Drug Prohibition and Poverty

David Borden
Executive Director
StoptheDrugWar.org

Frank Fulbrook is an activist and property owner in Camden, New Jersey. A decades-long resident of one of the nation’s poorest cities, Fulbrook witnessed the mid-1980s ascendance of crack cocaine and its impact. In response, he did a study that to the best of my knowledge is unique. Working with Camden police, Fulbrook compiled a list of open-air drug markets. He then obtained a property foreclosure listing and juxtaposed the datasets on a map.¹

Fulbrook found a correlation. Almost 90 percent of foreclosures were located within a block of a drug market, nearly half within half a block.² In the course of his research he noticed that every time police shut down such a market, two new ones would open.³ The title Fulbrook chose for his report expresses his interpretation neatly: “Urban De-vitalization: How the Policy of Drug Prohibition is Destroying Our City Neighborhoods.”

I became an advocate of drug policy reform through reasoning similar to Fulbrook’s. As a would-be activist in the early 1990s, I was exposed by publications like the Economist to the idea that prohibition causes crime by placing the drug trade in a criminal underground, similar to the role alcohol prohibition played in building up the U.S. mafia. The violence characterizing criminal businesses and the disruptive public form the drug trade often takes, in turn, foster urban poverty. Though prohibition is by no means the sole factor in inner cities’ criminal and economic woes, the drug trade is unique both as a market-financed illicit activity and in its sheer scale. Legalization, which can also be thought of as regulation (illegal markets lie outside the reach of conventional control measures), could therefore open up breathing room for communities

David Borden is executive director of StoptheDrugWar.org, where he pioneered internet-based organizing for drug policy reform in 1993. He is executive editor of the Drug War Chronicle newsletter, has initiated programs including the John W. Perry Fund scholarship fund and the international conference series “Out from the Shadows: Ending Drug Prohibition in the 21st Century,” and oversaw a high profile legislative campaign to repeal a law denying students financial aid because of drug convictions.

Copyright © 2013 by the Brown Journal of World Affairs
to progress more readily on a range of social problems—problems that affect everyone, but the most disadvantaged especially.

Despite the salience of the anti-prohibitionist critique for crime and poverty and the substantial support for legalization one can find in the intellectual sphere, when U.S. Surgeon General Dr. Joycelyn Elders in 1993 suggested studying the possibility of legalization, she was vigorously attacked for it.⁴ Among the critics, naturally, were members of the opposing party in Congress, including then Senate minority leader Bob Dole (R-KS), who remarked, “Americans must be wondering if the Surgeon General is hazardous to our health.”⁵ But in what Elders later described as “the day it rained on me,” law enforcement, opinion writers, and anti-drug activists also piled on.⁶

A typical regional article published by the Chicago Tribune highlighted the nearby suburb of Waukegan’s police chief, George Bridges, who apparently released a statement on behalf of the Lake County Fighting Back Project drug prevention agency. Bridges proclaimed, “the argument for the legalization of dangerous drugs is bankrupt” and lamented, “we are concerned with any effort to legalize dangerous drugs; but we are especially concerned when a person of Dr. Elders’ stature has given credibility to the legalization argument.”⁷

The Clinton administration also distanced itself from Elders’ remarks, though without explicitly criticizing her. White House spokeswoman Dee Dee Myers stated, “The President is firmly against legalizing drugs, and he is not inclined in this case to even study the issue,” according to the New York Times; an anonymous senior official told the Times that Elders “had been talked to.”⁸ Still, as the Times predicted, “Dr. Elders’s comments are almost certain to revive a perennial debate about the most effective way to handle the nation’s drug problems.”⁹

In this paper I argue that drug prohibition is a cause of violence, particularly in urban settings; that the type of violence prohibition causes can have an especially serious impact on the communities in which it is most heavily concentrated, even relative to other violence; that the illicit trade in drugs that prohibition creates has a corrupting and corrosive impact on youth, in ways that can undermine their prospects for life success; and that trade has a larger “community disorganization” effect, not limited to violence, which itself fosters conditions of poverty.

These arguments assume that today’s prohibition violence would subside following legalization.¹⁰ They also assume that the money in the criminal underground—and consequently the number of criminal jobs available—would likewise shrink, in turn lessening social disorder. The first assertion is very likely,
at least in the long term, although violence is a complex topic. Scholars have debated, for example, whether alcohol prohibition may have reduced total homicides by reducing drunkenness, and thereby reducing drunken homicides, that reduction offsetting the number of organized crime homicides. But scholars also debate whether prohibition was solely responsible for reduced alcohol abuse, or was needed for it. Some believe that reducing the scale of the illicit markets through legalizing some commodities could actually spark increased fighting among criminal organizations for the businesses that remain for them. There is agreement that prohibition gave rise to organized crime groups and increased their violence, and public reaction to events like the “St. Valentine’s Day Massacre” suggests the majority ultimately supporting repeal saw “gangland” violence as especially consequential. Most currently, illegal drugs fall short of alcohol in their propensity to spark violence through their use, further strengthening today’s legalization arguments.

That legalization would shrink criminal revenues, making criminal jobs scarcer, seems indisputable. Some have even asked how current drug trade workers will economically survive following legalization. Oddly, some do dispute this assertion—or perhaps strategically ignore it—in current debates. I believe their arguments are weak, and I address them below.

A NEGLECTED DISCUSSION

Drug prohibition has until recently appeared unshakeable, especially the prohibitions of drugs other than marijuana. Perhaps for that reason, media and even many academics have been relatively neglectful about discussing the issue of prohibition, even in contexts where it has the greatest relevance, such as discussions of inner-city violence or drug cartels’ grip on some developing countries. Another reason is that many in the public eye fear being attacked over the issue. Dr. Elders has recounted senators coming up to her in airports, telling her she was right but that they could not publicly say so. It is tempting to characterize that as leadership failure. But when a legislator—an individual leading justice reform in his state—once told me the same, I had to regard it as strategy. He was trying to help people through politically-achievable reforms, and did not want controversy over a marginalized issue to impede those efforts.

Another reason for hesitance is that much of the research in these issues is government-funded, making researchers vulnerable to a granting committee’s fears, occasionally even to direct meddling by legislators. Also, like the aforementioned legislator, some academics see legalization as squeezing out discussion
of reforms that are less ambitious but more achievable.

It is also fair to say the left has been slow to focus on criminal justice reform. Liberal critiques of over-criminalization often conclude by urging greater investment in social welfare programs, without accompanying clarion calls for legal reform. In drug policy, that translates to increased funding for treatment and prevention programs, on the idea that fewer people will end up using drugs and being punished for such use.

But while anti-poverty programs have merit, as do treatment and prevention for drug abuse (at least if done well), drug use prevalence is not primarily driven by poverty. A look through the “Monitoring The Future” survey, for example, finds a modest correlation between use rates and economic class for respondents in 8th grade (using Average Education Level of Parents as a proxy), but less of a correlation by 10th grade, and none by 12th. Drug use rates across socio-economic classes are therefore too similar to attribute most drug use to poverty. The difference, rather, is that a poor person with an addiction is more likely to fall into disastrous circumstances. A poor drug user, addicted or otherwise, is also more likely to suffer legal consequences.

On the criminal justice side, the argument is that investing in communities will mean fewer people turning to crime, and thus fewer getting into trouble. Unfortunately this misidentifies the primary forces behind the incarceration boom of the 1980s–2000s—namely, the decisions of legislators, prosecutors, judges, police managers, and individual officers to arrest more frequently and incarcerate for longer. It is not the case that everyone incarcerated is a truly “bad apple,” or that society has more criminals than in 1980. What has changed is how we treat certain people.

Perhaps the left’s slowness in taking on justice reform reflects how neatly calls for social program spending fit into the left versus right dialogue. Legalization, by contrast, is in some respects a call for smaller government. If one focuses on the impact crime and the drug trade have on poor communities, but not on prohibition and over-criminalization, one may attribute urban drug war problems to neglect. But if one focuses on arrests and incarceration, and where the brunt of these fall, one observes what Orlando Patterson terms a “malign obsession of the post-civil rights years.” This is not to suggest that the scarcity of good legal jobs plays no role in people’s choices of whether to turn to crime, but rather that it fails to effectively explain mass incarceration (I discuss some of the dynamics pulling young people toward or away from drug selling below).

The right’s inconsistency on this issue (e.g., not recognizing prohibition as big government) may in turn reflect a perception of drug use as something
engaged in by “liberals,” or some alternatives to punishment—such as treatment and prevention, harm reduction programs like needle exchange, drug market regulation—as part of big government. The obviously vaster cost and intrusiveness of incarceration often goes unacknowledged by such people, as does the government’s role in fostering much of the harm such programs seek to address.\textsuperscript{19}

Things are changing on both sides. Among conservatives, the Right on Crime coalition and the Justice Fellowship are examples of organizations working for compassionate criminal justice policies, and a libertarian strain can be found within the Tea Party movement.\textsuperscript{20} On the left, Congressional progressives have increasingly engaged with criminal justice. The California NAACP made history in 2010 by endorsing Proposition 19, a ballot initiative to legalize marijuana in that state.\textsuperscript{21} Washington’s I-502 and Colorado’s Amendment 64, both successful legalization measures, and Oregon’s Measure 80 were endorsed by the Colorado–Wyoming–Montana and Alaska–Washington–Oregon NAACP groups.\textsuperscript{22} In July 2013, the Pennsylvania NAACP called for marijuana legalization, the first such endorsement not tied to a campaign.\textsuperscript{23} Contributing to the growing identification of opposition to the drug war as a civil rights issue, and emblematic of it, is a book by Ohio State University law professor Michelle Alexander, \textit{The New Jim Crow: Mass Incarceration in the Age of Colorblindness}.\textsuperscript{24} Nearly four years after publication, it remains on the \textit{New York Times} bestseller list (#11 in “Paperback Nonfiction” as of 9/22/13) and widely cited in editorials.\textsuperscript{25}

\textbf{Prohibition: A Gateway into Criminal Involvement and Associated Harms}

By placing drugs in a criminal underground, prohibition creates a widespread source of illicit employment, most notably drug dealing. In \textit{Drug War Heresies: Learning from Other Vices, Times & Places}, prominent drug policy researchers Robert MacCoun and Peter Reuter write:

One harm of current American prohibition policies that is unquestionably concentrated in inner-city communities and has serious long-term consequences for them is the extraordinary prevalence of drug selling. That selling not only produces massive incarceration rates for young minority males, particularly African Americans but also affects the viability of those communities in both economic and social terms.\textsuperscript{26}

As noted above, discussions of urban crime often focus on the scarcity of good jobs, and that is certainly a factor. But drug dealers are not only found in inner cities but in affluent suburbs, on college campuses, and elsewhere. Supply
organizes itself to fill demand, dealers being a component of the supply. Prohibi-
tion thereby creates temptations for poor and wealthy youth alike.

New Jersey-based criminologist Janice Joseph and social work professor
Patricia Pearson write in the *Journal of Black Studies*: “In the inner cities, the
drug business is one of the biggest employers… The meager wages earned in
unskilled jobs… are… not as attractive to an inner-city youth who can make
much more money from selling drugs.”

Though most inner-city youth do not sell drugs, a troublingly high per-
centage have. In the *Journal of Youth and Adolescence* in 1988, Baltimore-based
psychiatrists Nathan L. Centers and Mark D. Weist cite studies finding that
upwards of one in 10 urban teens have been involved in drug dealing, with even
more having been approached by dealers hoping to recruit them.

In 1992, MacCoun and Reuter found that one in six African-American males born in 1967
had been charged with drug selling.

Note that drug dealing’s profitability is fairly inconsistent. For example,
Centers and Weist cite two *New York Times* articles, one in 1988 describing sig-
nificant profits, the other in 1989 describing “sweatshop” wages. An informant
in 1990 reported earning $5,000 per week; the MacCoun and Reuter study
found median earnings of $2,000 per month.

Nevertheless, dealing need not afford the proverbial “inner-city Mercedes”
to be attractive. Some attractions may be more insidious. Centers and Weist
note research findings that show arrest is not a deterrent, because it earns one
“respect” among peers. Retired juvenile court Judge James P. Gray lamented,
“the role models… today… are not people who work all day, go to school at
night… to… better [themselves]. The role models for… inner city youth… are
[drug] sellers.” A defense attorney recently told me another type of respect his
young clients gain from dealing is that the scene attracts women.

Along with risking arrest, Centers and Weist cite other ills associated with
dealing, including violence, drug use, behavioral, cognitive, and emotional
problems, and impaired school performance. While cautioning against assuming
causality (except for dealing and arrests), they found the relationships sugges-
tive of causality. Furthermore, although arrest may provide social status, it also
impedes future employability.
Prohibition also drives some to crimes they might not otherwise have committed. Joseph and Pearson write, “Many… users are addicts and commit crimes to support their habits… includ[ing] burglary, larceny-theft, fraud, arson, and stolen property.”\textsuperscript{37} Prostitution and small-time drug selling could also be added. Infrequently, economic compulsion caused by drug addiction leads to homicides.

Economic crime due to addiction is a consequence of prohibition because drugs are not inherently expensive to produce. Rather, high cost results from illegality. This “risk factor” means that workers require higher wages, and that production and distribution process is structured to avoid detection rather than minimize cost. By driving up addiction’s financial cost, prohibition financially depletes many addicts and drives some to degrading and dangerous lifestyles.

By contrast, one does not see extensive crime by nicotine addicts. A destitute smoker may ask a passerby for a cigarette, or even shoplift a pack, but will not hold up a store for cigarettes.\textsuperscript{38} Nicotine addiction is a major health problem, but it does not create major criminal problems; even smuggled cigarettes fall far short of the illegal drug market in their impact.

Furthermore, heroin maintenance, also known as Heroin Assisted Treatment (HAT), demonstrates that addicts often can live normally too, if afforded a legal supply.\textsuperscript{39} A well-known program operated in Liverpool, U.K., until the conservative Thatcher administration defunded HAT.\textsuperscript{40} Today programs operate in Switzerland, the Netherlands, Germany, Denmark, Montreal, and Vancouver. Patients receive pharmaceutically produced heroin through a clinic where they also access health services. Those needing to inject to relieve their cravings receive safety instruction, and heroin is also made available to users in other forms.

A 2009 paper by Peter Reuter noted significant benefits for the HAT programs it reviewed in Switzerland, the Netherlands, and Germany. For example, Switzerland saw criminal involvement decrease after 18 months from 70 percent to 10 percent, while employment increased from 14 percent to 32 percent. Basic health safety results were particularly striking, including decreased street drug scene contact and very few adverse events or safety issues.\textsuperscript{41}

Not everything becomes perfect with HAT; one might hope to exceed 32 percent employment, for example. But many HAT patients start from low circumstances. Having a third working after 18 months, the great majority with crime behind them and nearly all of them avoiding health incidents, constitutes
success. Although maintenance programs stop short of what I would define as “legalization”—they provide a licit supply only to addicts, rather than to any adult determined to use the drugs, and in HAT’s current implementation only to addicts who have attempted and failed with methadone maintenance—they nevertheless suggest broader lessons regarding the impact of criminalization on addicts. Such lessons can also be derived from people who can afford the cost of their addictions. For example, heroin is reportedly the drug of choice among sailors, and Wall Street cocaine use is reputed to be common; while the substances may take a toll on these users, they nevertheless manage to function.  

Stimulant drug maintenance (e.g., cocaine, methamphetamine) has not been widely attempted and presents greater challenges. Nevertheless, prohibition increases the harmfulness of those drugs as well, while maintenance programs mitigate it. In 2007, Mayor Sam Sullivan of Vancouver, British Columbia proposed a city trial of a prohibition program. Bruce Alexander and Jonathan Tsou of B.C.’s Simon Fraser University reviewed stimulant maintenance in 2001, writing that “small-scale stimulant maintenance trials for users of cocaine and other stimulants have already shown promising results in England, Australia, South America, and the United States.”

Maintenance programs, along with syringe exchange and policies like limiting criminal liability for persons seeking medical help for an overdose, are part of a set of programs and policies known as “harm reduction.” The key distinction between harm reduction programs versus traditional abstinence-based programs is that harm reduction seeks to safeguard and improve the lives of drug users, and those with whom they come into contact whether or not they stop using drugs.

Prominent drug policy academics Mark Kleiman, Jonathan Caulkins, and Angela Hawken provide an analytic expression of prohibition’s role in increasing the harmfulness of drugs in Drugs and Drug Policy: What Everyone Needs to Know: “Some of the measures taken to reduce the prevalence of drug use and the volume consumed also tend to make the activity more harmful per user or per unit.” That is, prohibition makes drug use more harmful for the people who choose to use illegal drugs despite the laws, at least while they are using them.

In his 1992 book Against Excess, Kleiman observes with respect to heroin specifically: “Heavy users of legal heroin would… be much better off personally and much less of a problem to others than heavy users of illegal heroin, but much worse off personally and more of a problem socially than moderate users or non-users.” That is, prohibition of heroin increases the harmfulness of the drug to the typical heavy user, as well as the harm caused on average by the
heavy user to others, and legalization would reduce both those kinds of harms. But these individuals would still be better off, and so would the rest of us, if they were not using heroin, at least not heavily.

**Prohibition is a Driver of Urban Violence**

The most frequently discussed consequence of prohibition is violence—drug trade participants using it because of either not having access to police or courts, protecting their interests or restraining their tactics. Drawing on papers from the 1990s, Joseph and Pearson observe:

> In cities such as New York, Chicago, Los Angeles, Miami, and Washington, DC, gang-related homicides reach several hundreds annually... Homicides growing out of drug transactions have become a serious problem in many cities, and the rate appears to be increasing. These cities have become combat zones where drug-related killings among gangs are intended to prevent police detection of drug operations, eliminate competition, and enforce collection of debts.

This type of violence, as MacCoun and Reuter observe, along with other aspects of the drug trade, undermines a community’s economic and social viability, thus contributing to poverty.

In a seminal 1985 paper, Paul J. Goldstein formulates a conceptual framework consisting of three categories of drug-trade violence: psychopharmacological, persons becoming excitable or irrational due to ingesting drugs; economic compulsive, persons seeking money to finance the cost of their addictions, sometimes involving or leading to violence (as discussed above); and systemic, the aggressive patterns of interaction within an underground market.

Goldstein and colleagues applied this model to research in New York City, and the results bolster the case for legalization. Examining homicides from 1998, they found “an overwhelming preponderance of drug-related murders...were systemic.” The study additionally found this “for every drug except alcohol.” For crack-related homicides (the great majority at the time), 85 percent were systemic, seven percent economic-compulsive, and just three percent psychopharmacological.

While there is a need for more recent research of this type, such a lopsided finding for a drug reputed to cause violent behavior is impressive. As Carl Hart sums up in the recently released *High Price: A Neuroscientist’s Journey of Self-Discovery That Challenges Everything You Know About Drugs and Society*, “[Crack cocaine]’s pharmacology didn’t produce excess violence. However, whenever a
new illicit source of profit is introduced, violence increases to define and retain sales territory, then declines once turf has been marked out and the market stabilized. It happened in Miami first with powder cocaine and then again with crack cocaine, and the same pattern has been seen in numerous other locations with many different types of drugs.”

**Drug Enforcement Can Have Unexpected Consequences**

Bolstering organized crime is an unintended consequence of drug prohibition, but a known and expected one. Prohibition can also produce consequences that are unexpected, and thereby even more disruptive to a community’s functioning. Crime in the United States rose during the mid-1980s with the emergence of the crack trade. As noted above, crime in the United States rose during the mid-1980s with the emergence of the crack trade. This new trade demonstrated how a variety of factors can affect drug trade violence in both nature and degree: how a drug is marketed, how often its users buy it, enforcement practices, and/or whether a market is stable or in transition. If the crack trade drove up crime rates for a time, the stabilization of crack markets and decreased usage may have helped them fall again. Still, the circumstances surrounding the rise of crack use remain illustrative of the instability of drug markets and their impact under prohibition.

In a 1995 paper, Alfred Blumstein hypothesizes a process by which the spread of crack use impacted inner-city crime. Crack is not cheap, as commonly thought. Rather, it is “a way of packaging a relatively expensive and upscale commodity (powder cocaine) in small, inexpensive units,” Levine and Reinarman observed. That innovation made cocaine available to many low-income people for the first time, but they could only purchase one “hit” at a time. Crack is short acting, so addicted users engaged in a greatly increased number of transactions, requiring many new sellers when the drug grew in popularity. Many were juveniles, willing to work for less than adults, partly due to not facing stiff adult sentencing.

Like other drug trade participants, many began to carry guns, Blumstein posits, to protect themselves and the money or valuable drugs they carried. From there, the guns diffused to other teenagers in the same neighborhoods, schools, or social circles. And because teenagers often lack the skills needed to resolve disputes peacefully and can be reckless or engage in bravado, a heightened gun crime problem was born, its scope reaching beyond the drug tra
The crack wars may also be an example of how the harshness with which drug enforcement is applied (e.g., not just its prohibition versus legalization) can have an unpredictable impact on crime. Blumstein has also reasoned that the passage of mandatory minimums in 1986, which included the now infamous five-year sentence for possession of five grams, contributed to the recruitment of many juveniles to be the new drug sellers—with juveniles not subject to those sentences—and hence to many juveniles becoming new gun owners at that time.

Drug enforcement also creates unpredictability in drug choices. For example, it is widely believed in Hawaii that crystal methamphetamine usage was spurred by marijuana eradication. Some observers also believe the emergence of crack resulted from marijuana eradication campaigns. In a fascinating Huffington Post article, Ryan Grim reported, “Rick Ross, ‘80s Crack Kingpin, Would Rather Have Sold Pot.” According to Grim, the notorious former trafficker at the center of the ‘90s CIA-contra-crack theory told him, “I wanted to sell pot. You couldn’t get pot at a decent price—I couldn’t, nor the quantity.” Grim, author of This Is Your Country On Drugs: The Secret History of Getting High in America, recalled, “I looked at pricing data from the late ‘70s and ‘80s and found a remarkable divergence: As the price of pot skyrocketed, the price of cocaine plummeted.” Grim attributes this to “Operation Condor,” a Ford administration program, expanded under Carter and then more dramatically under Reagan. Condor was a joint operation of the U.S. and Mexican governments that sprayed tons of herbicide on Mexican marijuana crops.

Drug enforcement can also have unintended public health consequences. For example, a 2001 report by The Dogwood Center found African American injection-drug users five times more likely than white injection-drug users to contract HIV, and Latino injection-drug users at least 1.5 times more likely. The report attributed the disparity to a greater likelihood that a black or Latino drug user carrying a syringe for an extended time period will be searched by police and arrested for it, thus discouraging them from carrying syringes and thereby encouraging sharing. Of course, the aforementioned transitions from marijuana to drugs like crack or methamphetamine, if the relationship to anti-marijuana campaigns is borne out by further research, suggest any number of resulting public health problems.

Increased spread of disease and popularization of more dangerous drugs are therefore additional instable areas under prohibition. Consequences of this type can lead to poverty, or hinder attempts to climb out of it. Both the criminal and public health instabilities seen under prohibition will likely remain risks for
as long as we have prohibition.

Drug Trade Violence Has Wide-Reaching Consequences

Not every criminal act has equal impact on society. Nevertheless, drug trade violence is a type of criminal act whose reverberations are felt widely, systemically affecting the life of communities where it is prevalent.

On that idea, Blumstein proposes a fourth component to consider adding to Goldstein’s tripartite drugs-violence nexus: a “community disorganization effect of the drug industry and its operations on the larger community. This includes the manner by which the norms and behaviors within the drug industry, which can become an important activity within some communities, influences the behavior of others who have no direct connection to the drug industry. For example, the influence of the widespread prevalence of guns among drug sellers may stimulate others in the community to similarly arm themselves for self-defense, to settle their own disputes that have nothing to do with drugs, or to gain respect.”

In a 1998 paper, Blumstein and Richard Rosenfeld used strong language to describe this disorganization effect, calling the spread of violence “contagious” and likening it to a “classic arms race.”

Blumstein also notes shifts in the nature of homicides that increased societal fear. Traditionally, murders are seen as resulting from conflict between people who know each other. A drive-by shooting, by contrast, creates an appearance of randomness where anyone could fall victim. Perceptions that more youth are carrying guns, and of youth being more likely to use the guns, also increase fear. Changes in the drug trade during the emergence of the crack trade thereby altered the quality of life for others and fearfulness then affected the policy process.

It is also important to note the lion’s share of drug trade violence is concentrated within inner city neighborhoods, as MacCoun and Reuter observe. Drug trade violence therefore has ramifications beyond the simple number of lives directly lost to it through its disproportionate impact on the people who live near it in those neighborhoods.

The Drug Trade as a Source of Community Disorganization

As Fulbrook’s research shows, prohibition has consequences beyond producing violence and drawing people into crime. Following that, I believe Blumstein’s fourth plank for the drugs-violence nexus, the “community disorganization effect,” logically applies to more issues than violence. The drug trade is a source of
disorder, making it more difficult to provide a calm environment for children, to make businesses work, to keep young people from getting involved in crime, and to maintain a healthy property base.

Eric Sterling elaborates on prohibition’s impact on property in “11 Ways the War on Drugs Is Hurting Your Business:”

Prohibition crime makes many neighborhoods unattractive to live in or to visit, which significantly depresses residential and commercial real estate values... Abandoned properties in high crime neighborhoods with drive-by drug markets don’t pay any real estate taxes... Even occupied buildings become undervalued.  

Abandoned and undervalued property in turn play into poverty, as do reduced real estate taxes, by affecting local authorities’ ability to maintain or invest in troubled neighborhoods.

A search on “drug dealing in high schools” shows its commonality. In one incident last April, ten adults and six minors were arrested for allegedly dealing in the San Diego area. Deputies “posed as students at Abraxas, Mission Hills, Poway, and Ramona high schools, and were able to buy narcotics at the latter three,” according to reports.

A recent Philadelphia Inquirer article reviewed a study that tracked “crack babies” and their families since the 1980s. The study attributed the children’s issues to poverty rather than cocaine exposure, despite such exposure having risks. I raise the emotionally-fraught topic of so-called “crack babies” only to highlight observations the researchers made of what the children lived through: “81 percent ... had seen someone arrested; 74 percent had heard gunshots; 35 percent had seen someone get shot; and 19 percent had seen a dead body outside—and the kids were only seven years old at the time. Those children who reported a high exposure to violence were likelier to show signs of depression and anxiety and to have lower self-esteem.”

In “Drugs, Insecurity and Failed States: The Problems of Prohibition,” the International Institute for Strategic Studies’s scholars Nigel Inkster and Virginia Comolli sum up the ills prohibition afflicts on urban communities: “In inner cities and other deprived areas of the developed world, entire communities have been blighted by the drug economy and the associated high levels of violence, corruption, and social breakdown.”

**Prohibition in the Developing World**

This paper focuses primarily on prohibition in U.S. cities. However, prohibi-
tion’s impact on a developing society can run deep, and so that topic requires at least partial review here. A weak state is vulnerable to criminal activity and to non-state actors of all types in ways that go beyond the types of crime one sees in the developed world. Drug trade funding sometimes even rises to the level of fueling insurgencies and civil wars; terrorist groups routinely derive a substantial share of their income from the drug trade. And even non-ideological criminal groups sometimes compete with the state in terms of power and influence.

Myriad examples demonstrate what is at stake. In Afghanistan, taxation of opium-growing finances the Taliban as well as warlords and other political actors. Hezbollah derives revenue from the marijuana and hashish crops, financing their operations in Lebanon and Syria. Mexico, where a billions-a-year illicit market met a state under the Calderón administration weakened by political transition yet determined to escalate its war with that market, is a particularly bloody example to our south of the mayhem prohibition can fuel. June Beittel wrote in a recent report for the Congressional Research Service: “Violence is an inherent feature of the trade in illicit drugs, but the violence generated by Mexico’s drug trafficking organizations (DTOs) in recent years has been unprecedented and remarkably brutal.”

Kleiman, Caulkins, and Hawken write: “Drug production helps weaken states and fuels civil conflict; drug revenues support insurgents, other armed non-state actors, and corrupt officials, while counternarcotic efforts create hostility to state power…If all we cared about was terrorism and insurgency, [then we should legalize drugs as a counterterrorist measure].”

Beyond the direct effects of violence and larger civil conflicts, the illicit drug trade also fuels other types of criminality through the reinvestment of drug profits by criminal organizations into other criminal areas, some of them more prone to violating human rights or safety than the drug trade. In a 2011 report for Global Financial Integrity, Jonathan Haken writes: “Any profits that are made [by drug trafficking organizations] rarely serve to bolster the official economy or the capacity of the state…[I]n many cases, profits will be funneled into an unofficial ‘shadow’ economy where they fund other criminal enterprises like human trafficking, prostitution, arms dealing, and more…”

Drug money also affects political systems. In the introduction to the recently-released “Dangerous Liaisons: Organized Crime and Political Finance in Latin America and Beyond,” OAS secretary for political affairs Kevin Casas-Zamora writes, “In [Latin America], the confluence of a vigorous, regionwide democratic process with the noticeable expansion of organized crime—particularly drug trafficking—has attracted the attention of political reformers…
The risk that money from organized crime, and drug trafficking in particular, poses to the integrity of political parties and electoral processes has been cited in country after country.\textsuperscript{73} 

Haken writes on this topic: “Even more damaging, drug profits will often be used to criminalize the state itself… In this way, drug traffickers profit from the poor conditions that exist in developing countries, and then use those profits to erode the capacity of the state even further.”\textsuperscript{74} 

And Inkster reasons similarly: “Drugs have enabled a range of powerful actors who have become, to use a phrase coined by… Gen. H.R. McMaster, stakeholders in state weakness—people who are part of the state, or benefit from the state, but who actively wish that state to be weak, in order to maximize their own power base and revenue-earning capabilities.”\textsuperscript{75} 

Although criminal activities of all types play a role in these problems, the drug trade leads. Inkster, a former top British intelligence official, at an IISS-DC book launch last year commented, “Narcotics, and in particular heroin and cocaine… have played… a unique role, due to the markup that they command from factory-gate to retail distribution, a markup of many thousand percent… And of course the reason they command this enormous value is a direct result of the existing global policy which is based upon prohibition.”\textsuperscript{76} 

In her 2009 book, \textit{Shooting Up: Counterinsurgency and the War on Drugs}, Brookings Institute senior fellow Vanda Felbab-Brown similarly explains that while she “discuss[es] a broad range of illicit activities [in the book], including illegal logging…extortion…and illegal traffic in legal goods…[d]rugs are the main focus because they best epitomize the nexus between crime and insurgency, because drugs are by far the most lucrative of all illicit economies…”\textsuperscript{77} 

Lastly, the illicit drug trade also tends to be a poor economic development strategy, despite the jobs it creates. Felbab-Brown expounds, “drug cultivation and processing generate employment for the poor rural population, which frequently numbers in the hundreds of thousands…But a burgeoning drug economy also contributes to inflation and undermines the stability of a nation’s currency, thereby harming legitimate, export-oriented industries. It also encourages real estate speculation and displaces production of legitimate goods and services. Since the drug economy is more profitable than legitimate production and requires less infrastructure and investment, frequently the local population is uninterested in participating—or unable to participate profitably—in legal forms of economic activity.”\textsuperscript{78} 

If one believes that problems like civil instability, state weakness relative to the strength of criminal groups, and political corruption, have an impeding
effect on global economic development efforts, then drug prohibition as the largest funding source for the criminal activity that drives such problems must be seen as an obstacle as well. As Inkster and Comolli write, “There is a growing consensus that the developing world has been left to deal with problems that arise out of demand in the developing world for substances which, because they are illegal, acquire an inflated market value, with all the incentives this provides for organized criminal groups.”

Latin American leaders are pressing the issue. In May 2013, OAS released a report on hemispheric drug control, not only assessing current affairs, but also examining alternative scenarios for drug policy. The report continued efforts by former presidents from Brazil, Colombia, and Mexico, as well as Switzerland and Poland (and more recently by sitting presidents of Colombia, Guatemala, Uruguay, Costa Rica and Mexico) calling for “break[ing] the taboo” on discussing alternatives to the drug war.

Comments made by some of those leaders show that the changes at which they are hinting are fundamental. In an interview for the 2011 film Breaking the Taboo, Colombian president Juan Manuel Santos stated, “One of the alternatives we should consider is legalization.” In a 2012 interview with Bloomberg, Costa Rican president Laura Chinchilla said that Central Americans “have the right to discuss” legalization, despite U.S. opposition, because they “are paying a very high price.”

Interestingly, one Latin American country has actually begun the climb down from prohibition. In a move that challenges the international drug treaty regime, Uruguayan president José Mujica has proposed legalizing marijuana; and on July 31, the lower house of the country’s parliament enacted legislation to follow through. Mujica’s ruling party has a larger majority in the Senate than the House, so final passage is believed likely, but at the time of this writing a Senate vote awaits.

**WILL LEGALIZATION UNDO THE DAMAGE DONE BY PROHIBITION? COULD ANYTHING ELSE WORK?**

This paper argues that prohibition contributes to poverty by creating violence focused on limited urban settings and perhaps even more so through the effects of illicit money flows. It further presupposes that legalization would reduce the crime that prohibition has to date helped increase.

I have made other implicit assumptions and choices of what to emphasize. I have argued that prohibition intensifies the harm suffered by addicts. I have not
explored the impact of substance abuse in and of itself. One need only consider the costs of a cigarette habit or alcoholism, for example, to see that prohibition cannot account for all the evils of substances.

That said, one must be careful not to draw simplistic conclusions from alcohol or tobacco experiences as to what legalization of other drugs would mean. Each drug has a set of properties that interact with law, biochemistry, culture, economic conditions, preferences, and other social forces in their individual ways. Nevertheless, my focus on criminal justice policy and legalization is not intended to downplay the role that substance abuse itself can play in poverty.

I have also assumed it is necessary to end prohibition in order to adequately address some of the pathologies that are currently associated with prohibition. Could we do better on that count even now with prohibition still in place? And how hard will the climb down from prohibition be once started?

Recent decades have seen innovative developments in policing strategies, such as David Kennedy’s famous Highpoint program, which focuses on reducing the disruptive effects the drug trade can have on a community (e.g., tamping down on the open-air drug markets). Such programs do not necessarily attempt to reduce drug sales if the sales are conducted discreetly. Such programs can thereby reduce the use of arrest and prosecution as well.86

Prohibition is not likely to end in 2013. Therefore, programs like Highpoint merit consideration by communities suffering from the current situation. Realistically, however, they are improvements, not silver bullets. The juggernaut of market-driven criminal activity in the drug trade has ramifications that no set of programs can ultimately resolve. It also seems questionable whether the thousands of police agencies across the country—and the city, county, and state governments which fund them these agencies, as well as the prosecutor offices that have to buy in—would all choose to adopt programs like Highpoint and maintain the considerable degree of political discipline and policy sophistication needed to sustain them. As Felbab-Brown notes in a paper reviewing such programs, “persuading one’s political constituents and perhaps also external allies that going easier on some criminals is in fact a sound law enforcement strategy, and not corruption, requires skilled leadership.”87

What about the first assumption I listed, that legalization would reduce crime? Is it warranted? One of the arguments prohibition advocates make against this idea is that illegal drug dealing and trafficking will continue unless we allow
David Borden

a total free market; any restrictions on age, point of sale, or the like, or any level of taxation will create opportunities for illegal selling.

There would obviously be a smaller criminal market. Keith Humphreys, discussing Mexico, writes, “If you want to calculate the impact of legalizing a drug under each assumption [being tested for revenue earned by Mexican organized crime organizations]…multiply the relevant pie slice by 80 percent” (e.g., 20 percent of it would be left — under a typical regulatory scheme, neither unusually loose nor unusually tight). At a 1996 forum in New York, then Mayor of Baltimore Kurt L. Schmoke fielded a question on this topic, saying the gray market under a non-prohibition system would be “smaller, and qualitatively different.”

Another argument is that legalization will not help because criminal organizations will simply turn to other crime. Former Office of National Drug Control Policy advisor Kevin Sabet is a proponent of the argument: “Given drug cartels’ grip on multiple underground markets—in guns, humans, DVDs, etc.—it is difficult to believe that any form of legalization could end their bloody ways.”

The 2010 version of “Speaking Out Against Drug Legalization,” a publication of the U.S. Drug Enforcement Administration (DEA) with the International Association of Chiefs of Police (IACP), argues similarly: “The fight in Mexico is over money, and not just money generated by drugs, but for any illegal activity where profits can be made.”

Kleiman, not a legalization partisan, ridicules the DEA/IACP argument in a blog post: “Handing criminals a multi-billion-dollar market doesn’t do anything to increase their criminal activity. R-i-i-i-i-i-ight.” While it is true that drug trafficking organizations engage in other crime, that more logically argues for legalization—the more profit they earn from drugs, the more that they have available to invest in other businesses.

DEA/IACP also claim: “Criminals won’t… become honest, tax-paying citizens just because we legalize drugs. The individuals and organizations that smuggle drugs don’t do so because they enjoy the challenge of ‘making a sale.’ They sell drugs because that’s what makes them the most money.”

But those individuals need to financially make it through the day, under the circumstances in which they find themselves operating. Blumstein and Rosenfeld discuss the complexities found in the relationship between illicit work opportunities and legitimate ones in distressed urban communities:

The conventional view of the connection between employment and crime portrays individuals… as turning to criminal activity when their legitimate employment opportunities are restricted. The relationship
is likely to operate in the other direction also… Evidence… suggests that low-income teenagers will substitute illegitimate for legitimate work when the perceived rewards of doing so outweigh the costs, and that a sizable fraction of inner-city young men engage in both legal and illegal activity at the same time, moving back and forth from one to the other as opportunity permits.94

Kleiman scoffed at the DEA argument on this point too: “And of course some people are born ‘criminals,’ and the structure of economic opportunity has nothing to do with their choices. Again, r-i-i-i-i-i-ight.”95

This is not to say the climb down from prohibition will be an easy one. In 2010, for example, Felbab-Brown posited in an editorial on the Brookings web site that marijuana legalization, while reducing drug trafficking organization (DTO) incomes, could actually lead to an increased amount of fighting between DTOs, due to increased pressure to compete over the remaining illicit drug markets and the marijuana gray market. Interestingly, Felbab-Brown notes, “the shrinkage of the U.S. cocaine market is one of the factors that precipitated the current DTO wars.” She concludes, “There are no shortcuts to improving Mexico’s law enforcement. Without a capable and accountable police…backed-up by an efficient, accessible, and transparent justice system, neither legal nor illegal economies will be well-managed by the state.” For her the legalization question rides more on the possibilities like providing better health care to users, reducing incarceration, or freeing up resources.96 Still, that a reduction in the use of an addictive substance like cocaine in the United States could contribute to organized criminal violence of the horrific and widespread type now seen in Mexico, raises questions about prohibition’s tenability as a basis for building justice systems.

Another factor suggests the scale of illicit markets are indeed important in the larger fights against crime and insurgency beyond the state of a country’s police, judiciary, and political system; the drug trade is not only lucrative but also labor-intensive at the cultivation and production stages—for substances like coca being processed into cocaine or opium poppy being processed into heroin—and at the distribution stage.97 For example, Felbab-Brown has argued that insurgent groups derive “political capital” through protecting illicit economies employing large numbers of people.98

Certainly at the retail market level, and perhaps the lowest-level trafficking stages approaching it, the sheer number of drug-trade employees—diffusely distributed to minimize the risk of detection or of losing large quantities of product to seizures by law enforcement or rivals—creates numerous situations in which violence can break out. Inkster reasons:
There is one area where I think a significant reduction in criminality would undoubtedly be achieved, and that is at both ends of the business. These are the areas that are highly labor intensive, production and street retail. I think that if it were possible to introduce a different kind of regime, most of the people involved at both ends of this trade would probably move out of criminality, because they are people who have neither the capability nor frankly the ambition to gravitate toward other forms of criminal activity. So there is a reasonable assumption that some at least of these would drop out of criminal activity.99

Two final points: First, much of the work I have cited here dates or refers to the second half of the 1980s and 1990s. Much of the key work on crime and the drug trade was done at that time, probably due to increased interest while crime was on the rise. The details of the drugs-crime nexus are certainly an area deserving of further and newer research.

Lastly, though the prohibition issue has great relevance to poverty, there are other issues at play in current drug policy that have significant bearing, such as mass incarceration or the collateral consequences of arrests and convictions. My focus in this paper on the prohibition topic is not intended to suggest that such issues, reforms for which have broad public support, are not urgent or deserving of attention.

CONCLUSION

The drug policy debate has advanced, but enormous challenges remain. With two states having enacted marijuana legalization, Congress is not yet poised to grant any exception to federal policy, although the Obama administration has issued arguably permissive guidelines.100 With world leaders calling for consideration of legalization systems, the State Department continues to oppose even harm reduction in international fora, and is certainly not supporting revision of the treaties themselves.

Inkster and Comolli pessimistically comment, “Achieving the diplomatic unanimity required to effect change [in the international drug control regime] is, it seems an impossible task. Even comprehensive state failure in an entire region such as Central America might not suffice to persuade governments of the need for collective reconsideration.”101 Yet, perhaps the subsequent developments at OAS and elsewhere provide at least glimmers of hope for international reform.

But nations struggling with drug-financed civil conflict deserve better from us than what Inkster and Comolli have described, as do urban communities...
suffering the brunt of the drug trade and of hard enforcement practices, and addicts living with needlessly restricted routes to recovery. It is not sufficient to discuss treatment and prevention, economic development, social programs, even criminal justice and drug policy reform—important as all of those are. It is not enough to talk about strengthening judiciaries in the third world, creating alternative development programs, or understanding that drug use in the United States generates incomes for cartels. All of those are important, but not sufficient.

Whatever the causes of the still skewed state of discussion on crime and drugs—and despite the political challenges—prohibition is an issue we neglect to the detriment of many of the world’s most vulnerable and disadvantaged.

Notes

6. In reference to Elders’ description of the day: conference attended by the author.
9. Ibid. One way they did so was to inspire advocacy on the issue. My organization’s third posting after starting an email list was an action alert supporting her.
14. Cliff Thornton, founder of the Connecticut-based drug policy reform organization Efficacy, while calling for an end to prohibition in his speeches, has also highlighted a need to address the loss of jobs (albeit illicit ones) that will occur in parts of the African American community that are currently dependent on the drug trade for income.
15. Speeches attended by the author.
19. In reference to vaster costs, see: Peter C. Rydell, Jonathan P. Caulkins, and Susan S. Everingham, Enforcement or Treatment?: Modeling the Relative Efficacy of Alternatives for Controlling Cocaine (Santa Monica,


28. Joseph and Pearson did not frame their discussion in terms of prohibition, nor did other scholars cited here unless specifically noted.


35. Private conversation with author.

36. Centers and Weist, “Inner City Youth,” 399.

distribution to reduce the spread of diseases or the number of unintentional pregnancies.

46. Drugs and Drug Policy, 16.
47. Mark A. R. Kleiman, Against Excess: Drug Policy for Results (New York: Basic Books, 1992), 363; This pair of comparisons made by Kleiman relate to his belief that prohibition reduces the number of users of a drug and/or the quantity of the drug that its heavy users tend to consume sufficiently to reduce the total societal harm related to the drug despite increasing the drugs’ average harm caused per individual. Hence it should be acknowledged that these authors do not endorse legalization of drugs like heroin despite their recognition of the substantial harms that prohibition imposes on some people, including heavy drug users. As Kleiman’s closing thought in the passage suggests, they instead are willing to tolerate increased average harm due to people’s drug use, up to and including the very substantial harms that have been described here in order to prevent what they claim would be larger total harm to users and society as a whole resulting from increased drug use. I contest their assertions about the degree to which destructive drug use would be likely to increase following legalization, and the appropriateness of imposing harms of as serious a degree as the ones discussed here in another pending paper.

55. Blumstein referred to the legalization debate in his 1995 paper without calling for legalization or predicting what the consequences would be. He noted, “A call for such an assessment was made by former Surgeon General Joycelyn Elders and was ignored as a result of the aggressive political response. It is an assessment I suggested in my Presidential Address to the American Society of Criminology in November 1992, to be carried out by a Presidential Commission with major research support from the National Academy of Sciences.”
56. Lecture attended by the author, The George Washington University, mid-1990s.
57. Luther A. Virgil and Jay Fournier, “Crystal Methamphetamine: Questions Answered.”
64. Eric E. Sterling, “11 Ways the War on Drugs is Hurting Your Business” (J.D. Business Council for Prosperity and Safety, 2012).
66. Susan FitzGerald, “‘Crack baby’ study ends with unexpected but clear result,” Inquirer, July 22, 2013.

241
71. *Drugs and Drug Policy*, 16.
82. *Breaking the Taboo*, DVD (Sundog Pictures, 2011).
93. DEA and IACP 2010, 2.
95. Kleiman, *Reality-Based Community*.
98. Felbab-Brown, Shooting Up, 6.
101. Inkster and Comolli, Drugs, Insecurity and Failed States, 125.