

Winning the Battle, but Losing the Drug War?

by

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On Sunday, the Prime Minister unveiled his alternative to the abandoned A.C.T. heroin trial. The trial would have given us a much better idea of how the availability, strength, and purity of otherwise illicit heroin affect the users' health, employability, criminality, and long-term survival, as Joshua Gans and Stephen King argued in these pages on August 27, 1997.

Instead, there is to be a marginal increase in resources to staunch the flow of imported illicit drugs, and increased support for voluntary agencies who support the hapless drug users. In the climate of cutbacks to government welfare agencies, increased support for voluntary agencies will be welcomed, but the policy in general is just more of the same.

There are elements of the new policy which focus on supply (the increased interdiction effort, and greater law enforcement) and others which focus on demand (the increased education effort, and support of voluntary agencies). In the face of persistent price-inelastic demand, the policy's efforts to squeeze supply will push up the price and increase the level of impurity of the street drugs, but will also increase the profitability for the unscrupulous entrepreneurs (up to 1300% gross return for smugglers).

Unless absolutely effective at stopping the flow of drugs, squeezing supply will worsen the social costs of drug use. And the sorts of corruption revealed by the Fitzgerald and Wood royal commissions mean that interdiction will never be absolute. Higher levels of adulteration on the street, needle sharing, fluctuations of dosage -- all these will lead to even larger numbers of young Australians dying from illicit drug use, both directly and indirectly, I predict.

And, ironically, the more effective at squeezing supply the policy is, the greater the social costs: higher prices mean higher profits and incentives to supply. Higher prices mean more property crimes to fund the users' habits. Higher prices mean lower purity and increased injecting. Higher prices mean less care with drug administering, perhaps leading to faster spread of HIV, of hepatitis C, of other diseases.

Recently, customs and police have boasted that they are seizing about 10% of all illegal imports of drugs. But the seizure figure of 10% of imports is meaningless if the importers can just arrange for more illicit shipments. And, given the profitability, there is no shortage of profiteers. Nor is there any shortage of money to corrupt law enforcement officials.

Meanwhile, \$15 million of federal funds has been cut from methadone maintenance programs. This will swell the numbers of street users, and the rate of property crime will continue to rise. The rate of drug-related crimes will rise, and with it the numbers of

prisoners, at a rising cost to taxpayers.

If effective, policies to discourage the demand for drug use will also reduce prices and profits. The education campaign proposed may be seen as a move in the right direction. But, to be effective, such a campaign must be credible. Given the widespread use of illicit drugs already, young people will soon see through any misinformation about the effects of drug use. Worse, any sound advice will also be ignored.

Another danger is the risk that the further criminalisation of illicit drug usage will actually lure some percentage of young people into using, because of the thrill of the illicit, of putting oneself at risk. Only by making drug use unglamorous and boring and, dare I say it, medical will such users be discouraged.

To what extent is drug use among young Australians a response to the prospect of a bleak future, with little chance of full-time employment and few part-time jobs as well? For many drug users this becomes self-fulfilling. There is evidence from England that stabilising their drug-taking enables such people to complete their training and find a job, which in turn may lead to their deciding to stop using. But the policy does little or nothing for the young people in Sydney's King's Cross or Cabramatta, who might have contact with the voluntary agencies, but whose futures are otherwise forlorn.

I believe that the best way of dealing with the problem of illicit drug use should be, on the supply side, to hurt the unscrupulous entrepreneurs where they are most sensitive -- in their ill-gotten profits. This means reducing the prices and mark-ups they receive in the illegal trade. At the same time, if habitual users were treated as sick patients, the lure of the illicit might be broken.

Trials of legal heroin, such as proposed in the A.C.T. and the Netherlands, and already underway in Switzerland (with the support of a large majority of the Swiss), would provide detailed information on an alternative to more of the same. In the face of a growing social problem, there are no certs, but the odds look long for the new policy being effective, even by the government's own yardsticks of success.