

Number 10 Strategy Unit Drugs Project, Phase 1 Report: “*Understanding the Issues*”

Transform Summary and Briefing

“The drugs supply market is highly sophisticated, and attempts to intervene have not resulted in sustainable disruption to the market at any level.”(p.104)

REPORT SUMMARY

In June 2003 the Prime Minister’s Strategy Unit produced a detailed economic and social analysis of international and domestic drug policy that showed that supply-side enforcement interventions are actively counterproductive. Put simply, the report demonstrates that:

- Drug production in developing countries has intractable economic and social causes and cannot be stopped.
- Trafficking cannot be significantly curtailed: seizure rates of 60-80% would be required to have any serious impact, and nothing greater than 20% has ever been achieved.
- Attempts to reduce drug use by reducing drug availability have failed (use has risen consistently).
- However, by inflating the costs of a weekly habit, supply side interventions have fuelled crime amongst dependent users. The cost of crime committed to support illegal cocaine and heroin habits amounts to £16 billion a year in the UK (*note: this is more than the entire annual Home Office budget*)

In short: our commitment to a global ‘drug war’ that cannot be won is costing the UK billions in wasted expenditure and crime costs.

BACKGROUND TO THE REPORT

- In 2003 the Number 10 Strategy Unit was commissioned to produce what was initially described as ‘a scoping exercise’ on illegal drugs. What emerged in Phase 1 of the reporting process, titled ‘*Understanding the Issues*’, was a thorough and clinical analysis by some of the best policy minds in the UK - of the counterproductive effects of national and global drug law enforcement.
- The series of 105 PowerPoint slides was presented to senior cabinet members in June 2003. It can only be assumed that it was not made public because its findings undermined the tenets of global drug prohibition. The UK Government is a signatory to the UN’s 1998 10-year drug strategy, whose stated goal is “*A Drug Free World – We Can Do It!*”. This report demonstrates otherwise.
- In December of 2003 Phase 2 of the report ‘*Diagnosis and Recommendations*’ was produced. It later became known as ‘*the Birt report*’ and its existence was made public by Marie Woolf in the Independent¹. Phase 1’s critique of supply side interventions was sidelined, and Birt recommended an intensification of demand side measures aimed at ‘*gripping high harm causing users (HHCUs)*’ in coerced treatment, in order to reduce property crime associated with fundraising to support a habit. This later culminated in the clauses in the new Drugs Act that mandate (with criminal sanctions including

¹ See: http://www.tdpf.org.uk/MediaNews_LatestNews_19_01_04.htm

imprisonment) drug testing on arrest for certain trigger offences and mandatory treatment if positive².

- The first half of the Phase 1 report was released under FOI on 1 July and the remaining section subsequently leaked to the Guardian: <http://image.guardian.co.uk/sys-files/Guardian/documents/2005/07/05/Report.pdf>. It is clear that there was nothing in the withheld material that was a security issue, (as was claimed by the Government) and that it was in the public interest to publish it in its entirety.

CONTENT OF THE REPORT

The report dissects the criminal drug market and the attempts to interrupt it with ‘*supply-side interventions*’ – the policy of drug prohibition. It demonstrates that:

- Prohibition has failed to prevent or reduce the production of drugs
- Prohibition has failed to prevent or reduce the trafficking/availability of drugs
- Prohibition has failed to reduce levels of problematic drug use
- Prohibition has inflated prices of heroin and cocaine, leading some dependent users to commit large volumes of acquisitive crime. Even if such supply interventions could further increase prices, this could increase harms, as dependent users commit more crime to support their habits.

1. PROHIBITION CANNOT PREVENT DRUG PRODUCTION

The report shows that efforts to reduce crop production have failed historically, and explains why they are ineffective and will remain so.

- *“Poverty often leaves farmers in drug growing regions few options but to grow illicit crops”(p.58)*
- *“Western influence in production areas is limited because a drugs economy thrives where the rule of law has failed, or where international norms have been breached”(p.60)*
- *“Drug crop eradication alone appears not to limit illicit crops in the long term”(p.61)*
- *“Weaning farmers off a dependence on illicit crops is a time-consuming, complex and expensive process of state-building”(p.62)*

2. PROHIBITION CANNOT PREVENT DRUG TRAFFICKING

The report demonstrates the historic failure of attempts to reduce drug trafficking (and related money laundering) and explains why they will not be any more effective in the future:

- *“UK importers and suppliers make enough profit to absorb the modest cost of drug seizures” (p.82)*
- *“The long term decline in the real price of drugs, against a backdrop of rising consumption, indicates that an ample supply of heroin and cocaine has been reaching the UK market”(p.80)*
- *“Despite seizures, real prices for heroin and cocaine in the UK have halved over the last ten years”(p.91)*

² see Transform’s briefing on the Drugs Bill (Act) for more detail:
<http://www.tdpf.org.uk/TransformresponseDrugsBill2.pdf>

- *“Over the past 10-15 years, despite interventions at every point in the supply chain, cocaine and heroin consumption has been rising, prices falling and drugs have continued to reach users. Government interventions against the drug business are a cost of business, rather than a substantive threat to the industry’s viability.” (p.94)*

3. PROHIBITION CANNOT PREVENT DRUG USE

The report demonstrates graphically how prohibition has failed to reduce use of the most problematic drug use - specifically since the Misuse of Drugs Act became law in 1971:

- *“Over 3 million people in the UK use illegal drugs every year, with more than half a million using the most serious drugs” (p.5)*
- *“The use of high harm causing drugs has risen dramatically over the last 30 years” (p.38)*
- *“The rising use of serious drugs over the past twenty years has had an increasingly adverse impact on users, their families and the rest of society” (p.104)*

4. PROHIBITION CREATES ACQUISITIVE CRIME

The report demonstrates how prohibition creates high levels of property crime. This analysis is focused specifically on problematic users of heroin and cocaine: drugs that are both highly addictive and, because of prohibition, highly expensive. These crime costs are outlined in detail:

- *“Heavy use of crack, cocaine and heroin is very expensive to support” (p.12)*
- *“Heroin and/or crack users cause harm to the health and social functioning of users and society as a whole, but users also commit substantial amounts of crime to fund their drug use (costing £16bn a year)”. (p.2)*
- *“Drug use is responsible for the great majority of some types of crime, such as shoplifting and burglary” (inc 85% of shoplifting, 70-80% of burglaries, 54% of robberies) (p.25)*

It further demonstrates how this crime will always be created by the underlying economics of the completely deregulated illegal drug market. When increasing numbers of users have to pay street prices grossly inflated by prohibition, the exploding levels of crime described in the report are inevitable:

- *“The high profitability of the drugs business is derived from a premium for taking on risk, as well as from the willingness of drug users to pay high prices” (p.66)*
- *“Profit margins for traffickers can be even higher than those of luxury goods companies” – (cites Gucci as an example) (p.69)*

The report goes on to show that even if supply side interventions were more successful, the result would be increased prices that could force addicts to commit more crime to support their habits.

- *“There is no evidence to suggest that law enforcement can create such droughts” (p.102) [but even if they could.....]*
- *“Price increases may even increase overall harm, as determined users commit more crime to fund their habit and more than offset the reduction in crime from lapsed users”(p.99)*

Key discussion points raised by this report:

- The report is a thorough indictment of a policy that enjoys broad UK parliamentary support but **cannot withstand basic scrutiny**.
- The report demonstrates that the supply side drug control policies promoted globally by the US and UN drug agencies **cannot succeed**.
- This is a global issue that requires a global response. Domestic responses (e.g. Drugs Act 2005) cannot mitigate problems caused by international policies. Current policy is attempting to deal with some of the symptoms without addressing the wider cause: global prohibition.
- The report undermines the popular perception that *'drugs and druggies cause crime'*. The report shows that drug prohibition causes most crime, rather than the drugs themselves.
- The sidelining of these findings, via the Phase 2 report, exposes the wishful thinking that underlies the new Drugs Bill 2005. The reality is that prohibition creates drug-related crime; treatment is then co-opted into a crime reduction tool; and the goal of drug policy becomes an attempt to reduce the crimes it has itself caused. The evidence-based conclusion – that prohibition should be reconsidered – is not countenanced for political reasons.

Transform Policy recommendations:

Transform would like all political parties to respond to this report

Short term:

- Government to order a full and independent Impact Assessment – of the UK's commitment to global prohibition and related legislation.
- A rapid expansion of heroin prescribing

Medium term:

- Decriminalisation of personal possession of all drugs (as recently happened in Russia, Portugal etc)
- Drug brief moves from Home Office to Department of Health (as recently happened in Spain)

Long term:

- That the Government follow the Home Affairs Select Committee recommendation to initiate *"a discussion within the Commission on Narcotic Drugs of alternative ways—including the possibility of legalisation and regulation—to tackle the global drugs dilemma"* (recommendation 24 *'The Governments Drug Policy: is it working?'* HASC, 2002).
- Legal control and regulation of all drugs (See Transform report *"After the War on Drugs - Options for Control"* at www.tdpf.org.uk for further discussion)

Contact Transform on 0117 941 5810, info@tdpf.org.uk or visit www.tdpf.org for more information.