



**Dialogue** on  
**Globalization**

OCCASIONAL PAPERS

NEW YORK

N° 37 / November 2007

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## **Fighting Drugs and Building Peace**

Towards Policy Coherence between  
Counter-Narcotics and Peace Building

## **Dialogue on Globalization**

*Dialogue on Globalization* contributes to the international debate on globalization – through conferences, workshops and publications – as part of the international work of the Friedrich-Ebert-Stiftung (FES). *Dialogue on Globalization* is based on the premise that globalization can be shaped into a direction that promotes peace, democracy and social justice. *Dialogue on Globalization* addresses “movers and shakers” both in developing countries and in the industrialized parts of the world, i.e. politicians, trade unionists, government officials, businesspeople, and journalists as well as representatives from NGOs, international organizations, and academia.

*Dialogue on Globalization* is co-ordinated by the head office of the Friedrich-Ebert-Stiftung in Berlin and by the FES offices in New York and Geneva. The programme intensively draws on the international network of the Friedrich-Ebert-Stiftung – a German non-profit institution committed to the principles of social democracy – with offices, programmes and partners in more than 100 countries.

This Occasional Paper is published by the New York office of the Friedrich-Ebert-Stiftung.

November 2007

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ISSN 1614-0079

ISBN 978-3-89892-805-2

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# 1. Preface

Producing and trading cocaine, heroin and other illegal narcotics is not only a highly globalized business. It is also a policy challenge to which the international community has historically responded in a rather swift and determined manner. Under the roof of the United Nations, a regulatory regime was established which aims at the elimination of the production, trade, and consumption of outlawed narcotics. In addition, considerable resources are dedicated to a myriad of counter-narcotics programs on the ground. But despite all these efforts every time when the United Nations Office on Drugs and Crime (UNODC) publishes its reports, observers shrug their shoulders in view of the depressing statistics they contain.

A frequently overlooked feature of the fight against drugs is the linkages between the production of illegal narcotics and the political dynamics in post-conflict countries. Afghanistan and Colombia are cases in point. Both countries remind us of the fact that the world map of opium and cocaine production is not only determined by agricultural factors but by the “comparative advantages in the provision of illegality”. Ranking high among the places with such “advantages” are countries with a legacy of violent conflicts. Post-conflict situations not only attract the cultivation of crops used for the production of illegal drugs. Events in Guinea-Buissau and Haiti illustrate that the same sad logic applies to the international drug mafia’s selection of trading “hot spots” en route to the United States and Europe. It is against this background that a debate has ensued on the policy coherence between the international community’s fight against drugs and its parallel efforts to sustain peace in post-conflict countries.

Thinking creatively about policy coherence in this field serves as the point of departure for this Occasional Paper. The publication is the result of a high-profile expert workshop co-sponsored by the Friedrich-Ebert-Stiftung, the Fundación Ideas para la Paz, the Open Society Institute, and the Center for International Cooperation at New York University. It has been written by two outstanding individuals: Barnett R. Rubin, a globally renowned authority on Afghanistan, and Alexandra Guáqueta, a leading scholar on peace and security issues in Colombia. They not only provide an excellent summary of what was an incredibly rich and complex discussion. Based on an analysis of the relationships between counter-narcotics policy and its impact on peace consolidation efforts, the authors also present a number of innovative ideas and policy recommendations. Inter alia, Barnett Rubin and Alexandra Guáqueta argue for a transitional drug regime that allows an incremental transition of illegal economies to legal ones, as well as for the adoption of a new, conflict-sensitive approach to the implementation of counter-narcotics policies.

I would like to offer my profound thanks to the two authors and to all organizations and individuals who so actively and generously supported this project.

Jürgen Stetten  
Director, New York Office  
Friedrich-Ebert-Stiftung

# 2. Executive Summary

On May 14–15, 2007, the Friedrich-Ebert-*Stiftung*, the Open Society Institute, the *Fundación Ideas para la Paz\**, and the Center on International Cooperation of New York University held a conference in New York City on the theme: “Fighting Drugs and Building Peace: Toward Policy Coherence.” The UN Office on Drugs and Crime provided assistance and support in holding meetings at the UN Secretariat. The idea for the conference developed from research carried out by several of the co-sponsors on attempts to overcome the legacy of conflict in Afghanistan and Colombia. In both countries, not only have attempts to reduce violence and the drug problem failed or underperformed, but counter-narcotic policies seem to be alienating local populations and important actors who could help reduce violence.

The following questions guided the discussions:

*Could any lessons be drawn from other attempts to scale down violence by addressing how illicit economies fund or motivate armed conflict?*

*How could one build sustainable peace in areas where governance is undermined by drug mafias?*

*Were existing drug control policies coherent with the goal of building peace? How to implement peace accords that are threatened by the implementation of stringent drug control laws? What links between counter-narcotics and peace building had to be avoided and how?*

## Key Findings

- Despite differences between the Taliban and the Colombian armed groups, there appears to be a sequence that characterizes countries where people engage in the highly visible agricultural production of coca or poppy. Absence of state control created territory outside the domain of effective law enforcement. Drug economies started in Afghanistan and Colombia under such conditions and then expanded when armed political groups gained stable control of territory. The relative security and stability within the territories controlled by these groups – and later in the territories controlled by US-supported Afghan warlords – favored the expansion of the narcotics economy. A clearer idea of causality and events as they really happened has implications for policy. Standard counter-narcotic policies will more likely underperform in places with weak governance and conflict. Conflict management and anti-drug policies should aim at building legality.

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\* *Fundación Ideas para la Paz* is a business-sponsored think-tank in Bogotá that conducts policy-oriented research on conflict dynamics and peace-building. Academic and practical work is divided in four main programs: Conflict and Peace Negotiations, Postconflict and Peacebuilding, Business and Conflict and Security Sector Reform. FIP is thankful to the Ford Foundation.

- Local dynamics differ from country to country and within regions in one single state. In Colombia, the *Fuerzas Armadas Revolucionarias de Colombia's* (FARC's) and the paramilitary's involvement in the coca economy differ from each other. This has marked, for instance, a clear distinction in their reintegration: paramilitary have defected to crime, while FARC deserters have tended to stay in the reintegration programs. In Afghanistan, the Taliban do not own the poppy business – although they profit from it in economic and political terms – instead a myriad of traffickers, warlords and peasants are the main actors in the illegal drug industry. This means that defeating the Taliban will not solve the drug problem and that counter-narcotics policy will have impact on a wider spectrum of people who in turn are relevant actors for state-building in Afghanistan.
- Illegal armed groups' participation in the narcotics industry has key political dimensions. The Taliban and the FARC have understood that well, but practitioners in counter-narcotics often fail to take this into account. Policies therefore end up having negative effects on peace-building and state-building, which are political processes. Governments that seek international acceptance or support from donors, especially the US, must take active measures to comply with the international drug prohibition regime, but counter-narcotics implementation may undermine their local support. When political actors are required by donors and troop contributors to adhere to international standards, practices, and interests, they may be undermining their domestic support. Also, national government legitimacy is undermined when foreign donors involved in counter-narcotics and counter-insurgency provide basic services and security, that is, when they take on the role of national and local authorities.
- A peace building operation in any country is aimed at providing security to the people; counter-narcotics policy, however, is driven primarily by concern over the effects of addiction to narcotics on consumers, and actions in producing and transit/trafficking countries are determined by the requirements of prohibition of end use. The core of policy incoherence derives from offering different sanctions and incentives to the same people in their different roles as insurgents, politicians, officials, voters, farmers, and drug traffickers.
- Crop eradication poses dilemmas for peace-building. Eradication precedes and sometimes undermines alternative livelihoods, by preventing access to coca or poppy growing areas. Apart from the humanitarian reasons, alienating peasants may undermine both short-term counterinsurgency objectives and long-term state-building goals because it pits communities against the state. Crop eradication also has perverse price effects. While it may reduce the amount of drugs immediately available (and thereby conform to the metrics of success of the counter-narcotics regime), it may increase it in the medium term by driving up the price of narcotics through induced scarcity, increasing the value of assets and profits of drug traffickers and corrupt officials.
- Bureaucracies may try to do the right thing in terms of coherence and coordination, but that what gets implemented is (1) what gets funded and (2) what local elites allow to be implemented. Hence implementation may not follow agreed policy frameworks. This was said in reference to Afghanistan's Counter-Narcotics Strategy, which did not prioritize massive eradication. Eradication, however, ended up being implemented more and more quickly than other counter-narcotics policies, because the US allocated more funds to it.

## Elements for a Conflict-Sensitive Counter-Narcotics Policy

### *Introducing Transitional Drug Control.*

There are no set laws for how to manage the transitions from war to peace, from some combination of authoritarianism and anarchy to some version of democracy and rule of law, and from an illicit, predatory war economy to a productive, licit economy. Still, the international system has created widely accepted mechanisms, at least for the sphere of justice, under the concept of Transitional Justice. These tools help states deal in a strategic way with combatants who have engaged in criminal activities and violated human rights. It might be possible to apply an analogous idea to drug control in conflict and peace-building situations, especially during the immediate aftermath of a conflict.

- A *transition for farmers* should help states balance approaches to eradication and alternative development.
- A *transition for traffickers* and protectors may allow a strategic treatment of power holders within the drug economy who are essential to maintaining stability, brokering security agreements and winning local communities support to the state.
- A *transition of illegal economies* enables states to harness the wealth and business created by armed groups through alternate investments. A transitional drug regime could allow for a legalization of all those rural and urban enterprises, from pharmacies to restaurants to plantations, to maintain their activities run by demobilized combatants or legal entrepreneurs. Another aspect of economic transition is the issue of coherence between donor aid, trade, counter-narcotics policies and peace-building initiatives. Trade and aid should aim at the strategic economic reconstruction.

*Prioritizing peace-building and sequencing interventions.* If peace-building and counter-narcotics may have contradictory as well as complementary implications, then how to make them coherent is a political decision. In cases of violent conflict, peace-making, security and peace-building should be the priority, which does not imply that donors and local authorities turn a blind eye to illegal drug economies. What this means is that interventions need to be sequenced. But sequencing is not as simple as whether peace-building, counter-insurgency, or counter-narcotics comes first. Sequencing needs to be done within each policy area. The potential complementarities between counter-narcotics and peace-building stem from the fact that drug control has elements of establishing the rule of law.

*Introducing nuanced analysis.* To achieve a sophisticated, sequenced intervention, one needs a nuanced analysis of how different actors both in the producing countries and internationally are related to counter-narcotics and peace-building efforts. This exercise is about political mapping. But the political analysis of “traffickers” is complex. In Afghanistan, little work has been published (though some has been done by intelligence agencies) to identify and analyze the key actors in the trade. US government officials, in particular, often emphasize the relationship between drug trafficking and the Taliban insurgency, but most analysts, as well as the

government of the UK, believe that trafficking benefits a much wider spectrum of Afghans. All this information makes possible a political approach to counter-narcotics and the design of different mixes of sanctions and incentives depending on the cases.

*Counter-narcotics as counter-insurgency: there is no simple template.* Eradication and interdiction can, sometime, reduce the finances of illegal armed groups. It appears to have happened with FARC in certain localities. Also, counter-narcotics can be used as counterinsurgency through its institution-building and economic development components. However, using all counter-narcotics measures as counter-insurgency poses risks. There is no single template, and eradication and interdiction must follow a careful analysis of possible negative side-effects. For instance, massive eradication may eliminate illicit crops and, presumably, reduce the amount of money that illegal groups raise when they tax cultivation and the sale of coca-leaf or processed leaf. But eradication can also alienate local peasants and leaders from whom the state seeks cooperation.

*Smart eradication and interdiction.* Massive eradication may have perverse effects for counterinsurgency and peace-building, but some eradication may be compatible with and even necessary for peace-building: “It all depends how you do it.” Recently, the Colombian Ministry of Defense has switched in key zones to strategic manual eradication carefully calibrated with economic assistance to build trust with populations exposed to FARC influence and to bring the state back in. In order to achieve this, Colombia had to lobby Washington to change money originally allocated to aerial spraying. In Afghanistan the British have developed a scheme of 23 variables that determine whether particular areas are appropriate for crop eradication. In practice, however, it has been difficult to act in accord with this scheme due to lack of information and political resistance by local power holders.

Interdiction needs to be much more creative and requires more resources. In particular, dealing with the elites that controlled drug trafficking may require a political approach as well as law enforcement, which is difficult to implement in the absence of clear guidance or norms for a transitional counter-narcotics regime. An example was Colombia’s demobilization of the paramilitaries belonging to the *Autodefensas Unidas de Colombia (AUC)*, where the threat of extradition to the US on drug trafficking charges undoubtedly weighed in paramilitary calculations to disarm and negotiate a peace-agreement.

Regulating the legal parts of the drug economy (production of chemicals, money transactions) constituted a largely unexplored potential area of action that could minimize negative political impact on peace building or counter-insurgency. Here, the US, Europe, neighboring countries and the private sector could cooperate more. Also, at the national level, there could be greater coordination among banks, law enforcement agencies, and public security forces involved in counterinsurgency. Again, putting pressure on companies requires political will from donors as well as national authorities in the countries with armed conflict.

# 3 Introduction

Today, Colombia has about 157,000 coca hectares and is the world's leading producer (see Table 1). The left-wing insurgency groups, the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) and to a lesser extent the *Ejército de Liberación Nacional* (ELN), are involved in the coca economy, which gives them important resources to fight the war. Drugs, too, are a major obstacle in the reintegration of *Autodefensas Unidas de Colombia* (AUC) combatants, the illegal right-wing paramilitary groups that demobilized after negotiations with the Uribe administration in 2005. Several paramilitary have defected the agreements and state reintegration programs to join criminal networks engaged in drug trafficking and extortion.

The US-led intervention of Afghanistan after the September 11 terrorist attacks was meant to capture Osama Bin Laden and neutralize the Taliban, who had hosted Bin Laden. Implementation of the UN-sponsored Bonn Agreement for re-establishing basic government institutions was not accompanied by effective programs for security, governance, or development. In the resulting power vacuum, both insurgency and the drug economy have now revived, especially in southern Afghanistan. Despite years of "counter-narcotics" policy, UNODC now estimates that Afghanistan now supplies 92 percent of the world's illicit opiates, which account for over a third of the country's economy (see Table 1).

Two sets of questions guided the discussions.

- *Could any lessons be drawn from other attempts to scale down violence by addressing how illicit economies fund or motivate armed conflict?*

Over the past years, increasing attention to how "lootable" natural resources fund armed conflict has spurred the development of innovative policies and mechanisms, like the Kimberly Process – a diamond certification scheme. These sought to remove money from conflict in order reduce the military capacity and social base of illegal armed groups. Could the same be done for cocaine and heroin or were there unique features and challenges to drug-related conflicts? How could one build sustainable peace in areas where governance is undermined by drug mafias?

- *Were existing drug control policies coherent with the goal of building peace?*

**The independent and quasi-automatic implementation of stove-piped policy agendas in conflict and post-conflict scenarios can undermine the goal of peace-building.**

Many studies have concluded that the independent and quasi-automatic implementation of stove-piped policy agendas in conflict and post-conflict scenarios can undermine the goal of peace-building. Economic policy, for instance, may have to be adapted to the specific needs of a post-conflict situation where social tensions easily escalate to violence. Post-Cold War experiences involving international institutions and donor countries in peace-making and peace-building sparked an international debate among practitioners and academics on the coherence between security, development and peace efforts on the ground. Recent developments in Colombia and Afghanistan begged the same type of reflection with regards to



Table 1: **Illegal Drug Production. Key Data for Afghanistan and Colombia**

2006	Poppy Production Afghanistan: <sup>(a)</sup>	Coca Production Colombia:
Hectares cultivated	165,000	157,000 <sup>(b)</sup>
% of global cultivation	82.1	49.7 <sup>(c)</sup>
Illegal narcotic production in metric tons	6,100 (opium)	610 <sup>(c)</sup> (cocaine)
% of global production	92.3	62.0 <sup>(c)</sup>
Land use for drug production, % of all agricultural land	3.7	2.1 <sup>(d)</sup>
Export value of illegal drugs to neighboring countries , % of GDP	46	3 <sup>(e)</sup>
Farm-gate value of illicit drug production, % of legal GDP	11.0	0.5 <sup>(d)</sup>
People involved in cultivation	2.9 million	335.000 <sup>(d)</sup>
Illegal armed groups financial resources	The economic resources of Afghan armed illegal groups do not depend exclusively on illegal activities such as drug traffic. Many armed actors are also well known business men who trade legal and illegal goods.	FARC drug profits declined from \$90–150 million in 2003 to \$60–115 million in 2005. The FARC's overall profit per kilogram of cocaine declined from a range of \$320–460 in 2003 to \$195–320 in 2005. Coca eradication and other activities drove up FARC costs related to its drug activities, particularly the cost of buying cocaine products from farmers and producers.
<p>(a) UNODC World Drug Report 2007, p. 195.</p> <p>(b) Office of National Drug Control Policy ONDCP, see declaration issues in May 2007, retrieved 10/15/2007 from <a href="http://usembassy.state.gov/posts/co1/wwwspc166.shtml">http://usembassy.state.gov/posts/co1/wwwspc166.shtml</a>.</p> <p>(c) UNODC World Drug Report 2007, p. 64.</p> <p>(d) Government of Colombia, Censo de Cultivos de Coca, Junio de 2007, Bogotá: UNODC, 2007.</p> <p>(e) Interview with Franciso Thoumi and Alain Labrousse, Bogotá, November 30, 2005.</p>		

counter-narcotics policies and their impact on attempts to end conflict and build peace. Is the international drug control regime and US-sponsored drug control policies, both of which are mainly oriented toward the prevention of illicit use of narcotics and focused on the harm done to the consumer, in line with creating legitimate local institutions? How to implement peace accords that are threatened by the implementation of stringent drug control laws? What links between counter-narcotics and peace building had to be avoided and how?

**What links between counter-narcotics and peace building had to be avoided and how?**

# 4. Key Features of Drug-Related Conflicts

- *What comes first, drugs or conflict? And why should this matter?*

**The location of narcotics production is determined more by the “comparative advantage in producing illegality” than by the comparative advantage in the production of the raw materials for narcotics.**

Participants largely agreed that “among the many countries in the world that can produce opium and coca leaf on the basis of geography, labor availability, and other socio-economic conditions, cultivation has gravitated to those countries with lax enforcement.” As one speaker summarized it, the location of narcotics production is determined more by the “comparative advantage in producing illegality” than by the comparative advantage in the production of the raw materials for narcotics. Illegality, or more precisely, the lack of institutions and law enforcement is typically a necessary condition for large drug economies to emerge; it is also a cause of conflict.

The histories of both Colombia and Afghanistan indicated that the breakdown of legality and security preceded and created the conditions for narco-business, not the reverse. One speaker said: “Any Colombian will tell you a story about how the drugs trade got started – smuggling came first, then some marijuana cultivation (or you can go to illegal mining of emeralds first) and only later on, as conflict escalated, coca-leaf production appeared.” In Afghanistan, nearly a decade of civil war and disintegration of state structures preceded the growth of the narcotics economy in the 1990s. In both cases, a more structured military-political movement with ideological motivations developed independently of illicit crops and trafficking. In Colombia the leftist FARC and ELN appeared back in the 1960s when there were no illegal crops, and some of the older paramilitary groups began purely as anti-insurgency forces; while in Afghanistan the Islamic Movement of Taliban (students) emerged from its home base in Qandahar in October 1994 and, with the help of Pakistan took control of the central state apparatus in Kabul in 1996. The Taliban’s emergence was not caused by the drug economy in Afghanistan.

Common elements in the development of both movements in relation to the drug industry suggest some conclusions about the debate over whether armed rebellion is more closely related to political causes (“grievance”) or the availability of lootable resources to finance armed conflict (“greed”). In both cases, political considerations remained important, but, as the armed movements gained control of territory, their political views or ties to the drug industry changed. The Taliban were initially opposed to the drug industry, but soon they found that suppression of poppy cultivation provoked a degree of resistance that made stable control of territory impossible. Therefore, during the stage of operations when they were mainly seeking to gain and consolidate control over territory, the Taliban abandoned their original counter-narcotics policy in favor of a policy that enjoyed the support of the population.

In Colombia, FARC began to tax a few peasants growing coca in remote areas, but then coca farming grew in the areas under their control. In the words of one participant:

“Because there were large illegal armed groups controlling the territory that found it profitable to organize the farming peasant communities to plant coca, to organize a coca economy and increase their involvement in the business to maximize profits, so production shot up from about 20,000 hectares at the beginning of the 90s to 160,000 hectares less than 8 years later. And that is because this coca production became part of the strategic interest of armed groups, especially the FARC and the paramilitary, both as a means of getting resources and as a means of controlling population.”

Despite certain differences between the Taliban and the Colombian armed groups, there appears to be a basic sequence that characterizes countries where people engage in the highly visible agricultural production of coca or poppy. Absence of state control or breakdown of at least portions of the state created territory outside the domain of effective law enforcement. Drug economies started in Afghanistan and Colombia under such conditions and then expanded in both cases when armed political groups operating outside of international legality (the FARC and the Taliban) gained stable control of territory. The relative security and stability within the territories controlled by these groups – and later in the territories controlled by US-supported Afghan warlords – favored the expansion of the narcotics economy, just as the creation of legitimate security and stability favors licit economic growth. Trafficking, however, which is much more covert and difficult to detect, can gain a foothold in relatively stable societies and gradually undermine them.

Why should this question matter? A clearer idea of causality and events as they really happened has implications for policy. In this case, the point made by participants shows that standard counter-narcotic policies will more likely underperform in places with weak governance and conflict. Conflict management and anti-drug policies should aim at building legality. As a participant said, “You have to control some territory ... to have a coherent counter-narcotics policy.”

**Conflict management and anti-drug policies should aim at building legality.**

- *Armed groups and differences in drug-profiteering*

The general and more obvious connections between drugs and armed conflict are well known. Armed groups tap into the illegal drug industry in order to extract money. They tax cultivation, trafficking of precursor chemicals, manufacture and wholesale trade of drugs; charge traffickers for security services; or engage in any of these activities themselves, which in Colombia, for instance, has blurred the line between drug traffickers and the anti-guerrilla paramilitary combatants. These economies are embedded in an international drug market where cartels dedicated to wholesale, retail traffickers and consumers in other countries are the end users of narcotics. It is their money that ultimately flows into conflict areas. Financial resources are turned into military capacity (combatants and weapons), although at times money can shift combatants' incentives: from being politically-driven. Some can turn to crime as a way of life.

Local dynamics, however, differ from country to country and within regions in one single state. The FARC's and the paramilitary's involvement in the coca economy differ from each other: paramilitaries were more involved in trafficking and exporting drugs than the FARC, whose fronts were more often engaged in taxing production than in trafficking with international networks. This has marked, for instance, a clear distinction in their reintegration: paramilitary have defected to crime, while FARC deserters, 7500 since 2002, have tended to stay in the reintegration programs. In Afghanistan, the Taliban do not own the poppy business – although they profit from it in economic and political terms – instead a myriad of traffickers, warlords and peasants are the main actors in the illegal drug industry. This means that defeating the Taliban will not solve the drug problem and that counter-narcotic policies will have impacts over a wider spectrum of people who in turn are relevant actors for state-building in Afghanistan.

- *Beyond the economic link between drugs and conflict*

**As populations rely on narcotics production and trafficking for their livelihoods, political leaders also compete for their support by offering protection and support to these economic activities.**

Participants stressed that connections between drugs and conflict are much more complex than simply drawing a cause-effect line between drug money and conflict duration or intensity. Illegal armed groups' participation in the narcotics industry has key political dimensions. The Taliban and the FARC have understood that well, but practitioners in counter-narcotics often fail to take this into account and policies end having negative effects on peace-building and state-building, which are political processes. The Taliban, for instance, concluded that toleration or even promotion of drug production and trafficking was necessary, at least temporarily, to win political support or prevent destabilizing opposition. FARC also learned that its control over territories with coca leaf cultivation gave it a peasant social base that it could clandestinely mobilize as social protest against the state, and support to political allies. Moreover, armed groups are not the only actors acquiring "constituents". A participant noted that "as populations rely on narcotics production and trafficking for their livelihoods, political leaders also compete for their support by offering protection and support to these economic activities," and this needs to be considered as peace and stability depend on the political cooperation of those with local influence. When political actors are required by donors and troop contributors to adhere to international standards, practices, and interests, they may be undermining their domestic support.

- *The issue of dual legitimacy*

**Drug policy intensifies the problem of dual legitimacy. Governments that seek international acceptance or support from donors, especially the US, must take active measures to comply with the international drug control regime, but counter-narcotics implementation may undermine their local support.**

Participants highlighted that ending conflict and building viable institutions pass through creating political relations that are legitimate to leaders and society. In countries (Afghanistan more than Colombia) undergoing an international sponsored peace building process, the government must also legitimate itself with international institutions, and states that provide aid and troops. Drug policy intensifies the problem of dual legitimacy. Governments that seek international acceptance or support from donors, especially the US, must take active measures to comply with the international drug control regime, but counter-narcotics implementation may undermine their local support. International law requires enforcement of prohibitions that contradict immediate domestic political imperatives. In war-torn countries with extensive illicit narcotic sectors, counter-narcotics becomes part of the problem of dual legitimacy: But this view of counter-

narcotics has different implications for how to approach it than does the standard counter-narcotics strategy organized around suppressing end use. In particular, the creation and delivery of licit alternative livelihoods provide the key element that make it possible to reconcile the two sources of legitimacy. Given that counter-narcotics in such situations constitutes an essential part of the peace building or counter-insurgency effort, national and international actors – the governments of Afghanistan and Colombia and their various international supporters and sponsors – must demonstrate that both the legitimate state institutions and the licit economy offer a superior alternative to the drug economy and the informal power relations that support it. The two types of legitimacy, however, have radically different implications for how to manage the transition from drug-dependent to licit livelihoods, as the international counter-narcotics regime does not provide for any derogation or exception.

But to accomplish that, as a Colombian participant said, “The bottom line is, you need a state that works.” One Colombian participant mentioned that national government legitimacy is also undermined when foreign donors involved in counter-narcotics and counter-insurgency provide basic services and security, that is, when they take on the role of national and local authorities.

**The creation and delivery of licit alternative livelihoods provide the key element that make it possible to reconcile the two sources of legitimacy.**

# 5. Policy Coherence

- *The different policy goals of counterinsurgency, peace-building and counter-narcotics*

**Drug control, peace-building and counter-insurgency may have contradictory as well as complementary policy implications.**

Drug control, peace-building and counter-insurgency may have contradictory as well as complementary policy implications. All of them use multiple tools and have multiple objectives. Counter-narcotics seeks mainly to reduce consumption by discouraging drug use and prohibiting production and trafficking. This includes interdiction of illegal drugs exports, interdiction of the import of precursor chemicals used to manufacture refined products, law enforcement against traffickers and corrupt officials that protect them, crackdowns on money laundering, eradication of illicit crops, rural development including the creation of licit alternative livelihoods for those involved in drug cultivation, strengthening security institutions and the rule of law, and reduction of demand. Peace-building is about creating the right set of socio-economic, political and security conditions that prevent the use of organized violence. It includes permanent reintegration of armed groups, creation or reform of security forces, building institutions to resolve conflict without violence, holding elections, strengthening justice institutions and a whole spectrum of social and economic activities from humanitarian assistance to building the physical and institutional infrastructure for economic development. Counter-insurgency's aim is to neutralize or demobilize illegal armed groups, and it includes military campaigns of different kinds, economic sanctions, law enforcement, strategic political processes to reduce illegal armed groups' influence over local populations and international actors, power sharing agreements and pardoning or punishment of crimes.

**The core of policy incoherence derives from offering different sanctions and incentives to the same people in their different roles as insurgents, politicians, officials, voters, farmers, and drug traffickers.**

The international peace-building and counter-narcotics agendas are driven by different goals. A peace-building operation in any country is aimed at providing security to the people of that country, though that goal may be subordinated to global goals such as counter-terrorism in Afghanistan. Counter-narcotics policy, however, is driven primarily by concern over the effects of addiction to narcotics on consumers, and actions in producing and transit/trafficking countries are determined by the requirements of prohibition of end use. The core of policy incoherence derives from offering different sanctions and incentives to the same people in their different roles as insurgents, politicians, officials, voters, farmers, and drug traffickers. Stove-piped policies deal only with the roles relevant to those policy areas, but people make decisions as integrated actors.

- *Instances of incoherence*

### *Crop eradication*

Many participants felt that too much of counter-narcotics was eradication-led. Statements about introducing eradication in conjunction with alternative livelihoods usually were translated in practice into introducing eradication at the same

time as alternative livelihood programs, which, even if they succeed, as they often do not, create genuine alternative livelihoods only after several years. Hence eradication precedes and sometimes undermines alternative livelihoods, by preventing access to coca or poppy growing areas. One participant expressed a common view when he said, “Especially when looking at conflict scenarios – it’s actually the worst thing to do, to eradicate their fields at moments where there are no alternatives.” Apart from the humanitarian reasons, alienating peasants may undermine both short-term counterinsurgency objectives and long-term state-building goals because it pits communities against the state.

Crop eradication also has perverse price effects. While it may reduce the amount of drugs immediately available (and thereby conform to the metrics of success of the counter-narcotics regime), it may increase it in the medium term by driving up the price of narcotics through induced scarcity, increasing the value of assets and profits of drug traffickers and corrupt officials. A good example is the Taliban ban on poppy production in 2000-2001. This extremely effective ban had virtually no negative effect on the Taliban’s income from drug trafficking, which they continued to tax at the new and much higher prices. In this case, an apparent success in drug control, as measured by the counter-narcotics regime, in no way weakened or defunded organizations relying on narcotics money.

#### *Counter-narcotics metrics*

Depending on the definition of goals, the definition of success or progress may also vary. The most commonly used metrics of success in counter-narcotics derive from the definition of the goal as suppression of end use. Hence success is measured by reduction in physical quantities produced or traded or, less satisfactorily, physical quantities of crop eradicated or product seized. But it is not physical quantities of the drug that support insurgencies, corrupt officials, and undermine the rule of law. It is the money derived from the drug. At any stage of production and distribution, the amount of illicit funds derived from the drug depends not only on the physical quantity, but on the price. Efforts to restrict physical quantities may even raise the illicit revenue from trafficking by causing a rise in the price.

#### *US policy*

Many (not all) participants agreed with what one described as a “policy consensus and expert consensus” against eradication early in a counter-narcotics strategy. “But,” this speaker went on, “When we look now at the realities in Afghanistan, Colombia and Burma ...none of all those consensual conclusions are taken into account and affect the reality on the ground. Policies are implemented with more and more repressiveness. Now we talk about the possibility next year that aerial spraying can become an option in Afghanistan. ...It’s clear there’s a lot of consensus about what should not be done. And in reality, especially that one thing is continuously done in practice.”

Why? Conference participants noted that bureaucracies may try to do the right thing in terms of coherence and coordination, but that what gets implemented is (1) what gets funded and (2) what local elites allow to be implemented. Hence implementation may not follow agreed policy frameworks. This was said in reference to Afghanistan’s Counter-Narcotics Strategy, which did not prioritize massive

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eradication. Eradication, however, ended up being implemented more and more quickly than other counter-narcotics policies, because the US allocated more funds to it.

To a large extent, implementation seems to be driven by the US Congress, which is the world's single largest source of funding for counter-narcotics. Most of the legislators, however, see the issue from the perspective of drug use as it affects their constituents. Others perceive counter-narcotics as a necessary means to fight terrorism and to build strong rule of law abroad. Besides, use of multilateral funds and agencies would reduce the influence of donor legislatures, which is why the US Congress and others prefer to fund programs bilaterally. Participants stressed the need to educate the US Congress about this issue.

- *Legal constraints and international pressure*

**Peace-building – strengthening institutions for security, stability, and development – may be an overarching goal, but it has no obligatory international legal regime as does counter-narcotics.**

An expert on drug issues at the conference noted that the legally binding nature of counter-narcotics obligations may present limits to how policy can be adjusted for the sake of coherence. Peace-building – strengthening institutions for security, stability, and development – may be an overarching goal, but it has no obligatory international legal regime as does counter-narcotics. In contrast, drug control is ruled by various international treaties, including the Single Convention of 1961 and the 1988 Vienna Convention, which impose an obligation on state parties to enact national legislation to enforce its requirements. International legislation prohibits the unlicensed possession of and trafficking in a list of narcotic substances. There is no provision for derogation from any aspect of this legal regime in times of armed conflict or for a transitional period of emergence from dependence on drug trafficking. Neither Afghanistan nor Colombia treats coca or poppy growers as criminals, though both countries do engage in crop eradication with international support.



# 6 Elements of a Conflict-Sensitive Counter-Narcotics Policy

- *Prioritizing peace-building and sequencing interventions*

As one participant stated:

The sequencing of drug control and peace-building represents a dilemma. On the one hand, effective production control by democratic means requires political and economic stability, and, on the other hand, stability is hard to establish when drug production and related corruption and conflict flourish.

If peace-building and counter-narcotics may have contradictory as well as complementary implications, then how to make them coherent is a political decision. In cases of violent conflict, peace-making, security and peace-building should be the priority, which does not imply that donors and local authorities turn a blind eye to illegal drug economies and renounce counter-narcotics altogether. What it means is that interventions need to be sequenced. It may be that certain counter-narcotics instruments may be more effective in themselves and in terms of peace-building only when a certain degree of stability has been achieved.

Sequencing, however, is a theme both at the macro-level and micro-level. This is why the question is not as simple as whether peace building, counter-insurgency, or counter-narcotics comes first. Sequencing the various interventions within each policy area is at least as complex as how to sequence the three overall activities.

- *Introducing nuanced analysis*

The first step in the analysis of policy coherence then is to develop an analysis of how different actors both in the producing countries and internationally are related to counter-narcotics and peace-building efforts. One way of describing such an analysis is to say that we need “a real political mapping of who are the actors in the narcotics trade.” But the political analysis of “traffickers” is complex. This term, including both businessmen and their sometimes politicized protectors, includes a very diverse group of people with different actual and potential political stances. In Colombia, where the trade is far more dominated by either criminal cartels or armed groups (anti-government and pro-government), it appears somewhat easier to analyze the politics of trafficking. In Afghanistan, however, relatively little work has been published (though some has been done by intelligence agencies) to identify and analyze the key actors in the trade. US government officials, in particular, often emphasize the relationship between drug trafficking and the Taliban insurgency, but most analysts, as well as the government of the UK, believe that trafficking benefits a much wider spectrum of Afghans (as well as citizens of the neighboring countries to whom they are linked). In particular, many if not most of the large traders and smugglers may essentially be businessmen who would be willing to leave the illicit trade and invest their capital legally

**The sequencing of drug control and peace-building represents a dilemma. On the one hand, effective production control by democratic means requires political and economic stability, and, on the other hand, stability is hard to establish when drug production and related corruption and conflict flourish.**

**It would be useful to distinguish those who have primarily economic or social motives and could be won over to support the peace-building and state-building effort and those whose involvement is dictated by ideological (or professional criminal) opposition to the government's authority.**

under the right political and economic conditions. Given the complexity of allegiances in Afghanistan, a more detailed ethnography of trafficking would be required to inform a politically effective approach to counter-narcotics. In particular, it would be useful to distinguish those who have primarily economic or social motives and could be won over to support the peace-building and state-building effort and those whose involvement is dictated by ideological (or professional criminal) opposition to the government's authority. Actors' relations to the peace building effort are usually more evident than their relationship to an illicit, and therefore secret, or semi-secret, trade. All this information makes possible a political approach to counter-narcotics and the design of different mixes of sanctions and incentives depending on the cases.

- *Focusing on security, legitimacy and the rule of law*

Participants noted a number of potential complementarities of counter-narcotics and peace building. A Colombian participant noted that control of drug trafficking is "an issue of establishing the rule of law in your own country, and I think that if you have that perspective you can find the link between the issues of counter-narcotics and peace-building and security."

Moreover, several speakers with experience in both Afghanistan and Colombia emphasized the primacy of peace and security:

[T]he first thing you have to do is to have some security, you have to control some territory, because unless you have some security, real security on the ground, it is extremely difficult to have a coherent counter-narcotics policy. ...You need stability whether you're going to take the strongman fist approach to eradication or whether you're going to go the route of alternative development. But you need some minimum stability and really peace, whatever counter-narcotics approach you use, and arguably you also need peace and stability for any state-building measure and institutional development, the extension of rule of law.

A US-based researcher:

When one looks at where you had the nexus of conflict and drugs and where conflict was resolved – and I would also add where drugs were somehow suppressed – we still stick to that measure. I'm thinking of China, Peru, Thailand, Burma, Vietnam, maybe Lebanon. ...In every single case, conflict was ended first, before drugs were suppressed. In none of the cases drug suppression contributed to conflict limitation, which one would argue then leads to the recommendation of limiting or postponing extensive eradication until after peace has been achieved in Afghanistan. Of course you can say that's a cop-out because reaching some sort of peace or winning the insurgency is very difficult and maybe getting worse minute by minute.

There was broad agreement that ending violent conflict and strengthening legitimate state capacities were necessary pre-conditions to the implementation of effective counter-narcotics policies. Since sustainable counter-narcotics policy requires building an effective state, it is important that resources are aligned in

accord with government priorities and that people see an effective government carrying out policies. Efforts like those in Afghanistan that are obviously driven and directed by foreigners fail to build the legitimacy or capacity of the local authorities and therefore can have only temporary success. In this vein, policy alternatives such as licensed poppy production for medical purposes or buy-back schemes of crops are unrealistic as long as there are no legitimate legal structures in place. Without an agency having the capacity and legitimacy to credibly certify and supervise the production and purchase of illicit crops, any buy-back scheme or alternative production set-ups would only reinforce the corrosive effects of the drug economy.

- *Options for counter-narcotics as counter-insurgency*

One participant explained how eradication in Colombia had effectively contributed to counterinsurgency. It apparently reduced FARC's finances, hence military capacity, as well as severed its ties with local peasants, whose economic activities were no longer regulated by FARC.

Another participant, who has studied the links of armed conflict and drug trafficking in both countries, argued:

Counter-narcotics has also been introduced in a way into counterinsurgency doctrine particularly in the relationship between narcotics trafficking and armed groups and how to counter that, so within counter-insurgency the goal of counter-narcotics may be to defund narcotics groups and within peace-building the role of counter-narcotics may be to help establish the rule of law and give the people legal livelihoods, so they are not under pressure to resort to illicit activities.

However, using counter-narcotics as counter-insurgency might pose risks. There is no single template, and eradication and interdiction must follow a careful analysis of possible negative side-effects. For instance, massive eradication may eliminate illicit crops and, presumably, reduce the amount of money that illegal groups raise when they tax cultivation and the sale of coca-leaf or processed leaf. But eradication can also alienate local peasants and leaders from whom the state seeks cooperation.

- *Options for eradication*

Massive eradication may have perverse effects for counterinsurgency and peace-building because it does not eliminate the access to money for illegal armed groups. Eradication can transfer value up the chain of production rather than eliminating it. However, some participants argued that some eradication may be compatible with and even necessary for peace-building: "It all depends how you do it." One reason is to avoid creating a moral hazard by enabling people who grow illegal substances to benefit from state assistance (compensation or alternative livelihoods) while "punishing" those who voluntarily refrain from narcotics production by not providing them the same benefits. In Colombia, for instance, an incentive approach to eradication and alternative development created a perverse effect that led farmers in certain places to plant coca to gain access to technical assist-

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ance from the state and foreign donors. More recently, the Colombian Ministry of Defense has switched in key zones to strategic manual eradication carefully calibrated with economic assistance to build trust with populations exposed to FARC influence and bring the state back in. In order to achieve this, Colombia had to lobby Washington to change money originally allocated to aerial spraying. While this case-sensitive approach was welcomed by some participants, others indicated that the verdict on implementation and effectiveness was still out. Also, it was mentioned that in the case of Colombia, where there are no significant ethnic-historical ties to coca, not eradicating (and not enforcing counter-narcotics) would send contradictory messages to the population, basically that illegality is tolerable. If part of the problem lies in local culture tolerating corruption, then surely state-building passes through sending the right message with regards to law, justice, and order.

In Afghanistan the British have developed a scheme of 23 variables that determine whether particular areas are appropriate for crop eradication, for instance whether farmers have access to assets and markets. In practice, however, it has been difficult to act in accord with this scheme due to lack of information and political resistance by local power holders. A participant noted, however, that undertaking such technocratic exercises is no substitute for winning genuine consent, which is needed for both counter-narcotics and peace building to be sustainable.

- *Using the right metrics*

Analysis of how drug trafficking undermines rule of law and peace building starts with the economic value of illicit income from drugs, measured either in absolute size or relative to GDP. One metric of success is therefore not the reduction of physical quantities but the reduction of the amount of illicit funding produced by the industry, and focus on the value of illicit narcotics requires analysis of the value chain of the commodity from producer of raw material to final consumer. However, such alternative metrics may be hard to establish, especially if such an estimate were done without the use of cultivation data.

- *Targeted interdiction*

**Dealing with the elites that control drug trafficking may require a political approach as well as law enforcement, which is difficult to implement in the absence of clear guidance or norms for a transitional counter-narcotics regime.**

The discussion broke the overly broad term of “interdiction” down into several components, including physical interdiction of trafficking, law enforcement against traffickers, efforts to remove corrupt officials and, possibly, political efforts to negotiate with some of those influential in the business. There was a consensus that interdiction needed to be much more creative and required more resources. In particular, dealing with the elites that control drug trafficking may require a political approach as well as law enforcement, which is difficult to implement in the absence of clear guidance or norms for a transitional counter-narcotics regime. An example was Colombia’s demobilization, where the threat of extradition to the US on drug trafficking charges undoubtedly weighed in paramilitary calculations to disarm and negotiate a peace-agreement.

- *Regulating better the legal inputs into the drug economy*

Conference participants pointed out that once one analyzes the entire process of creation and circulation of illicit value through the drug sector, it becomes evident that not all the economic transactions required for drug trafficking are illegal. The transformation of coca into cocaine or opium into heroin adds tremendous value to the product, but these processes require the use of precursor chemicals (acetic anhydride for heroin and potassium permanganate for cocaine) that also have legal uses. Thousands of tons of acetic anhydride are imported into Afghanistan every year, according to UNODC. While it is extremely difficult, in principle it is easier to regulate and monitor a legal product than an illegal one. These precursors also originate outside the area of conflict and drug production, where law enforcement is more effective and developed. Several participants with experience in the field argued that regulation of these activities constituted a largely unexplored potential area of action that could minimize negative political impact on peace building or counter-insurgency. Here, the private sector could cooperate more. Again, putting pressure on companies requires political will from donors as well as national authorities in the countries with armed conflict. Colombia's experience in regulating precursors shows that such regulation can be accomplished and that it can affect illegal armed group finances at least during a short window of time. Eventually, however, precursors can be replaced by new substances.

A similar analysis applies to money laundering. Drugs may be illicit, but traffickers demand to be paid in real money. That money comes out of the licit banking system and eventually returns to it. A Colombian participant mentioned how weaknesses in national coordination among banks, law enforcement agencies, and public security forces involved in counterinsurgency prevented tracing more effectively monies from illegal armed groups and drug traffickers. Furthermore, institutional capacity and political will from other countries in the region could be strengthened to improve anti-money laundering measures aimed at defunding armed conflict. In general, there is a lot more to be done outside Afghanistan and Colombia to regulate the relations of the drug trade with the international licit economy.

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# 7. Thinking in Terms of Transitional Drug Control

**Transitional justice has become a standard tool when countries emerge from conflict. It might be possible to apply an analogous idea to drug control in conflict and peace-building situations, especially during the immediate aftermath of a conflict, when political agreements are still somewhat unstable.**

Participants at the conference introduced the idea of having transitional drug control policies. There are no set laws for how to manage the transition, which becomes especially sensitive when a country is simultaneously negotiating transitions from war to peace, from some combination of authoritarianism and anarchy to some version of democracy and rule of law, and from an illicit, predatory war economy to a productive, licit economy. Still, the international system has created widely accepted mechanisms, at least for the sphere of justice and order. Transitional justice has become a standard tool when countries emerge from conflict and states need to deal in a strategic way with combatants who have engaged in criminal activities and violated human rights. It might be possible to apply an analogous idea to drug control in conflict and peace-building situations, especially during the immediate aftermath of a conflict, when political agreements are still somewhat unstable. Even without a legal mandate to do so, US security agencies have allowed themselves flexibility. Both the Central Intelligence Agency and Department of Defense decided initially in Afghanistan to ignore drug trafficking and production by some of their local allies. Besides, everyone recognizes that illicit crop production and drug trafficking cannot be eliminated immediately, and that successful counter-narcotics programs are generally measured in decades. There are therefore, both political and technical justifications for a transitional approach.

The problem of sequencing is related to the problem of transition; the international legal regime for prohibited narcotics outlaws the entire industry, whereas the practical problem of replacing an illicit economic sector while winning the allegiance of most of those who participate in it requires at least de facto toleration of parts of the drug economy during a period of transition. The problem takes several forms, as described below.

- *The transition for farmers*

**It is generally recognized, if rarely implemented, that eradication should occur only of the crops of those who actually have economic alternatives.**

Communities that depend on coca or poppy cannot replace these activities without years of economic assistance and development. Furthermore, it is generally recognized, if rarely implemented, that eradication should occur only of the crops of those who actually have economic alternatives. In practice this often means eradication of crops in provinces or districts where some agency claims to have started an “alternative livelihood program.” In Thailand, fifteen years of development assistance preceded the introduction of crop eradication. This means that official plans assume that communities will produce “illicit” crops, even if in decreasing quantities, over many years. Since the counter-narcotics effort is being implemented simultaneously with an effort to build state institutions and win popular allegiance to them, gaining popular support for government and international presence is key to implementation. This argues for introducing alternative livelihood or community development programs first and proceeding to eradication only after communities are confident in the economic alternatives. Still,

policies should have the right balance between carrot and stick, and instruments of dissuasion should be used to increase the risks for farmers who insist in planting illegal crops. Moreover, there are practical problems to be solved on the ground. What should happen to the illicit crops that are de facto accepted during the transition period? Should government ignore the farmers while combating the traffickers who buy and market the product? What should be the pace of the transition? How would such agreements be enforced?

- *The transition for traffickers and protectors*

Discussions of “interdiction” and efforts against corruption focus on law enforcement. But as law enforcement officers themselves noted, law enforcement consists of acting in accord with strict rules against a small minority of deviants with the consent of the population. In Afghanistan, narcotics production and trafficking is not necessarily a socially deviant activity. The drug economy may account directly or indirectly for as much as 36% of GDP. Significant sectors of the population consider participation in such activities either justified or at least permissible under conditions of hardship related to armed conflict and poverty, and they will offer political allegiance to those who help them either survive in this situation or offer them a dignified way out. Just as the government’s provision for the economic welfare or at least activity of the people is key to its legitimacy in stable states, any political authority’s capacity for supporting or transforming the drug economy will be key to its legitimacy in countries such as Afghanistan.

In Colombia, the situation is somewhat different. Trafficking has been outlawed for decades and the tragic events of narco-terrorism in the early 1990s, when the Medellín cartel placed bombs indiscriminately in Bogotá, Medellín, and Cali and assassinated judges, journalists and politicians, curtailed to a large extent tolerance within certain sector of society towards drug trafficking.

However, conflict dynamics created enclaves where drug trafficking and mafia-style controlled economic transactions were the norm, and where illegal armed groups, through their economic control and political influence, became authority figures. This is why transformation of the narcotics economy into a much smaller, genuinely illegal and marginal activity is a political issue, perhaps the major political issue. In both Afghanistan and Colombia the power holders within the drug economy are key to this transition. To the extent that they consist solely of criminal cartels, they can be dealt with only through enforcement, though the lack of consent in certain areas may give this enforcement a military character. But where, as in Afghanistan and to a lesser extent Colombia, the major power holders in the narcotics economy are also major social and political figures within both the government and the armed opposition, the transition is likely to require a political as well as an enforcement component. This is something Colombians and international donors involved in that country have struggled with, especially in the case of the paramilitary, which are atypical armed groups, a mixture between drug mafias and politically-driven combatants.

In Afghanistan, one provincial governor, himself a major narcotics trafficker, was reported to have proposed that the government invite major traffickers to a meeting in Kabul and negotiate terms under which they would bring their illicit funds

**Where, as in Afghanistan and to a lesser extent Colombia, the major power holders in the narcotics economy are also major social and political figures within both the government and the armed opposition, the transition is likely to require a political as well as an enforcement component.**

**By analogy with the concept of transitional justice, transitional counter-narcotics would recognize that it is not possible to rectify wrongs committed during a period of extraordinary violence by applying peacetime norms retroactively.**

into the open. Such a negotiation would be part of a process of transitional counter-narcotics; by analogy with the concept of transitional justice, transitional counter-narcotics would recognize that it is not possible to rectify wrongs committed during a period of extraordinary violence by applying peacetime norms retroactively. Instead some agreement on accountability, forgiveness, and reconciliation could be negotiated. To be meaningful, such negotiations might have to be accompanied by a threat of enforcement (a point made in the case of Colombia and the agreement with the paramilitary.). From a political point of view, however, such an initiative could separate those engaged in the drug trade for profit who would prefer to transition into licit peacetime roles and those exploiting the illicit economy for political purposes. But whereas the human rights field has worked for years on coming to grips with this problem of transition, there is no such debate or practice within the field of counter-narcotics. Perhaps the scheduled 2008 discussion on the international narcotics regime can provide an opportunity to broach this issue.

- *The transition of illegal economies*

The resultant mix of bargaining and fighting over control of illicit, licit, and semi-licit activities among local, national, and international actors constitutes a classic path to state formation. Thus the simple equation of war with destruction is misleading. Armed conflict not only destroys, but transforms political relationships. Charles Tilly's aphorism – "War made the state, and the state made war" – actually has broader application. War makes economies and social relations as well, and presents opportunities to political and military entrepreneurs to create new institutions of control, which like wars themselves, require an economic base to survive.

**It cannot be denied that armed groups have created employment and new sources of livelihood, which could be sustained. A transitional drug regime could allow for a legalization of all those rural and urban enterprises.**

In Colombia, given the stigmatization of drug money (at least in mainstream democratic institutions), there is no actual policy to reintegrate enterprises created with drug money, as one reintegrates combatants. The only policy has been to follow standard counter-narcotics measures such as asset forfeiture. But it cannot be denied that armed groups have created employment and new sources of livelihood, which could be sustained. A transitional drug regime could allow for a legalization of all those rural and urban enterprises, from pharmacies to restaurants to plantations, to maintain their activities run by demobilized combatants or legal entrepreneurs.

Another issue addressed was the macroeconomic fragility of drug-related countries. One participant suggested that some protectionist measures designed to subsidize the transition to new economic activities might be useful, which might require exceptions to the strict Washington Consensus conditionalities that international financial institutions often impose on post-conflict countries. It may also require political commitment from trade partners to make exceptions to free trade agreements. In Colombia's case, the recent negotiation of a bilateral free trade agreement appeared to have neglected peace-building needs. US negotiators from the Department of Commerce argued that it was US policy to follow technical and economic guidelines according to US economic interests, as opposed to its alleged political and strategic interests. The issue of coherence between donor aid, trade, counter-narcotics policies and peace-building initiatives is a constant theme in international politics.



# 8 The Way Forward

Drug control has evolved over the past decades. Today, the policy tool kit is truly comprehensive and implementation of international commitments to tackle manufacture and consumption of illegal drugs is almost global. This has produced concrete results over a period of time in specific zones, but overall, the business of illicit narcotics has managed to survive. Criminal activities have simply shifted to weak governance zones around the world causing severe damages. The security risks posed by the combination of drugs and weak governance are great. As seen in the cases of Colombia and Afghanistan, drugs may fuel and complicate conflict dynamics and peace-building. The conventional recipes to control drugs must therefore be adjusted to prevent grave and costly security problems for the international community. Many things can be done even within the constraints posed by the drug regime in place, such as devising a transitional drug strategy that can deal with political leadership, local legitimacy, land and money in ways that are consistent with the goal of stabilizing a country and building democratic institutions.

In 1998, the UN held a General Assembly Special Session on the World Drug Problem (UNGASS). Its “Political Declaration” referred to the need for a “comprehensive” approach to drug control; expressed “deep concern about links between illicit drug production, trafficking and involvement of terrorist groups, criminals and transnational organized crime”; and set the year 2008 as a target date for substantial progress in the elimination of consumption, manufacture and trafficking. The debate on the 1998 UNGASS that will take place in March 2008 during the annual session of the UN Commission on Narcotic Drugs (CND) and the subsequent “period of global reflection” leading up to a Ministerial Meeting attached to the 2009 CND session should explicitly discuss the coherence between security, peace-building and drug control. This report calls for the creation of an Expert Working Group that collects experiences from drug-related armed conflicts and prepares documents that can inform governments and UN agencies.

**The business of illicit narcotics has managed to survive. Criminal activities have simply shifted to weak governance zones around the world causing severe damages.**

**This report calls for the creation of an Expert Working Group that collects experiences from drug-related armed conflicts and prepares documents that can inform governments and UN agencies.**

# 9 Annex

## List of Conference Participants

- Mr. Christoph Berg**, GTZ Germany
- Mr. Alan Bowman**, Counsellor (Political Affairs), Permanent Mission of Canada to the UN
- Mr. Sandeep Chawla**, Chief, Policy Analysis and Research Branch UNODC
- Mr. Pierre-Arnaud Chouvy**, Research Fellow, Geopium
- Mr. James Cockayne**, Associate, International Peace Academy
- Ms. Colleen Cook**, Analyst in Latin American Affairs, Congressional Research Service
- Mr. Kenan Engin**, Associate, FES New York
- Ms. Vanda Felbab-Brown**, Research Fellow, The Brookings Institution
- Mr. Jonathan Goodhand**, Professor, University of London
- Ms. Alexandra Guáqueta**, Academic Director, Fundacion Ideas Para la Paz
- Ms. Julia Harfensteller**, Visiting Research Fellow, Ralph Bunche Institute for International Studies
- Ms. Zoe Hudson**, Open Society Institute
- Mr. Sergio Jaramillo**, Vice Minister of Defense, Colombia
- Mr. Martin Jelsma**, Fellow, Transnational Institute
- Mr. Rob Jenkins**, Visiting Senior Fellow, Ralph Bunche Institute for International Studies
- Mr. Tom Kramer**, Fellow, Transnational Institute
- Mr. Volker Lehmann**, Policy Analyst, FES New York
- Mr. Hans Mathieu**, Director, FES Dominican Republic
- Ms. Simone Monasebian**, Representative and Chief of the New York Office, UNODC
- Mr. C.S.R. Murthy**, Professor, Centre for International Politics, Organization and Disarmament-New Delhi
- Ms. Letizia Paoli**, Professor, K.U. Leuven
- Mr. Carl Robichaud**, Program Officer, The Century Foundation
- Mr. Barnett Rubin**, Director of Studies, CIC, New York University
- Mr. Ricardo Antônio**, Professor
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- Ms. Laurie Shestack**, Adviser, Permanent Mission of the USA to the UN
- Ms. Jenna Slotin**, Program Officer, International Peace Academy
- Ms. Heather Sonner**, Project Consultant, World Federalist Movement – WFM
- Mr. Juergen Stetten**, Director, FES New York
- Mr. Francisco Thoumi**, Professor, Universidad del Rosario
- H.E. Mr. Fernando**, Ambassador, Head of the Delegation
- M. Valenzuela**, Delegation of the European Commission to the UN
- Mr. Robert von Dienes-Oehm**, Open Society Institute
- Ms. Joanna Weschler**, Director of Research, Security Council Report
- Mr. Marc Wheat**, The Charles Group

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