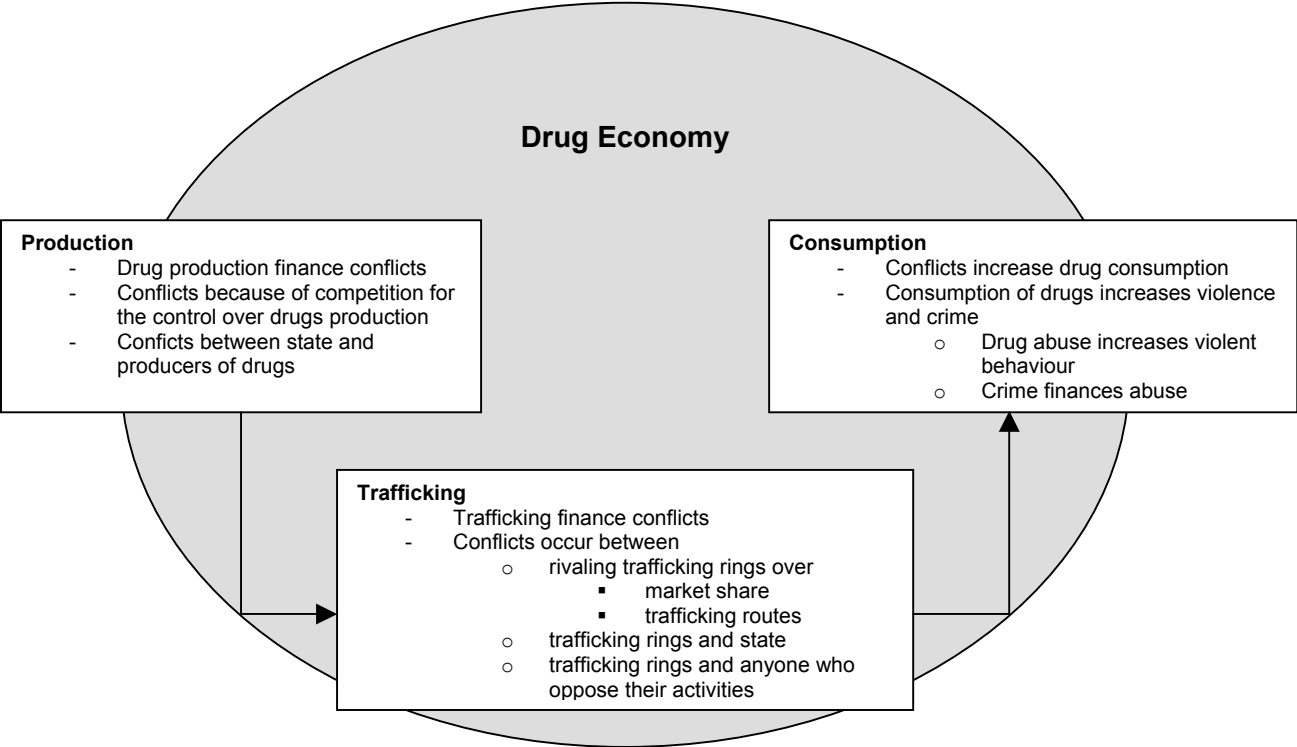
Both conflict and drugs are two very complex subjects, which make the linkages between the two areas even more difficult to analyse. This relationship has received little attention from the academic world due to the difficulties of obtaining accurate data on illicit drugs, which always is the constraining factor when studying illegal activities. However, the recent intensified interest for conflict prevention and conflict transformation can hopefully contribute to an increased interest for the interrelations between drugs and conflicts.

Areas dominated by conflicts provide suitable locations for a drug economy. Many of the major illicit drug producing and trafficking regions are characterised by several of the factors that contribute to conflict and warfare (p. 5). Illicit drugs are primarily produced in areas where the basic political framework is insufficient and a weak government and the national forces have limited control. The drug economy, on the other hand, both finances and causes conflicts and as a source of income, drug production and trafficking have aggravating as well as prolonging effects on conflicts. The table below illustrates the linkages between illicit drugs and conflict.

**Diagram 2** *The dynamics of drugs and conflict*



**Diagram 3** *The Elements of a Drug Economy*



## 2. The emergence of a Drug Economy

### *A Weak State and Instability Contribute to the Emergence of a Drug Economy*

Social, political and economic problems can lead to the weakening of state and government. A weakened government is frequently incapable of controlling the entire country, which results in the loss of one of the most important functions of the government, the monopoly of force. It should be noted that in some states, for example in Afghanistan, the government has never had the monopoly of force. In other worlds, the monopoly of force is not always the starting-point for the weakening of state. In such a context, crisis prevention and conflict transformation must be based on other structures such as clan structures.

### **2.1 The Weakening of State**

Weak states are deficient in several respects. There are political problems concerning the institutions of the state and their legitimacy in the population. There are also economic problems where the lack of a coherent national economy makes it difficult for the state to sustain the welfare of the population. The weakening of state is a process involving different levels of failure ranging from shorter political institutional crises to downright collapses (failed state) although it is often difficult to determine the degree of failure.

Weak states are often incapable of sustaining their basic functions - internal and external security, the rule of law and basic civil and political rights. The power is frequently concentrated in the hands of state elites who exploit their positions for their own benefits. Institutions are weak without competence or resources and important positions within the state apparatus are filled with loyal supporters. The more the state proves to be dysfunctional for the society, the more important personal networks become – as a substitute and for protection. The system is depoliticised and the state is seen as a “prey”, which can be distributed for political votes. Consequently, a vote is not expressing a political opinion but is rather a payment for services.

The elite captures the state for their own interest, which exclude the rest of the society. The outcome is escalating social conflicts, which together with the increasing inability of the government result in declining legitimacy and physical weakness. In many peripheral regions, the government is unable to exercise its monopoly of force because of territorial competition from warlords or rebel groups. Since there is neither interest in the national development nor trust in the state, family and other bonds, such as clan structures, become more important. Attempts by the state to control the growing numbers and dimension of oppositional groups by repression only contribute to further erosion of the legitimacy of the state. Concurrently, repression can strengthen existing oppositional groups or provoke the emergence of new rebel or terror groups. Organisation, participation, security and welfare fall in the hands of those fighting for it, for example local warlords or rebel groups. The defence of the state against this privatised violence is financed through special taxes, expropriations and reduction of spending in other areas, such as education and social services. The political system is by society experienced as being irresponsible, unfair and arbitrary created, which encourage and legitimise increasing violations against property rights (theft and kidnapping) and tax frauds. As a result the civil society tries to avoid the government and the national forces by escaping into alternative, not always legal markets.

#### **2.1.1 Informal Economy and Illegal Economy**

In a weakening process, the state not only loses control over the political sphere but also over the economic sphere. The informal economy drastically develops and - unlike the formal economy, which is predictable and regulated - the informal economy is almost completely unregulated. However, in Afghanistan, for example, the informal banking system *sarafi* is

rather used than the formal banking sector, which indicates that the informal system is considered more reliable and predictable than the official economy<sup>11</sup>. Organised crime depends on both a large, well-organised informal sector and formal transaction and investment opportunities in order to secure its profits from illegal activities – such as drug trafficking. With rising illegal activity, profits are increasingly transferred into private accounts in other countries or moved into the black market. Money laundering increases, which may shift the import from goods that are beneficial for the country into luxury goods. A resulting intensified instability on the fiscal and economic market makes it difficult if not impossible to assert economic policies. This provokes capital flows and exchange rate volatility. Economic instability prevents the construction of a comprehensive formal economic system and deters international investments. In a conflict, the extent and the importance of the informal as well as the illegal economy grow with the increasing need for funds by all parties involved.

## 2.2 Economies of Violence

Privatised violence such as rebel groups and warlords operate in regions where the government has lost the control. In such regions the political and economic system is determined by these actors and not by the government. Violence is a trading good and the foundation of the economic system. These groups have misappropriated the control over natural resources, weapons and drugs by means of violence. They also protect their economic activities through violence. Additionally violence or the threat of violence is a commodity offered as protection of political or economic interests by certain groups. In these economies of violence, economic motives of material profits often dominate the superficial objectives of political power or traditional obligations to engage in a conflict.

Within these markets, actors try to satisfy their economic needs either by robbery or barter - collection of ransoms, protection money, road tolls etc. or by getting involved in production and trade of goods such as gold, diamonds, emeralds and drugs. Preferable commodities are those, which are easy to transport and to conceal, and which offer maximal profit in relation to their size and weight. Illicit drugs – coca, opium and synthetic drugs meet these requirements. The outbreak of an open conflict disconnects regions from legal routes and income sources, which decrease the chances to earn money within alternative non-violent sectors. The isolation and the absence of state control make the region economically attractive for the establishment of a drug economy.

Violence and conflicts do of course not automatically imply the emergence of a drug economy. The largest producers of opium, Afghanistan and Myanmar, both are dominated by civil wars. In Colombia, the major coca producer, the state is involved in armed conflicts with guerrilla groups. Lao PDR is the third largest opium producer, although the government has the monopoly of force. Peru and Bolivia, also major coca producers, do not experience the level of violence as Colombia does. Additionally, conflict or post-conflict areas, provide suitable conditions for trafficking rings due to the lack of control and the absence of the rule of law. This can be observed in some countries of the former Soviet Union. The distribution net, however, reaches countries, which are not affected by such instability.

When considering other drugs, such as cannabis and amphetamine-type stimulant (ATS), the statement that conflicts give rise to drug economies, is not so evident. Much of the world's cannabis is cultivated in the United States, the Netherlands, Mexico and Morocco, countries that do not present economies of violence. ATS is produced in Myanmar but also largely in stable countries in Europe and in Australia. However, the trafficking and consumption of ATS (and other drugs) cause conflicts, which will be further discussed in chapter 3.

---

<sup>11</sup> Goodhand, Jonathan (2003) p. 12.

## 2.3 Other Factors

There are consequently other factors that give rise to a drug economy, for example poverty as well as social and economic development problems. Poor and underdeveloped regions frequently have subsistence problems, food shortage and lack opportunities for non-agricultural activities. They are often located in remote areas, which imply social, economic and political marginalisation of the population. As a consequence, income opportunities, access to markets, health facilities, education and the participation in the decision-making process are limited. Cultivation of opium poppy or coca is one of few options, which subsist these people. Poverty is also an important factor provoking drug consumption.

Factors that contributed to the development of the drug economy in the Andean countries of Bolivia, Peru and Colombia were the crisis of traditional agriculture, population growth, periods of drought, the collapse of mining and the impoverishment of large sections of the rural population between 1960 and 1980. As a result, people migrated into remote tropical zones. As the demand for cocaine rose in the 1970s and 1980s it brought about a dramatic expansion of the coca cultivation in these regions where people tried to find new income sources. As the market for cocaine grew, the drug traders in Colombia quickly adapted to the new income opportunity by building on their prior experience of informal economy activities such as tax evasion, smuggling and export of marijuana to the United States. The possibility of making comparably large profits is a decisive incentive for drug trafficking both in developing and developed countries.

Poverty and insufficient development do however not explain why developed countries like the Netherlands and the United States are major actors in the drug economy. According to the Transnational Institute (TNI), there are two contributing factors to the production of drugs, particularly ecstasy, in the Netherlands. The first factor is the availability of the precursor chemicals used to manufacture ecstasy and other synthetic drugs, as the country is a centre for the international chemical industry. The second factor is the modern transportation infrastructure and the Netherlands's busy ocean ports and airport.<sup>12</sup>

The following GTZ and UNDCP publications explore above mentioned factors as well as other factors causing a drug economy in developing countries:

### GTZ

- ❖ *Drugs and Poverty - The Contribution of Development-oriented Drug Control to Poverty Reduction* (2003)
- ❖ *Drugs and Development – Policies, strategies and experience in drug control within the framework of development cooperation* (1998)
- ❖ *Drugs and Development in Latin America* (2001)
- ❖ *Drugs and Development in Asia* (1998)

### UNDCP:

- ❖ *Economic and Social Consequences of Drug Abuse and Illicit Trafficking* (1998)

---

<sup>12</sup> Transnational Institute TNI *Progress Report*, April 2003, p.16

### 3. Consequences of a Drug Economy

A weak state exposed to violence and conflicts contributes to the establishment of a drug economy. The drug economy on the other hand further undermines the state and the society as well as escalates the use of violence.

#### 3.1 Destabilisation of State and Society

The drug economy has a catalytic effect on the delegitimisation of the state through extreme exploitation and profit-seeking behaviour and by reducing the ability to implement social and economic measures. The destabilising consequences of the establishment of a drug economy on state and society can be summarized as follows:

- intensified failure of state
  - increased corruption
- increased violence
- diminished attractiveness of legal activities
- augmented income disparities
- stabilisation of the war economy

#### Intensification of state failure<sup>13</sup>

The destabilisation of the state is usually the most serious consequence of the existence of a large illicit drug economy. The large profit generated by drug trafficking has the ability to corrupt the whole political and economic system. Corruption is directed toward the political elite and institutions, the judicial and economic system as well as anti-drug forces including police, military and other security forces. Corruption may be of an individual, collective, systematic or institutional nature and it penetrates all levels of society from local custom officials to high-ranking police officers. Traffickers promote corruption in order to guarantee access to markets, while each stage of the distribution chain requires the pay-off of police, custom and military officers. Corruption is a manifestation of a compromised rule of law and it flourishes in countries where people are uninformed of their rights and where the salaries are low. The lack of independent media, free public debate over policies, transparency in government tendering and independent judiciaries and procurators on all levels promote corruption<sup>14</sup>. Drug trafficking has become a substantial source of income for many people, thus many have a strong interest in maintaining the drug economy.

The economic consequences of the weakening of state are exacerbated by a drug economy. Money laundering further increases. Profits from the drug economy are moved outside the country. Conspicuous consumption is encouraged.<sup>15</sup> The large profit from drug trafficking further prevents sound macroeconomic management. The government creates high interest rates with the aim to counter the flow of illicit profits, which crowds out legitimate investment. The drug economy also affects the civil society by disrupting social cohesion and it seriously erodes social capital, which is vital for development. Gambling, prostitution and drug abuse follow in the trace of a drug economy.

#### Increased violence

The whole society is destabilised by the presence of a drug economy. The main indicator is the increase of violence, crime and conflict. Drug-related crime includes gang wars, violation of property rights, robbery, blackmail and kidnapping. Violence also restricts the freedom of movement and increases the need for security services.

---

<sup>13</sup> International Narcotics Control Board (2001) *Illicit Drugs and Development*

<sup>14</sup> Transparency International, *Corruption Perception Index*, June 2001

<sup>15</sup> Refer to people who buy more of a good the higher the price of the good in order to show off their wealth to others.

An example of drug trafficking related violence is the multi-billion dollar Balkans narcotics trade, which played a crucial role in the funding of conflicts in the region. The trade has also generated conflicts all along the Balkan route between rivaling trafficking groups and between traffickers and police and military. Traffickers use whatever method to obtain or preserve positions of power and they possess the resources to eliminate institutions and people who stand in their way. Drug rings engage in armed conflicts as they try to defend and expand their drug distribution market, with destabilising consequences both in transit regions and consumption cities. Additionally, the rivalry between drug rings concerns the control over trafficking routes from producer to consumer, where traffickers attempt to break down the competitor's infrastructure or assume control over the roads. From Central Asia to the Caucasus, there have been a series of conflicts, in which well-equipped groups have waged extremely violent operations against each other.

The production of illicit drugs causes conflicts; indirect by funding rebel and terrorist groups or direct in the production area. Coca and opium cultivation regions are exposed to violent conflicts between competing rebel groups or warlords, and in Colombia, between guerrillas and paramilitary groups. These conflicts are marked by the competition for the control over drug cultivating areas. Clashes between rebel groups or warlords and the population have also occurred, for example, in Afghanistan when farmers have failed to repay credits provided by the warlords or in Colombia when the population has demonstrated its dissatisfaction with the transformation of the rebels from political opposition group to criminal organisation involved in drugs.

In countries where the threat of state failure is prominent, the government force of order frequently is associated with political repression. In some situations where government forces have attempted to stamp out resistance or assume control of rebel occupied regions, the population have been assaulted or killed. Villages have been looted, burned, emptied and abandoned. Villagers who have survived the attacks, but have been forced out of their villages continue to suffer from hunger, disease or exhaustion on roads, in the forests or in camps. One of very few options left for these people is to join rebel groups and become involved in the drug economy.

International drug control policies themselves have also contributed to an increase in violence and potential conflicts. With the objective of reducing the supply and demand of illicit drugs and finally achieve "a drug free world", UN policies are largely dominated by repressive measures. Since the launch of the United States' "war on drugs", in the beginning of the 1980s, repressive measures have constantly increased. At the same time however, drug production, trafficking and consumption have continued to rise. Thus, repression as the major – and sometimes only - means of drug control has resulted in grave negative consequences, in which development efforts have been obstructed and conflicts have been caused or aggravated. The repression of drugs in one country can have consequences in neighbouring countries. The negative social and environmental impact of the Colombian chemical coca eradication programme has spilled across the border into Ecuador where entire fields of coffee and other legal products are reported to have been destroyed<sup>16</sup>. The clashes between guerrillas and paramilitary groups have also provoked a stream of refugees over the border where the violence has escalated. A feasible alternative to the predominantly repressive policy is an approach, in which development-oriented measures to reduce drug demand and supply, and repressive measures are balanced. In order to avoid spillover effects, preventive alternative development should be promoted.

The Andean countries of Peru, Bolivia and Colombia have been the main arenas for the repressive drug control policy. In all the three countries forced eradication of coca has resulted in a severe increase in violence and conflicts. In Bolivia, some coca growing areas

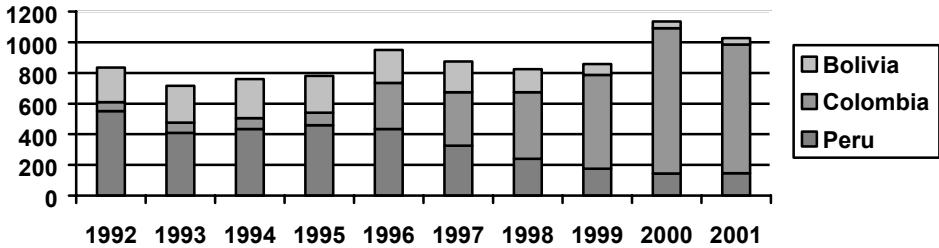
---

<sup>16</sup> BBC 20 July, 2001

have witnessed violent clashes between coccaleros - coca growers - and police and special military forces. The coccaleros have become a strong political movement led by Evo Morales, who came second in the presidential election in 2002. In Peru, the coccaleros are also getting more organised. In a protest action against the government's repressive policy protesters smashed the government's anti-drug office and more than 70 people were injured<sup>17</sup>. (For the situation in Colombia see box 2 p. 19)

In spite of the extensive efforts to reduce coca production in the area, the main change that can be noticed is that production of coca has shifted from Peru and Bolivia to Colombia. However, the total level of production has actually increased. The diagram below shows how the potential production of coca in the Andean region has changed from 1992 to 2001. The number of hectares under cultivation in the Andean region remained constant over the time-period, but the potential production increased because of an increase in yield<sup>18</sup>.

Diagram 4: Potential Production In Cocaine in Metric Tons



Source: Statistical Summary on Drugs, Draft Analysis 2002, CICDAT

Even generally, democratic countries, which comply to the rule of law sometimes give way to violation of human rights in their attempts to control illicit drugs. One example are the extra judicial killings in Thailand.

**Box 1 Thailand and the Crazy Medicine**

**Thailand and the Crazy Medicine**

Thailand has long been a major actor in the drug industry in Southeast Asia, as a producer and primary as a transit country for opium and heroin produced in Burma. Many of the networks involved in heroin production have recently shifted over to the production of amphetamine-type stimulants (ATS). Thailand is no longer only a transit country but has also become a major consumer country of ATS, preliminary methamphetamine – called *ya ba*, which means crazy medicine. The total number of people using amphetamines in Thailand is estimated to be more than 3 millions. The consumption of *ya ba* is cutting across social, economic and age boundaries. The Thai government has declared this rapid increase in drug abuse declared the number one security and health threat.

In his determination to wipe drug consumption out, the Prime Minister Thaksin Shinawatra, on 1<sup>st</sup> February 2003, announced a "war on drugs" and gave the authorities three months to rid "every square inch" of the country of drugs. The government has used a system of bribes and threats to ensure that regional governors and police chiefs fulfil their quota of reducing the number of drug dealers by 50 percent. Mr Thaksin has threatened with demotions and disciplinary action against ranking police officers who did not meet their targets. The government also encouraged the use of violence to pursue its operation.

<sup>17</sup> Transnational Institute TNI (2003) Progress Report p. 7

<sup>18</sup> Transnational Institute TNI (2003) Progress Report p. 3

Within three months, more than 2,000 people have been killed. The government and police claimed that only 51 drug suspects have been shot by police officers, all acting in "self-defence". According to the police, the majority of killings resulted from inter- and intra-gang attacks. Some of the killings have more resembled executions and the fact that there have been no investigations into the killings has raised allegations of extrajudicial killings. Additionally 49,594 people were arrested. In total, some 14 million pills were confiscated, which has tripled or quadrupled the street price over the course of the three months<sup>2</sup>. The Thai society has however responded positively to the result of the campaign. In February, three weeks after the start, an opinion poll found that 93 per cent were "satisfied" or "very satisfied" with the campaign. Thaksin has now decided to extend the "war" to year's end. He has promised to present a drug-free Thailand as a birthday gift to King Bhumibol Adulyadej on December 2, 2003

<sup>1</sup> 5.9 percent of the total population compared to Germany 0.6 percent. UN ODCCP (2002) p. 263-264

<sup>2</sup> Far Eastern Economic Review, May 8, 2003

### **Diminishing attractiveness of legal activities**

Apart from drug production and trafficking, the drug economy offers many illegal opportunities to earn money, for example, looting, the construction of roadblocks, smuggling, and providing protection against competitors or the state. The drug economy promotes illegal business and unfair competition, which may restrain the legal business. The instability and the violence deteriorate the business climate and the prospects of new investments decline. With declining investment levels, economic and social progress is hindered. Failing investment also reduce employment and income opportunities. The lack of alternative livelihoods constitutes powerful motivations to join the drug economy.

### **Augmented income disparity**

In poor regions where drug rings and drug lords operate, the difference between the ones involved in drug trade and the ones who are not, can be extreme. In Afghanistan, for example, the opium economy has created a *nouveau riche* of the young men involved in opium trade and the commanders who tax and control it. In the city of Almaty, Kazakhstan's principal city, the drug lord Almaz Rigi has developed the city centre into a luxurious zone, which contrasts sharply with the outer neighbourhoods where people are literally starving<sup>19</sup>. These phenomena can also be seen in Colombia and Myanmar. The chance to earn good money is of course an important factor why the drug economy attracts so many, foremost young men.

Income inequality increases not only because drug trafficking groups get wealthy on drug trade but also because of their spending patterns. In Colombia, drug rings have invested part of their profits in land acquisition, which has resulted in inverse land reforms, marked by the distribution of land to a few number of owners. The growing disparity among population groups can also be observed between farmers with land and capital and landless farmers. In Afghanistan, landowners lease out their land for poppy cultivation and can thereby accumulate assets, while landless farmers who lack this opportunity are pushed further into poverty.

### **Stabilisation of war economies**

The drug economy plays an important role in sustaining and prolonging wars and conflicts. In their political struggle, several rebel groups and warlords finance their weapons and soldiers with revenues from drug production and trafficking. So can the insurgency in Colombia and Myanmar and the warlords in Afghanistan continue their fight against competitors or the

---

<sup>19</sup> Cooley, John K (2000) chapter 7

state. A prolonged period of war and conflict compromise the rule of law. It also increases the government's expenditures, which deteriorate its capability to provide the necessary social and political framework. The result is declined welfare for the society at large.

## **Box 2 Colombia - Civil War and Coca**

### **Colombia - Civil War and Coca**

Colombia is a country marked by civil war. Guerillas, paramilitary groups and the armed forces fight over the control of territory and resources. Since the 1970s, both political and economic institutions have lost their legitimacy in Colombia. The expanding drug economy has aggravated this process and repressive drug control programs have, by associating their control with increased violence and militarization, additionally nourished the development. Colombia is not classified as a failed state but the state is weak. Approximately 75 per cent of the country is either controlled or contested by guerillas or paramilitary forces<sup>1</sup>. Since the government is unable to exercise authority in much of rural Colombia, it can neither guarantee the rule of law nor provide basic social services. Corruption is prevalent within the state apparatus, in which federal prosecutors, politicians, mayors and civil servants exploit their own positions. During the 1980s and early 1990s the Colombian justice system was subjected to systematic assaults from the drug mafia and others involved in organized crime. The Colombian history has always been characterized by phases of extreme violence. There is an acceptance of violence as a general instrument of conflict management by a large part of the population. Anyone who resists the use of violence – refuse to pay for protection, engage private security service etc. - will run the risk of becoming a victim of violence.

Colombia is today the world's largest producer of coca and accounts for approximately 80 per cent of the total coca production. The major coca cultivation areas are located where the state has lost the control. These areas are increasingly becoming the stage of armed conflicts between guerilla groups, paramilitary groups and the armed forces with devastating consequences for the civilian population. Drug production and trafficking were initially not a part of the Colombian conflict but the collapse of the eastern Communist block forced guerilla groups, especially the FARC, to seek new sources of funds. The guerilla's sworn enemy, the right-wing paramilitary forces were at first organized and armed by the Colombian military. Their role was to protect landowners from guerilla extortion, kidnapping and assassinations. However, the paramilitary forces quickly got involved in the drug trafficking, although their involvement was not officially acknowledged until 1997. Currently, paramilitary forces are waging a true war of territorial control against guerilla groups to expand their coca producing area. As the conflict intensifies, both groups need more coca to finance their increased costs.

In 2000, the Colombian Government launched the Plan Colombia, which is intended to stimulate the peace process. It includes a strategy for combating drug trafficking through forced eradication, voluntary eradication and interdiction. The United States assistance to Plan Colombia is extensive, for the first period they contributed US\$ 1.3<sup>2</sup>. The forced eradication is done by aerial spraying of coca fields. Critics against the spraying include complaints of skin and respiratory ailments from people living in sprayed areas. The spraying has also destroyed subsistence crops, domesticated animals have become sick, water supplies have been contaminated and the flora and fauna have been harmed. As a result people have migrated deeper into the rain forest adding to the two million people already displaced. The aerial spraying provokes a chain of negative consequences where human rights are violated, the legitimacy of the state is eroded, alternative development efforts are hindered, peasant support for the guerilla increases, the war extends to new areas and the war on drugs is entangled with counterinsurgency objectives<sup>3</sup>. Colombia has turned into the major "battlefield" of the US led war on drugs justified by the international goal of achieving a drug free world.

<sup>1</sup> International Crisis Group ICG (2002) p. 7

<sup>2</sup> Utbildning för Bistandsverksamhet

<sup>3</sup> Transnational Institute TNI (2003) Progress Report

## 3.2 Consumption of Illicit Drugs

In wars and violent conflicts, soldiers use drugs because of the psycho-physiological effects, which stimulate risk taking and the use of violence by removing inner barriers. Drugs also relieve resulting pain, stress and trauma.

Because of poverty and instability in conflict areas poor people seek a better future in cities. Many cities have undergone processes of fast modernisation, which have resulted in different social and cultural life patterns compared to the rural regions. The fast influx of rural people into the cities has resulted in high unemployment, which has made it difficult for the newly arrived to find jobs and to adapt to the new structure. In cities located in the vicinity of drug production areas or in transit regions, the cheap and easy access of illicit drugs and the collapse of traditional values and social nets make many turn into drugs. For many, drugs offer an escape from broken illusions, despair, insecurity and the lack of future prospects.

Drug abuse, whether in developed or developing countries, adversely affects individuals' health, financial position, productivity and social relations. The abuse also implies social and economic cost for the society, which includes increased expenditures on police, courts, military, treatment programmes and social welfare.

Conflicts do not only provoke drug abuse, but conflict and crime also result from drug consumption. The psycho-physiological effects of drugs increase risky behaviour and people commit crimes under the influence of drugs that they otherwise would not commit including murder, rape and physical assault. Additionally, drug users commit crimes such as theft, burglaries and robbery in order to get the money to pay for drugs

In most countries, the consumers are criminalized and by many seen as the enemies of state, which is strikingly illustrated by their share of prison inmates. In the ongoing debate on the linkage between drugs and terrorism, drug consumers are being stigmatised as they are considered to contribute to terrorism by using drugs. The argument in the United States is that each dollar paid for heroin is a dollar that goes to Al Qaeda. As a result, the penalties for heroin consumption have increased<sup>20</sup>.

### **Box 3** *South Africa – Drugs and Violence*

#### **South Africa – Drugs and Violence**

In a region where drugs are traded or on transit points, the risks of conflicts, crime and violence are higher than in most other regions. The trafficking regions are often located in conflict or former conflict areas. South Africa is an example of a country where drug trafficking is a consequence of conflicts and civil war and where the trafficking today contributes to the continually increasing level of violence.

South Africa today is a major transit point for heroin from Asia and cocaine from South America destined for Europe or North America. Since the mid-1990s the country has become an export and transit hub and a market for illicit drugs, to a large extent due to the country's importance as the region's main economic actor and its well developed infrastructure with airports and seaports. Although South Africa serves mainly as a transit point for smuggling of heroin and cocaine, the falling prices have resulted in increased use of these substances, especially in urban areas. The use of ecstasy has also increased. Cannabis and mandrax<sup>1</sup> are the most commonly used illicit drugs in South Africa.

<sup>20</sup> TNI *Afghanistan, Drugs and Terrorism Merging Wars*, December 2001

Today, the country reports the world's highest rate of Mandrax abuse and is one of the world's largest producers of cannabis. The rise in heroin injection is particularly worrisome since South Africa has a high rate of HIV/AIDS. The rise in consumption can largely be explained by the vast political changes in South Africa. These have been accompanied by social transition, high unemployment, social injustice, and weakened family bonds which have created an environment where drug use offers an escape from the harsh realities of every day life - especially to young people. Additionally, the legacy of the Apartheid regime<sup>2</sup> plays a decisive role in the increase of trafficking and consumption of illicit drugs.

*“South Africa has emerged from a long history, which demonstrated the evident ‘power’, and even the ‘effectiveness’, of violence as a strategy to exert influence, dominate and oppress. Violence has come to be regarded as a legitimate means of establishing control and authority within many spheres of our society including the family environment. The cycle of violence, which begins in the home and extends to the playground, the school, and the streets and to every facet of community life, is certainly an unpleasant feature of our society”<sup>3</sup>.*

Crime and violence are currently the most pressing and visible social problems in South Africa. Apartheid contributed to an increase in violence and the “criminalisation” of society with its ignorance of investigation techniques and judicial procedures by police officers on the side of the government and murders of police, municipal officers and “traitors” by anti-apartheid forces. A long tradition of civil disobedience (boycotts) against the Apartheid regime further contributed to a disregard of the law. As a result, the frontier between what is legal and what is not has been blurred in the minds of many people<sup>4</sup>. During the Apartheid important networks were formed for all kinds of illegal activities, which often served to finance opposition movements, but were also one of the very few possibilities to survive in an economy, which left little to no income-opportunities to a large proportion of the population. Today, drug traffickers are utilizing these networks and channels. It is within these groups or in other criminal gangs where marginalized, frustrated youth often find an alternative place of belonging.

<sup>1</sup> An anti-depressant mostly made up of Methaqualone

<sup>2</sup> Between 1961 and 1994

<sup>3</sup> Addressed by Deputy President Zuma at the Conference on Substance Abuse, Crime, Violence and HIV/AIDS as Consequences of Poverty, July 2, 2000

<sup>4</sup> UNESCO (2002) *Globalisation, Drugs and Criminalisation* p. 118

## Conclusions and Future Challenges

In this paper some of the linkages between drugs and conflicts have been discussed:

- **Production, trafficking and consumption of illicit drugs frequently emerge in instable areas, in which violent conflicts are prevalent.**
- **The drug economy, on the other hand, causes conflicts and contributes to its continuance.**
- **Drugs undermine development efforts, the establishment of democracy and the construction of a legal system in accordance with the rule of law.**
- **Violent conflicts have similar negative effects on development. Many years of development work can be destroyed within a short time.**

The discussion on how development-oriented drug control can contribute to the prevention and transformation of conflicts and how conflict transformation can contribute to the reduction of a drug economy and its consequences on state and society is in an early stage. The aim of this paper is not to offer solutions but to describe the linkages between drugs and conflicts and to inspire further discussions. Certainly, many issues remain to be discussed, both at international policy and operational level. Some of these questions are:

- Should development cooperation be carried out in instable, insurgency or warlord dominated areas in which drugs are cultivated or transported?
- What kind of project interventions should be designed?
- Are alternative development projects to control illicit drug crop cultivation possible in regions, in which the state has lost the control?
- What kind of organisations should be the counterpart for such projects?
- Should development cooperation consider traffickers of illicit drugs as a potential target group? Today, small-scale producers and consumers of drugs are included in development efforts but not groups such as drug traffickers or drug lords, although they have a strong influence on the problematic.
- Instead of ignoring or criminalizing these powerful actors, how could they be encouraged to invest their accumulated profits into the licit economy and thus contribute to the development of the region?
- What measures are needed to turn a drug transit area into a centre for legal trade? Afghanistan for example, holds the potential to become a hub for the regional trade because of its geographical location. How could the necessary pre-conditions for this regional stability, roads and communication networks as well as a strong government be installed without also supporting illegal trade?

## Drug Control and Crisis Prevention

Institutions and experts in crisis prevention rarely conceptualise drug problems within their work. If drugs are considered, it is mostly as a source of finance of insurgency groups. The complexity of the subject and the links to conflicts are however considerably more multifaceted. The success of drug control measures in conflict regions depends on a thorough understanding of the conflict. Likewise, the development of adequate conflict transformation measures requires comprehension about drug related issues of the conflict. The respective knowledge of the two subjects may sometimes be lacking or incomplete. Consequently, there is a need for enhanced collaboration between the two disciplines. The objectives of crisis prevention and drug control show a number of similarities: promotion of stability, sustainable development, good governance and the rule of law. Existing instruments

and methods ought, therefore, to be adjusted or extended to include both perspectives. Strategies and instruments of development-oriented drug control such as *Alternative development*<sup>21</sup> and *Integrated Local Drug Policy*<sup>22</sup> could contribute to crisis prevention and peace building. Integrated Local Drug Policy may help solve conflicts on community level by tackling drug problems and taking underlying conflicts into account. Through transparency and true participation, a relationship of trust can develop within the community and between the community and partners in development cooperation as well as the state.

## Alteration of Drug Control Policies

Forced measures to reduce or to eliminate the illicit cultivation of drug crops have frequently generated unintended negative social, economic and political consequences. As discussed in chapter 3, the spraying of coca fields has severely affected regions. In some cases **Alternative Development** projects have also caused harm to the population and the environment because of the international (mostly US) approach of measuring progress in hectares eradicated. Alternative development should be free of deadlines and the precondition of total eradication of drug crops prior to the availability of viable alternatives. A more flexible and gradual reduction of drug crop production must be allowed to avoid problems related to economic and social suffering. Today many communities are forced to hasten the eradication process without viable alternatives, which have resulted in aggravated poverty and migration. Accordingly, drug crop reduction must be voluntarily and development assistance offered without preconditions on area reductions. *“Drug cultivating communities would no longer have to ‘prove their willingness to substitute’, but the government and the international community would have to ‘prove the viability of alternatives’ before demanding that peasant and indigenous communities place the fragile foundation of their survival economy at risk”*<sup>23</sup>.

**Harm reduction** concepts are increasingly acknowledged on the drug demand side. Harm reduction is premised on the conviction that it is more productive to integrate drug users into the society than to separate them. It advocates averting and reducing the harms of drugs through education, prevention and treatment and seeks to limit the harm caused by an over-emphasis on prohibition<sup>24</sup>. As a response to the negative consequences caused by the suppression of drug production harm reduction concepts should be applied to the supply side too. To begin with, it would reduce the harm of economic mono-dependence on illicit drug crops. The Dutch-based NGO, Transnational Institute (TNI), suggests that the small growers of coca or opium poppy should be defined as economic victims that have become ‘addicted’ to illicit crops for survival. With a harm reduction approach these people could be helped out of their dependency. This approach can also reduce the harm done to individuals and

---

<sup>21</sup> **Alternative Development** is carried out in rural areas with development *and* drug problems. It has two general objectives: to improve people’s living conditions through integrated rural development, and to reduce drug problems (production and consumption). Alternative development thus helps create economic and social conditions in which households can achieve an acceptable standard of living without having to grow illicit drugs. Alternative development plays a valuable part in poverty reduction, promoting social and physical safety, health, education, stabilizing the environmental balance, improving the target groups’ opportunities for participation, and good governance. In the agricultural sector, alternative development support improved farming practices, diversification of products and marketing opportunities. Moreover, it promotes enhanced cooperation between the state, the private sector and civil society. An increased stability in the area and improved communication between various parties help prevent or reduce violent conflicts.

<sup>22</sup> In the **Integrated Local Drug Policy** the dialog between institutions, communities, organizations and the drug producers and consumers is promoted. The intention is to integrate a range of disciplines and sectors and draw experience from various actors. Together, drug policies are formulated, which can be implemented on the local level. Indirect positive effects of the cooperation between institutions and the participation by communities in the political decision-making process include increased efficiency and transparency in the public sector – a contribution to Good Governance.

<sup>23</sup> Transnational Institute TNI (2002) *Alternative Development and Eradication: A Failed Balance* p. 8

<sup>24</sup> [www.drugpolicy.org](http://www.drugpolicy.org)

environment by repressive measures. Harm reduction should also be considered when attempting to reduce the importance of illicit drugs in fuelling armed conflicts<sup>25</sup>.

### **Political Support**

International organisations, national governments and agencies in development cooperation should acknowledge that there are close links between drugs and conflicts. The formulation of appropriate strategies for the prevention and reduction of harms caused by drugs and/or conflicts need the support from these organisations. The trafficking of illegal drugs must be recognized as a vast conflict generator, especially on transit points. The issue on how to approach this phenomenon should be brought up on the agenda of development cooperation and not, as today, often be the responsibility of the police and military. Additionally, international and national institutions and organisations need to acknowledge the rising problem of drug addiction in developing countries and support prevention and treatment in these countries. Greater emphasis and more resources must be provided for stakeholders involved in both demand and supply reduction policies to support *the balanced approach* – an approach which seeks a balance between supply and demand reduction measures, and a balance between repressive law enforcement approaches and more liberal development oriented approaches.

---

<sup>25</sup> Transnational Institute TNI (2002) *Alternative Development and Eradication: A Failed Balance* p. 9

## References

BBC *Ecuador hit by Colombia conflict*, 20 July, 2001

Cooley, John K. (2000) *Unholy Wars: Afghanistan, America and International Terrorism*

Eppler, Erhard (2002) *Vom Gewaltmonopol zum Gewaltmarkt?*, Frankfurt/M

Far Eastern Economic Review, *Thailand: Popular War*, May 8, 2003

Frankfurter Allgemeine Zeitung *Thailands Rauschgiftkrieg; Thaksin strebt nach Geltung in der Region*, 23 April 2003

Goodhand, Jonathan (2003) *From War Economy to Peace Economy?* SOAS, University of London

GTZ (2003) *Poverty and Drugs - The Contribution of Development-oriented Drug Control to Poverty Reduction*, Eschborn

GTZ/ Drugs and Development Programme (Alexander, Michael) (2002) *Konflikt und Drogen –Draft*, Eschborn

GTZ (2001) *Drugs and Development in Latin America. Strategies, experience and project examples from the work of GTZ*, Eschborn

GTZ and BMZ (1998) *Drugs and Development – policies, strategies and experience in drug control within the framework of development cooperation*, Eschborn and Bonn

GTZ (1998) *Drugs and Development in Asia*, Eschborn

GTZ - Norbert Ropers (2002): *Peace-Building, Crisis Prevention and Conflict Management: Technical Cooperation in the Context of Crises, Conflicts and Disasters*, Eschborn

International Narcotics Control Board INCB (2001) *Illicit drugs and economic development* E/INCB/2002/1

International Crisis Group ICG (2001) *Central Asia: Drugs and Conflict*, ICG Asia Report No. 25, Brussels

International Crisis Group ICG (2002) *Colombia's Elusive Quest for Peace*, ICG Latin America Report No. 1, Bogotá/Brussels

Labrousse, Alain (1999) *Conflict, Drugs and Mafia Activities*, Contribution to the Preparatory Work for the Hague Peace Conference May 11- 16 1999

Marshall, Donnie R. *DEA Congressional Testimony*, May 15, 2001

Romero, Mauricio (1998) *Changing Identities and Contested Settings: Regional Elites and the Paramilitaries in Colombia* <http://www.icg.org/isl/Speci IR1romero.html>

Rotberg, Robert (2002) *The New Nature of Nation-State Failure* The Washington Quarterly 1

Rubin, Barnett (1999) *The Political Economy of War and Peace in Afghanistan*

Sherman, Jake (Reporter) (2001) *The Economics of War: the Intersection of Need, Creed and Greed*. A conference report

Sørensen, Georg (1999) *Development in Fragile/failed States*. Presented at the Failed States Conference II, Purdue University, West Lafayette

Slaughter, Barbara *South Africa police violence caught on film, 1 May 1999*  
<http://www.wsws.org/articles/1999/may1999/sapo-m01.shtml>

Transnational Institute TNI (2001) *Afghanistan, Drugs and Terrorism; Merging Wars*. Drugs & Conflict, Debate Papers No 3

Transnational Institute TNI (2002) *Alternative Development and Eradication: A Failed Balance*. Drugs & Conflict, Debate Papers No 4

Transnational Institute TNI (2003) *Drug Crops and Peace Process in Colombia; a proposal for peace*. Executive Summary <http://www.tni.org/drugs/research/proposal.htm>

Transnational Institute TNI (2003) *Progress Report; As a contribution to the Mid-term (2003) Review of UNGASS*, April 2003

Transnational Institute TNI (2003) *Alternative Development and Conflict in Colombia; Cross Purposes*. Drugs & Conflict, Debate Papers No 7

Transparency International, *Corruption Perception Index*, June 2001

Utbildning för Biståndsverksamhet  
<http://www.ubv.se/plancolombia/faktasida.htm>

UNDCP (1998) *Economic and Social Consequences of Drug Abuse and Illicit Trafficking*, UNDCP Technical Series no 6

UNESCO (2002) *Globalisation, Drugs and Criminalisation*. Chapter 5 *Trafficking of Drugs in Southern Africa: The Legacy of War and Apartheid* by Laurent Laniel  
[http://www.unesco.org/most/globalisation/drugs\\_1.htm](http://www.unesco.org/most/globalisation/drugs_1.htm)

UN ODCCP (2002) *Global Illicit Drug Trends*, New York

WHO (2002) *World report on violence and health*, Geneva

World Bank Policy Research Report (2003) *Breaking the Conflict Trap: Civil War and Development Policy*, Washington

## **Websites**

*Drug Policy Alliance*  
[www.drugpolicy.org](http://www.drugpolicy.org)

*GTZ*  
*Crisis Prevention and Conflict Transformation Programme*  
<http://www.gtz.de/crisisprevention/english/approach.htm>

*Drugs and Development Programme*  
<http://www4.gtz.de/drogen/english>

World Bank

<http://lnweb18.worldbank.org/essd/essd.nsf/CPR/Home>

*The Conflict-Prevention and Post-Conflict Reconstruction Network (CPR)*

<http://www.developmentgateway.org/node/118839/>

Transnational InstituteTNI:

<http://www.tni.org>

Conference on *Substance Abuse, Crime, Violence and HIV/AIDS as Consequences of Poverty*, July 2, 2000. Addressed by Deputy President Zuma

<http://www.polity.org.za/html/govdocs/speeches/2000/sp0702.html>

### **Abbreviations**

|      |  |
|------|--|
| ATS  | Amphetamine-type stimulants  |
| BMZ  | Federal Ministry for Economic Cooperation and Development                            |
| FARC | Fuerzas Armadas Revolucionarias de Colombia (Revolutionary Armed Forces of Colombia) |
| GTZ  | Deutsche Gesellschaft für Technische Zusammenarbeit                                  |
| TNI  | Transnational Institute  |
| UN   | United Nations   |