



# COUNT THE COSTS

50 YEARS OF THE WAR ON DRUGS

## The War on Drugs: Options and Alternatives

The global “war on drugs” has been fought for 50 years, without preventing the long-term trend of increasing drug supply and use. Beyond this failure, the UN Office on Drugs and Crime (UNODC) has identified many serious negative “unintended consequences”<sup>(1)</sup> of the drug war. These costs are distinct from those relating to drug use, and stem from taking a punitive enforcement-led approach that, by its nature, criminalises many users and places organised criminals in control of the trade.

Although the list of negative consequences detailed by the UNODC is useful, it is also incomplete. The costs of the war on drugs extend to seven key policy areas: the economy, international development and security, the environment, crime, public health, human rights, and stigma and discrimination. For briefings and a more extensive collection of resources on these cost areas, see [www.countthecosts.org](http://www.countthecosts.org).

Given the negative impact of the war on drugs, there is an urgent need to explore alternative policies that could deliver better outcomes. This briefing outlines some of the possible options for reform.

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*“I don’t object to discussing any alternatives. But if we are going to discuss alternatives, let’s discuss every alternative ... let’s discuss what alternatives do we have – what is the cost, what is the benefit of each?”*

**Juan Manuel Santos**  
President of Colombia  
2010

## Introduction

The growing costs of the war on drugs – particularly for the worst affected producer and transit countries – have now reached a crisis point that is driving an increasingly high-level and mainstream debate on drug policy and law reform. But while there is a growing consensus that current approaches to drug control have been ineffective or actively counterproductive, there is less agreement on how these shortcomings should be addressed.

The debate on the future of drug policy often appears highly polarised between punitive “*drug warriors*” and libertarian “*legalisers*”. But this is actually an unhelpful caricature driven by the media’s desire for more dramatic debate. In reality, there exists a spectrum of options between these poles, with the majority of views nearer to the centre ground, and to each other.



There is growing, high-level support for alternative drug policy options to be considered

In a debate that is often emotive and highly politicised, it is important to stress that on most of the fundamental issues there is in fact considerable common ground. However, it is crucial that as we explore policy alternatives, we make a clear distinction between those that merely aim to reduce the harms caused by the war on drugs (without changing the prohibitionist model that underpins it), and options that involve a much more fundamental revision of our approach to drug policy.<sup>(2)</sup>

The key drug debate is around which policy and legal prescriptions are likely to deliver the shared goals of a healthier and safer society. For UN member states this debate plays out in an environment of multiple, often conflicting, priorities: the requirement to operate within the parameters of the UN drug conventions, the need to reduce the collateral damage of the war on drugs, the need to deliver improved drug policy outcomes, as well as a range of domestic and international political pressures. Additionally, there have been many decades of political and financial investment in the current policy. Reinvesting in alternatives is anything but simple, and realism is needed about the potential pace of more substantive reforms.

In this context it is also important to acknowledge that there are no “*silver bullet*” solutions or “*one-size-fits-all*” answers. The challenges faced by countries will vary considerably depending on whether their primary concerns are with drug production, transit or consumption (or a combination of these). There may also be political and practical tensions between implementing short-term reforms that aim to reduce some of the most severe harms produced by the drug war, and long-term reforms that involve substantial changes to domestic and international law.



Drug producing and transit countries are leading the debate on alternatives to the war on drugs

It is the primary producer and transit regions carrying the greatest cost burden of the war on drugs that are leading the calls for reform in the international arena. They are increasingly calling on the richer consumer countries to not only share responsibility for the problems related to demand for drugs, but also for the collateral damage that is resulting from global drug law enforcement policies. This has particular relevance as the ability of different countries or regions to implement alternative models is also dependent on their development status.

## Options for reform

The first three options described below – increasing the intensity of the war on drugs; refinements to a primarily criminal justice-led approach; and reorientation to a health-based approach and decriminalisation of drug users – involve legal and/or policy reforms that can take place at a domestic level within the overarching international prohibitionist legal framework. The fourth – state regulation and control of drug production and supply – requires the current international legal framework to be negotiated or reformed.

This is a simplification and “*snap shot*” summary of the current real-world continuum of policy models, some of which involve more complex interactions of health and enforcement interventions at different stages of their evolution. (For further reading on alternatives, see [www.countthecosts.org](http://www.countthecosts.org).)

## 1. Increasing the intensity of the war on drugs

This option is based on the idea that a highly punitive enforcement model can be effective at achieving the goal of eradicating the non-medical use of certain drugs. Those advocating it believe that the failings of the war on drugs to date are not due to any fundamental flaw in the prohibitionist approach, but rather due to a lack of application and resources. They argue that the war on drugs could be won if it were fought with sufficient vigour, with more resources put into coordinated supply-side controls, and more consistently punitive responses directed at drug users.

Although many governments are distancing themselves from the more hawkish war on drugs rhetoric of the past<sup>(3)</sup> and moving away from more punitive models, in much of the world advocating “*crackdowns*”, and “*get tough*” or “*zero tolerance*” approaches (involving harsh sentencing and increased militarisation of enforcement) remains a core feature of responses to the drug problem.

The analysis of the Count the Costs initiative shows that the arguments for a “*get tough*” approach are not supported by evidence that they can be effective. Enforcement has proven to be a blunt and ineffective tool for controlling drug use, instead creating or exacerbating harms associated with criminalisation of users and criminally controlled drug markets. Increasing the ferocity of the war on drugs with greater punitive and militarised enforcement is therefore unlikely to deliver the hoped-for goals, and more likely to produce increased costs.<sup>(4)</sup>

## 2. Refinements to a primarily criminal justice-led approach

This is essentially an orthodox prohibition position, maintaining a primarily criminal justice, enforcement-based approach and rhetorical commitment to eliminating drugs from society, but seeking to improve effectiveness through innovation and marginal reforms to enforcement practice and public health interventions.

## Enforcement reforms

Some of the ideas being explored or proposed for “*smarter*” or more effective enforcement practices include:

- Improving accountability, monitoring and evaluation to facilitate a focus on “*what works*”, and to reduce or prevent human rights abuses and corruption
- Targeting enforcement at the most violent organised crime groups with the primary aim of reducing overall market-related violence<sup>(6)</sup>
- Targeting enforcement at retail drug sales that are the most visible, disruptive, violent, or accessible to vulnerable groups such as young people
- De-prioritising enforcement aimed at low-level participants in drug markets, including consumers, small-scale farmers, low-level dealers and drug “*mules*”



Enforcement reforms can have only a limited impact on the wider “drug problem”

Clearly the impacts of different enforcement practices can vary significantly, and focusing enforcement on the elements of the illicit market that are the most harmful has the potential to reduce some negative impacts.<sup>(6)</sup> Some have even applied a harm reduction analysis of enforcement practices in this context.<sup>(7)</sup>

Seeking to use supply-side enforcement in a more strategic and targeted way to shape and manage drug markets (and thereby reduce the harms they cause) is certainly a more pragmatic proposition than futile attempts to eradicate the market. Indeed, there is real potential to rapidly address some of the most urgent concerns in affected areas. However, while showing promise, such approaches remain relatively underdeveloped, although there is emerging evidence from new strategies being explored in some US and Latin American cities.<sup>(8)</sup>

In the longer term, easing the burden of enforcement costs for key affected populations and reducing some of the worst drug market-related harms may be the limits of what “*smarter enforcement*” proposals can aspire to. While such reforms are important, they cannot engage with the primary role of the wider enforcement model in creating most drug market-related harms in the first place.

## Health reforms

There are a range of interventions that have been shown to be effective at reducing the health burden of illicit drug use, including investment in various forms of prevention, treatment/recovery, and harm reduction (*see box on opposite page*). Within each of these fields there are interventions that are more cost-effective than others, and there is good and bad practice. Encouraging innovation and development of an evidence base for which interventions are most effective for different populations according to different indicators – independently from ideological pressures and political interference – will naturally help inform best practice, policy development and improvement of outcomes.<sup>(9)</sup>

## Harm reduction?

The concept of reducing the harms associated with people unwilling or unable to stop using drugs<sup>(10)</sup> should be central to any drug policy model, yet “*harm reduction*” interventions have historically been largely focused on a small population of problematic illegal drug users. Specific interventions that form the core of current harm reduction practice – such as needle and syringe programmes, opioid substitution therapy, heroin assisted therapy, and supervised consumption venues – can also be seen, to a significant degree, as a symptomatic response to harms either created or exacerbated by the war on drugs.

There now exists an unsustainable internal policy conflict – with health professionals caught in the middle. Evidence-based harm reduction approaches are evolving and gaining ground across the globe,<sup>(11)</sup> but operate within a politically driven, harm-maximising drug-war framework.

Filling gaps in coverage, and ensuring adequate resourcing for proven approaches is imperative – but whether it can be described as an “*alternative*” or “*reform*” is debatable. An adequate level of provision should form a key pillar of any pragmatic drug policy model, regardless of the overarching legal framework. Framing improved health interventions as the core response to the failings of current policy is problematic. The Count the Costs initiative has highlighted how punitive enforcement undermines health on multiple fronts, and can create obstacles to effective responses. Calling for more resources for health initiatives in this context, while obviously a positive step in relative terms, does not address this underlying critique that the current punitive approach is responsible for creating many of the health costs in the first place.



The Insite supervised injecting facility in Vancouver

## A “*third way*”?

The US has been vocal on the international stage in promoting what it calls a “*third way*” approach<sup>(12)</sup> between the “*extremes*” of legalisation and a war on drugs. This approach emphasises alternatives to incarceration, including diversion into treatment for drug offenders, often via a “*drug court*” model, alongside innovative measures such as screening and brief interventions.

While such measures are, in many cases, well supported by evidence that they are at least more effective than previous approaches, concerns have been raised<sup>(13)</sup> that they may not represent any significant shift in spending priorities. In the case of the US, the proportions of drug budgets allocated to enforcement and health have remained roughly constant, despite the rhetoric suggesting a reorientation or better “*balance*”.

The wider problem is that claiming the badge of “*evidence-based*” for health spending can often provide a smokescreen for the absence of an evidence base for enforcement. In the context of evidence-based health approaches on the one hand, and actively counterproductive enforcement on the other, the suggestion that the two need to be “*balanced*” seems nonsensical – they are more often working in opposite directions.

### 3. Reorientation to a health-based approach, and decriminalisation of drug users

It is possible within the existing international legal framework for a more substantial state or regional level reorientation away from a criminal justice-focused model, and towards a more pragmatic health-based model. This includes a shift in the primary goal of demand reduction (reducing prevalence of drug use and the achievement of a “drug-free society”), to one of harm reduction. The goal of a reduction in overall social and health harms does not preclude demand reduction, but pragmatically focuses on reducing misuse or harmful use. As such, it can be seen as primarily a demand-side or consumption-related reform – one that has relatively marginal impacts on supply-side issues. This approach has been adopted, in different forms, in a number of European countries such as the Netherlands, the UK, Switzerland,<sup>(14)</sup> Portugal (see p. 8) and the Czech Republic.<sup>(15)</sup>

*“Begin the transformation of the global drug prohibition regime. Replace drug policies and strategies driven by ideology and political convenience with fiscally responsible policies and strategies grounded in science, health, security and human rights – and adopt appropriate criteria for their evaluation.”*

The Global Commission on Drug Policy  
June 2011

*“Responses to drug law offences must be proportionate. Serious offences, such as trafficking in illicit drugs must be dealt with more severely and extensively than offences such as possession of drugs for personal use. For offences involving the possession, purchase or cultivation of illicit drugs for personal use, community-based treatment, education, aftercare, rehabilitation and social integration represent a more effective and proportionate alternative to conviction and punishment, including detention.”*

United Nations Office on Drugs and Crime  
2012

Key elements of such a shift (generally) involve:

- A decrease in the intensity of enforcement – particularly user-level enforcement – in parallel with increased investment in public health measures
- Legal reforms such as decriminalisation (explored in more detail below) and other sentencing reforms (such as abolition of mandatory minimums)
- Institutional reforms, such as moving responsibility for drug policy decisions/budgets from government departments responsible for criminal justice, to those responsible for health<sup>(16)</sup>

“Decriminalisation” is not a strictly defined legal term, but its common usage in drug policy refers to the removal of criminal sanctions for possession of small quantities of currently illegal drugs for personal use, sometimes with civil or administrative sanctions instead. Under this definition, possession of drugs remains unlawful and a punishable offence (albeit no longer one that attracts a criminal record), yet the term is often mistakenly understood to mean complete removal or abolition of possession offences, or confused with more far-reaching legal regulation of drug production and availability (see p. 9). Decriminalisation as defined here is permitted within the UN drug conventions (see p. 8).

Around 25-30 countries, mostly concentrated in Europe, Latin America and Eurasia, have adopted some form of non-criminal disposals for possession of small quantities of some or all drugs.<sup>(17)</sup>

It is difficult to generalise about these experiences as there are many variations between countries (and often between local government jurisdictions within countries), as well as different legal structures and definitions of civil and criminal offences and sanctions. Some countries, for example, retain prison sentences for civil offences.

Significant variations also exist in terms of implementation, including:

- Whether they are administered by criminal justice or health professionals
- How well they are supported by health service provision
- By the threshold quantities used to determine the user/supplier distinction<sup>(18)</sup>
- By the non-criminal sanctions adopted, with variations including fines, warnings, treatment referrals (sometimes mandatory), and confiscation of passports or driving licenses

A distinction is also made between *de jure* decriminalisation (specific reforms to the legal framework), and *de facto* decriminalisation, which has a similar outcome but is achieved through the non-enforcement of criminal laws that technically remain in force. With the exception of some of the more tolerant policies for cannabis possession (for example in Spain, the Netherlands and Belgium), those caught in possession under a decriminalisation model will usually have their drugs confiscated.

Given the wide variation in these models, and their implementation around the world, few general conclusions can be made about the impacts of decriminalisation, beyond the observation that it has not led to the explosion in use that many feared. While there are certainly impacts on levels of health harms associated with use, and economic impacts for enforcement and wider criminal justice expenditure, research from Europe,<sup>(19)</sup> Australia,<sup>(20)</sup> the US<sup>(21)</sup> and globally,<sup>(22)</sup> suggests changes in intensity of punitive user-level enforcement have, at best, marginal impacts on overall levels of use.

Decriminalisation can only aspire to reduce harms created, and costs incurred, by the criminalisation of people who use drugs, and does not reduce harms associated with the criminal trade or supply-side drug law enforcement. If inadequately devised or implemented, decriminalisation will have little impact, even potentially creating new problems (such as expanding the numbers coming into contact with the criminal justice system). The more critical factor appears to be the degree to which the decriminalisation is part of a wider policy reorientation (and resource reallocation), away from harmful punitive enforcement, and towards evidence-based health interventions. Particularly those that target at-risk populations, young people and people who are dependent on or inject drugs. Decriminalisation can be seen as a part of a broader harm reduction approach, as well as key to creating an enabling environment for other health interventions.

## The Portugal decriminalisation experience: humanism, pragmatism and participation

Portugal provides a useful case study, with over a decade of detailed evaluation to draw on since its 2001 reforms which were developed and implemented in response to a perceived national drug problem, with public health prioritised from the outset. Indeed, Portugal coupled its decriminalisation with a public health reorientation that directed additional resources towards treatment and harm reduction.<sup>(23)</sup> Those caught in possession of illicit drugs are referred to a “*dissuasion board*” that decides whether to take no further action (the most common outcome), direct the individual to treatment services if a need is identified, or issue an administrative fine.

The volume of data collected during and since the reform offers considerable scope for filtering through different political and ideological lenses.<sup>(24)</sup> Contrast the evaluation of Portugal’s prohibitionist “*anti-drug*” organisations, which see it as an “*unmitigated disaster*”,<sup>(25)</sup> with that of the high-profile, but arguably rose-tinted report by Glenn Greenwald of the libertarian-leaning CATO institute.<sup>(26)</sup> A more rigorous and objective academic study of the Portugal experience from 2008<sup>(27)</sup> summarises the changes observed since decriminalisation:

- Small increases in reported illicit drug use among adults
- Reduced illicit drug use among problematic drug users and adolescents, at least since 2003
- Reduced burden of drug offenders on the criminal justice system
- Increased uptake of drug treatment
- Reduction in opiate-related deaths and infectious diseases
- Increases in the amounts of drugs seized by the authorities
- Reductions in the retail prices of drugs

In conclusion, the authors note:

*“[The Portugal experience] disconfirms the hypothesis that decriminalization necessarily leads to increases in the most harmful forms of drug use. While small increases in drug use were reported by Portuguese adults, the regional context of this trend suggests that they were not produced solely by the 2001 decriminalization. We would argue that they are less important than the major reductions seen in opiate-related deaths and infections, as well as reductions in young people’s drug use. The Portuguese evidence suggests that combining the removal of criminal penalties with the use of alternative therapeutic responses to dependent drug users offers several advantages. It can reduce the burden of drug law enforcement on the criminal justice system, while also reducing problematic drug use.”*

These conclusions were supported by a more recent “*Drug Policy Profile of Portugal*”, produced by the European Monitoring Centre on Drugs and Drug Addiction,<sup>(28)</sup> which observed that:

*“While some want to see the Portuguese model as a first step towards the legalisation of drug use and others consider it as the new flagship of harm reduction, the model might in fact be best described as being a public health policy founded on values such as humanism, pragmatism and participation.”*

“*[The legalisation and regulation of drugs] is an entirely legitimate topic for debate.*”

Barack Obama  
President of the United States of America  
January 2011

#### 4. State regulation and control of drug production and supply

As critiques of the prohibitionist approach to drugs have gathered momentum, the debate around regulated market alternatives to prohibition has inevitably become more prominent. The core argument is a simple one: If prohibition is both ineffective and actively counterproductive, only reclaiming the market from criminal profiteers and bringing it under the control of the state can, in the longer term, substantially reduce many of the key costs associated with the illegal trade. This suggestion is based on the idea of market control rather than market eradication, along with the introduction of strictly enforced systems of regulation. This is in contrast to some popular misconceptions that such reform implies “relaxing” control or “liberalising” markets. In fact, it involves rolling out state control into a market sphere where currently there is none, with a clearly defined role for enforcement agencies in managing any newly established regulatory models.

Advocates are clear that regulated markets cannot tackle the underlying drivers of drug dependence such as poverty and inequality. State regulation is not proposed as a solution to the wider “drug problem”, but only to the specific key problems created by prohibition and the war on drugs. It is argued, however, that by promoting evidence-based regulatory models founded upon a clear and comprehensive set of policy principles, and by freeing up resources for

evidence-based public health and social policy, legal regulation would create a more conducive environment for improved drug policy outcomes in the longer term. The central argument for an effectively regulated market is summarised by the graphic on page 11, positioning this option on the spectrum between the unregulated criminal markets and unregulated legal/commercial markets.

Moves towards market regulation are seen by its advocates as the logical end point of the critique of the prohibition-based approach, and an extension of the pragmatic reforms this critique has already informed (*described above*). However, options for legal market regulation are qualitatively different from other reforms in that they cannot easily be adopted unilaterally, as technically they remain strictly forbidden under the legal framework of the UN drug conventions. For any state, or states, to experiment with regulatory models requires the issue of the conventions to be confronted, or at least negotiated. Despite this process historically being fraught with practical and political challenges,<sup>(29), (30), (31), (32)</sup> an increasing number of countries are finding ways to begin to legally regulate some illegal drug markets. For example, through expanding medical supply models; implementing *de facto* legal regulation (*see box, p. 12*); or through withdrawing from one or more of the conventions then seeking to re-accede with a reservation regarding particular drugs, as Bolivia has done for coca leaf.<sup>(33)</sup>

Scholarship around regulatory options has also accelerated, with the last decade witnessing the emergence of the first detailed proposals offering different options for controls over drug products (dose, preparation, price, and packaging), vendors (licensing, vetting and training requirements, marketing and promotions), outlets (location, outlet density, appearance), who has access (age controls, licensed buyers, club membership schemes), and where and when drugs can be consumed.<sup>(34), (35), (36)</sup>

Transform Drug Policy Foundation’s 2009 report “*After the War on Drugs: Blueprint for Regulation*”,<sup>(37)</sup> explores options for regulating different drugs among different populations, and proposes five basic regulatory models

for discussion (*see box*). Lessons are drawn from successes and failings with alcohol and tobacco regulation in various countries (note for example the UN Framework Convention on Tobacco Control<sup>(38)</sup>), as well as controls over medical drugs and other harmful products and activities that are regulated by governments.

Regulation advocates also highlight how many of the same drugs prohibited for non-medical use are legally produced and supplied for medical uses (including heroin,

cocaine, amphetamines, and cannabis). The UN drug conventions provide the legal framework for both of these parallel systems (and their various interactions). The stark difference between the minimal harms associated with the legally regulated medical markets, and the multiple costs associated with the criminally controlled non-medical markets for the same products, can assist in informing the debate.

Using the example of heroin, widely regarded as one of the most risky and problematic of all drugs, and comparing the criminal and regulated models for production and use that currently exist in parallel, is illustrative of this line of argument. Half of global opium production is legally regulated for medical use and is not associated with any of the crime, conflict, or development costs of the parallel illegal market for non-medical use.

The costs of developing and implementing a new regulatory infrastructure would be likely to represent only a fraction of the ever-increasing resources currently directed into efforts to control supply and demand. There would also be potential for translating a proportion of existing criminal profits into legitimate tax revenue.

It is argued that the primary outcome of moves towards market regulation would be the progressive decrease in costs related to the criminal market as it contracts in size. These impacts have the potential to go some way beyond those that are possible from reforms within a blanket prohibitionist framework (*outlined above*). Rather than merely managing the harms of the illegal trade, or attempting to marginally reduce its scale through demand reduction, legal regulation presents the prospect of a long-term and dramatic reduction in the scale of harms.

At the macro level, as the criminal market contracts, the associated costs it creates – in terms of fuelling conflict, underdevelopment, crime and corruption in producer and transit regions – would experience a concurrent contraction. While countries such as Afghanistan, Guinea-Bissau, Mexico and Colombia, have multiple development and security challenges independent of the criminal

## Five proposed models for regulating drug availability

- Medical prescription model and/or supervised venues – for the highest-risk drugs, injected drugs (including heroin), and more potent stimulants such as methamphetamine
- Specialist pharmacist retail model – combined with named/licensed user access and rationing of volume of sales for moderate-risk drugs such as amphetamine, powder cocaine, and MDMA/ecstasy
- Licensed retailing – including tiers of regulation appropriate to product risk and local needs. This could be used for lower-risk drugs and preparations such as lower-strength stimulant-based drinks
- Licensed premises for sale and consumption – similar to licensed alcohol venues and Dutch cannabis “*coffee shops*”, these could potentially also be for smoking opium or drinking poppy tea
- Unlicensed sales – minimal regulation for the least risky products, such as caffeine drinks and coca tea

drugs trade, regulation offers the prospect of a significant reduction in its scale and corrosive impacts. In the longer term, illegal poppy production could largely disappear from Afghanistan, the drug profits of the Mexican cartels and funding of Colombian insurgents could dry up, and the use of Guinea-Bissau as a drug transit point for illegal drug shipments could end. In Western consumer countries the costs associated with the criminal trade at all scales could similarly diminish over time. In place of the opportunity costs of enforcement would potentially just be opportunities – to reallocate billions into a range of health and social interventions, with positive impacts that could reach well beyond the confines of drug policy.

Risks of unintended negative consequences exist for any policy change, and advocates of legal regulation additionally argue that change in this direction would need to be phased in cautiously over a period of years, with close evaluation and monitoring of the system’s effects. Key risks include the potential displacement of criminal activity into other areas, such as extortion or counterfeiting, and an increase in use associated with inadequately regulated commercialisation. Improved understanding of how social costs are influenced

by the legal and policy environment (assisted by the use of impact assessments, modelling and scenario planning) can help develop policy models that mitigate such risks, for example by restricting commercial pressures and profit motivations in the market through advertising and marketing controls, or state monopolies.

Some free-market libertarian thinkers have gone further, arguing for what is sometimes called “full legalisation”. In this model, all aspects of a drug’s production and supply would be made legal, with regulation essentially left to market forces, and only a minimal level of government intervention (trading standards, contract enforcement and so on) combined with any self-regulation among vendors. Regulation models would be comparable with standard consumer products available in a supermarket. In contrast, advocates of a more strictly regulated legal market<sup>(39)</sup> point to historical experiences with unregulated alcohol and tobacco sales as evidence of the risks of free markets. While “full legalisation” remains a feature of the debate, demarcating one extreme end of the spectrum of options, it has few advocates and is more useful as a thought experiment to explore the perils of inadequate regulation.

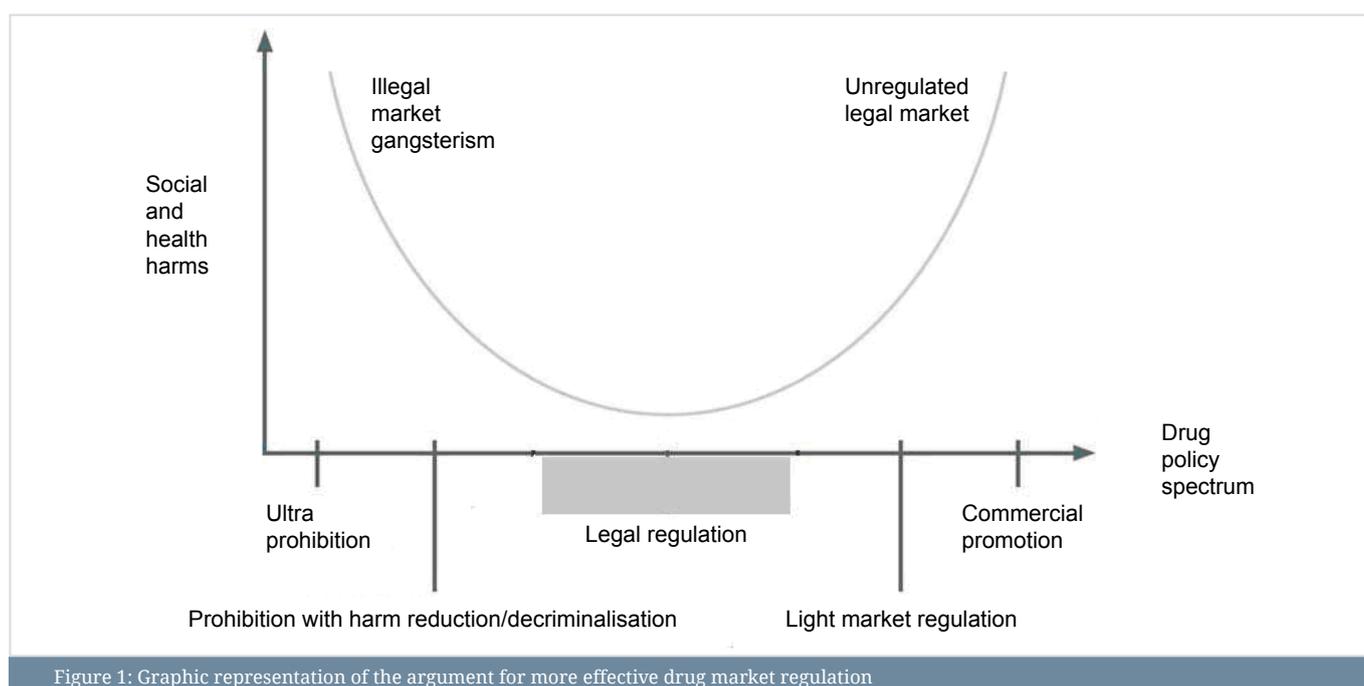


Figure 1: Graphic representation of the argument for more effective drug market regulation

## Cannabis regulation in practice

Cannabis is by far the most widely used illegal drug, accounting for around 80% of all illegal drug use globally. Policy responses to cannabis around the world vary from punitive prohibitions through to quasi-legal (*de facto*) regulated markets, offering a body of evidence to inform development of alternative regulation models. Recent developments, including state-level ballot initiatives to legally regulate non-medical cannabis in the US, suggest that cannabis is likely to be at the forefront of the drug law reform debate.

### Cannabis coffee shops in the Netherlands

The Netherlands has had *de facto* legal cannabis supply and use since 1976, with a well developed system for sale and consumption in licensed outlets. While the system has functioned very effectively overall, it has struggled with the constraints of the international legal framework, most obviously the “*back door problem*”. There is no legal production and supply to the country’s coffee shops, so cannabis is still sourced from an illicit market and therefore linked to criminality. And because the move has been unilateral, there have been problems with “*drug tourism*” in some of its border towns (recently leading to coffee shops becoming “*members only*” clubs in some regions).

### Spanish cannabis clubs

Spain’s “*cannabis clubs*”, now numbering in the hundreds, take advantage of the two-plant allowance for personal use granted under Spain’s decriminalisation policy. The pooled allowances of club members are collectively grown by the club organisers, and then used to supply the club venues which sell the cannabis to members at around half the price charged by the criminal market. The clubs operate on a not-for-profit basis. By using the decriminalisation policy to get around the ban on production, the Spanish clubs have demonstrated how criminality can potentially be removed from the market completely – while maintaining an acceptably self-contained and regulated production and supply model.<sup>(40)</sup> However, the clubs’ non-profit ethos is now being challenged by entrepreneurs entering the scene, attempting to gain financially from the loophole.<sup>(41)</sup> This has the potential to undermine some of the system’s benefits and at the same time highlights the ever-present risk of commercialisation.

### Medical cannabis

A number of Canadian and US states, as well as some European countries have well-developed models for regulated production and supply of cannabis for medical uses (often largely indistinguishable from the proposed regulated supply models for non-medical use). Somewhat controversially, a proportion of the “*medical*” supply has become a *de facto* non-medical supply infrastructure, the boundaries between the two being particularly blurred in some of the more commercial US operations.

*“The United Nations should exercise its leadership, as is its mandate ... and conduct deep reflection to analyze all available options, including regulatory or market measures, in order to establish a new paradigm that prevents the flow of resources to organized crime organizations.”*

**President Santos of Colombia, President Calderón of Mexico, and President Molina of Guatemala**  
Joint statement to the United Nations General Assembly  
October 2012

## Conclusions

Meaningfully counting the costs of the war on drugs in the key thematic areas outlined by the Count the Costs initiative will facilitate a more objective and balanced debate informed by the best possible evidence and analysis. For each thematic area identified there is a body of scholarship and expertise, and a range of analytical tools available, to inform assessments of both current policies, and alternative approaches that could do better: impact assessments,<sup>(42)</sup> cost-benefit analyses, audits and value-for-money studies, scenario planning and more besides.

The problem is not a technical one, it is a matter of political will. For example, in 1999 the Czech government carried out an impact analysis project that led it to decriminalise the personal possession of drugs,<sup>(43)</sup> while in 2012, the European Commission carried out an impact assessment comparing options to control legal highs,<sup>(44)</sup> and the Organization of American States initiated a review of the options for drug control under the auspices of the Inter-American Drug Abuse Control Commission.<sup>(45)</sup>

The Count the Costs initiative calls upon civil society groups in all the fields that are impacted by the war on drugs to become actively involved in this debate, both to inform it with their expertise, and to engage with local, national and international policy makers and UN bodies. It also calls directly upon policy makers to meaningfully count the costs of the drug policies they are responsible for, and to explore the alternatives.



The costs of the war on drugs must be meaningfully counted, assessed and compared with alternative approaches

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#### Barack Obama

'Obama says legalization worthy of debate'.  
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#### President Santos of Colombia, President Calderón of Mexico, and President Molina of Guatemala

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  44. Publication forthcoming.

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Figure 1: *'Graphic representation of the argument for more effective drug market regulation'*. (Adapted from the work of John Marks.)

**Acknowledgements and thanks to:**

Steve Rolles, Jane Slater, Danny Kushlick, Martin Powell, George Murkin (Transform Drug Policy Foundation), and Niamh Eastwood (Release).