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The Andean Drug Initiative: Background and Issues for Congress

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THE ANDEAN DRUG INITIATIVE: BACKGROUND AND ISSUES FOR CONGRESS

SUMMARY

In September 1989, President Bush outlined a comprehensive, multi-faceted drug control strategy with both national and international dimensions. A major goal of the strategy was to reduce the amount of illicit drugs illegally entering the United States (a) by 15 percent within two years and (b) by 60 percent within 10 years.

A major component of the Administration's drug strategy is the Andean Initiative, estimated to cost $2.2 billion for FY 1990 - FY 1994. The initiative is designed to enhance narcotics-related military, economic and law enforcement support to Bolivia, Colombia and Peru, the major Andean nations combatting coca growing/processing/shipping by their citizens.

Despite lack of success in reducing the amount of cocaine entering the United States by 15 percent in the last two years, Administration officials say they are pleased with results achieved by the strategy to date and confident over future progress. Others are less optimistic, noting that many obstacles facing implementation of the initiative are beyond U.S. control. Yet others question the overall soundness of the strategy and its political effect on other U.S. foreign policy goals such as promoting democracy and human rights, as well as its budgetary implications for other U.S. foreign policy programs.

Issues for policymakers include:

1. Do the President's proposed increases in military, economic, and law enforcement assistance significantly aid the Andean nations in combatting drug production and trafficking, and if so, would this have a favorable impact on illicit drug use and drug-related crime in the United States?

2. Is leadership and coordination of overall U.S. drug policy effective, and if not, how does this impact on the Andean Initiative?

3. Are funding levels, equipment levels, or levels of U.S. direct involvement adequate to assist significantly the Andean nations in combatting drug trafficking and production, and to ameliorate the destabilizing economic effects of eliminating coca on their economy?

4. Is it realistic to expect to achieve levels of host nation cooperation required to implement the strategy?

5. Does concentration on drug-related issues in the Andean nations obscure --or perhaps work against--other fundamental long-term U.S. foreign policy goals such as stability, democracy, human rights, environmental protection , and poverty alleviation?

6. Can the success or failure of the strategy be effectively measured, and if so, by what criteria?

NOTE

This report was prepared at the request of the Subcommittee on Crime and Criminal Justice of the House Judiciary Committee.

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BACKGROUND

ANDEAN INITIATIVE PART OF EMERGING OVERALL DRUG STRATEGY

In September 1989, President Bush outlined a comprehensive, multi-faceted drug control strategy with both national and international dimensions. The strategy focused on reducing both the demand and supply of illicit drugs. Treatment, prevention/education, research, law enforcement, and international efforts are major components of the strategy. An important goal of the strategy was to reduce the amount of illicit drugs illegally entering the United States by 15 percent within 2 years and by 60 percent within 10 years. The President refined the strategy and forwarded it to Congress on January 25, 1990.[1] The following year, in February 1991, policymakers modified goals to a 20 percent reduction by 1993 and a 65 percent reduction by the year 2001.[2] In January 1992, predetermined fixed percentage reductions were eliminated and respective goals for 1994 and 2002 became: "Reduction below a (to be established) baseline level in estimated amounts of cocaine, marijuana, heroin, and dangerous drugs entering the United States..." [3]

The President's 1989 national drug control strategy contains a number of ongoing international elements which differed from those of preceding years. These international components (1) provide for limited anti-narcotics related economic assistance to major cocaine producing countries; (2) concentrate more on disrupting the activities of trafficking organizations (i.e., on seizing processing labs, chemicals, and assets) rather than on crop eradication; (3) encourage increased levels of Andean nation military involvement in counter-narcotics operations; and (4) provide for enhanced U.S. military support to host nation's counter-narcotics forces. Coordination of U.S. international drug efforts among Federal agencies and with foreign counterpart agencies also receives greater policy emphasis under the President's ongoing strategy.

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[1] Office of National Drug Control Policy, Executive Office of the President, National Drug Control Strategy, January 1990, p. 49-52; 120-121.

[2] U.S. Government, Office of National Drug Control Policy, National Drug Control Strategy, February 1991, p.15.

[3] U.S. Government, The White House, Office of National Drug Control Policy, National Drug Control Strategy: A Nation Responds to Drug Use, January 1992, p.26.

The President's strategy focuses on "high value" traffickers, operations and shipments; calls for improved drug intelligence support; seeks an improved command, control and communications system for anti-drug operations; and calls for increased funding of Department of Defense anti-drug operations, primarily to interdict the flow of drugs across the U.S. southern border.

ELEMENTS OF ANDEAN INITIATIVE

A major component of the Administration's drug strategy is the Andean Initiative, estimated to cost $2.2 billion for FY 1990-FY 1994. The Initiative is designed to help the major coca growing/processing/shipping nations of Bolivia, Colombia and Peru reduce illicit drug activities. The U.S. strategy includes enhanced economic, military and law enforcement assistance as well as preferential trade treatment for these countries. A broad spectrum of multilateral initiatives is included in the strategy as well.

Short-term goals of the strategy may be summarized as follows:

1. To help these three nations strengthen political/economic conditions and institutional capabilities to take effective action against trafficking organizations;

2. To assist these nations in increasing the effectiveness of their military and law enforcement establishments against the cocaine trade by supporting efforts to (a) isolate major growing areas, (b) destroy labs and (c) block delivery of precursor chemicals;

3. To damage significantly trafficking organizations by seizing key traffickers and their assets; and[4]

4. To strengthen and diversify the legitimate economies of the Andean nations to enable them to overcome the destabilizing effects of eliminating cocaine.[5]

U.S. assistance provided pursuant to the Andean Initiative is conditioned on drug-control performance and the existence of sound economic policies of the host countries. In the case of Peru, meeting specific human rights criteria is an added factor.

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[4] Office of National Drug Control Policy, Executive Office of the President, National Drug Control Strategy, January 1990, p. 50.

[5] U.S. Government, Office of National Drug Control Policy, National Drug Control Strategy, February 1991, p. 79. This goal was first added as a separate and distinct fourth item in the 1991 strategy.

To implement the strategy the U.S. Government has relied on resources from numerous agencies, and a combination of foreign aid, trade benefits, and investment initiatives. Lead actors include the Department of State's Bureau of International Narcotics Matters (INM), the Drug Enforcement Administration (DEA) and the Department of Defense. Secondary roles have been assigned the Border Patrol, the Coast Guard and the Customs Service. Increasingly active and important roles are being performed by the Justice Department, the Treasury Department and the intelligence agencies. As regional economic stability becomes a more frequently emphasized element of the strategy, the roles of the Agency for International Development, the Office of the United States Trade Representative and the Department of Commerce, can be expected to intensify.

The Administration's FY93 request for Andean strategy narcotics-related assistance would provide $176.6 million to Bolivia, $163.5 million to Peru, and $138.6 million to Colombia--a total of $478.7 million.[6] Of the FY93 requested assistance, $109.6 million is for law enforcement assistance and DEA support; $110.6 million for military assistance; and $258.5 million for economic assistance. Roughly broken down, FY93 requested military assistance is equal in amount to law enforcement assistance, and the combined requested totals for law enforcement and military assistance are slightly less than the amount requested for economic assistance. (See Appendix I.)

Key to the economic elements of the initiative is the Andean Trade Preference Act.[7] The Act, proposed by President Bush in November 1989, and eventually passed by Congress in a scaled back form in November 1991, would reduce United States tariffs on an estimated $325 million worth of imports from the Andean nations. Items subject to reduced rates include cut flowers, leather handbags, luggage and vegetables. Items excluded from the Act by congressional action include llama and alpaca wool goods and rum. As a result of the Act, according to some reports, the dollar value of Andean exports to the United States are expected to increase more than threefold over the next decade. Despite positive benefits offered, some critics complain that the Act excludes key Andean products like tuna, sugar, shoes, textiles [including llama and alpaca wool] and petroleum from preferential U.S. market access, and that it is not likely to lead to a rapid diversification away from coca exports to legitimate trade.[8]

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[6] See Appendix I. Note that Congress, as of February 5, 1992 has not passed a foreign operations appropriations act for FY 1992, and it is unclear whether it will fund programs of this size.

[7] Andean Trade Preference Act, passed by Congress November 26, 1991, signed into law December 4, 1991. For text see: Congressional Record, House, p. H10641, November 20, 1991.

[8] "Andeans Hope to Match Caribbean Export Growth" by Charles Thurston, Journal of Commerce, January 16, 1992, pp. 1A and 3A.

The Enterprise for the Americas Initiative is another vehicle to be used to implement the strategy's economic objectives. The enterprise seeks to promote debt relief, trade and investment opportunities in the region. Framework agreements on trade and investment have been signed with the three Andean Initiative nations and Ecuador as well.[9]

Multilateral initiatives are an integral part of the strategy that seeks support of the European Community in efforts to reduce production of illicit drugs in source countries and their distribution through transit countries. Multilateral cooperation aimed at curbing drug money laundering and precursor chemical shipments is also stressed.[10]

The multilateral approach was dramatized by the first Andean drug summit meeting held in Cartagena, Colombia, on February 15, 1990. At that meeting President Bush discussed drug cooperation efforts with the Presidents of Bolivia, Colombia and Peru. In a communiqué the Presidents pledged to cooperate in a concerted attack on all aspects of the drug trade and to exchange information on precursor chemical and drug money flows. In the "Document of Cartagena" the parties: (1) agreed on the need to reduce demand; (2) agreed to act within a framework that respects human rights; and (3) agreed to work together to increase trade, development and marketing of new exports. The United States pledged its willingness to finance activities fostering sound economic policies including alternative development and crop substitution programs. The United States also agreed to facilitate private investment in areas where favorable economic conditions exist. The parties reaffirmed their will to bring about a net reduction in the cultivation of coca. Participants also signed side agreements designed to promote law enforcement cooperation and public awareness cooperation during and following the summit meeting. A follow-up Andean summit meeting is tentatively scheduled in San Antonio, Texas for late February 1992, with additional invitations expected to be extended to Ecuador, Mexico and Venezuela.

EVALUATION OF STRATEGY PROGRESS AND EFFECTIVENESS

Administration and other groups evaluating Andean Initiative programs have come to differing conclusions. Some are encouraged by results achieved to date and optimistic over prospects for ongoing success; others suggest "start-up" has been slow, but now that implementation is in full-swing prospects for success are promising; yet others suggest that the strategy to date is a dismal

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[9] U.S. Government, Agency for International Development, Andean Counterdrug Initiative: Economic Cooperation, April 1, 1991-March 31, 1992, p. 3-4. For more on the Enterprise for the Americas Initiative, see: The Enterprize for the Americas Initiative: Issues for Congress, CRS Issue Brief 90130 by Nina M. Serafino and Betsy A. Cody.

[10] Ibid., USAID study, p. 49-62.

failure and will continue to be so. Analysts generally recognize that evaluating program efficiency and strategy effectiveness are not simple tasks.

Administration's First Year Assessment

Despite lack of ability to demonstrate short-term success in reducing the amount of cocaine entering the United States by 15 percent in the last two years,[11] Administration officials are encouraged by strategy results achieved to date. For example, DEA statistics reveal record levels of cocaine seizures and lab destruction activity (see Appendix II). On October 10, 1990, Assistant Secretary of State for International Narcotics Matters, Melvyn Levitsky reviewed the first fiscal year of the Andean strategy and noted both areas of success and problem areas. Areas of success cited included:

1. Successful start up: Executive branch agencies were brought together to develop implementation plans.

2. Enhanced commitment of new democratic governments in the three Andean nations to cooperate with U.S. counter-narcotics objectives.

3. More U.S./Andean coordinated focus on high-level targets and better use of intelligence to support these efforts.

4. Enhanced seizures and pressures on the trafficking organizations.

5. Dispersion of trafficker activity brought about by enhanced detection and monitoring by the U.S. military.

6. Initiation of efforts to give those involved in coca production viable economic alternatives.

Potential problem areas implied or identified included:

1. Concern that Congress by earmarking economic assistance funds to "hi-priority" recipients, may leave less funding for Presidential discretionary allocation to counter-narcotics programs.

2. Need to tailor U.S. programs in such a way that they do not adversely affect fragile social, economic and political institutions of sovereign countries.

3. Need to improve host nation pace of laboratory destruction and cocaine seizures.

4. Need to develop new international mechanisms to address money laundering and precursor chemical flows.

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[11] U.S. Government statistics on the level of increased or decreased cocaine entry do not appear to be currently available.

5. Need for better programs to use seized assets and to deny traffickers' ability to exploit host nation judicial loopholes to regain such assets.

6. Need to develop cooperative programs to deal with allegations of human rights violations and corruption.[12]

Subsequent Assessments by Administration and Other Sources

As the Andean Initiative entered its third year, three reports identifying problems and challenging aspects of its implementation were released: (1) a State Department Inspector General's report on U.S. drug control efforts in Bolivia,[13] (2) a General Accounting Office (GAO) report on U.S. drug programs in Peru,[14] and (3) a GAO report on U.S. counter-narcotics assistance to Colombia.[15]

The GAO report on Peru concluded that it is unlikely that U.S. counter-narcotics strategy would be effective in Peru unless significant progress is made in overcoming serious obstacles. Obstacles, noted to be primarily outside of U.S. ability to control, include: (1) difficulties in implementing government control over military and police units involved in counter-narcotics operations, (2) extensive corruption, (3) lack of coordination between host nation military and police agencies (4) lack of control over airports, (5) political instability caused by insurgent groups, (5) an economy heavily dependent on coca leaf production, and (6) human rights violations committed by the military and police.[16]

The State Department Inspector General's report dealing with Bolivia noted that although the quality and quantity of U.S. counter-narcotics assistance had been enhanced, there had not been a corresponding reduction in Bolivia's illicit drug industry that supplies 35 percent of the world's cocaine. The report suggested that progress in reducing Bolivia's drug trade was a long term task, taking at least 10 years. It noted that to implement effectively such a program, however, two concerns must be addressed: (1) the political will and economic

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[12] Statement of Assistant Secretary of State for International Narcotics Matters, Melvyn Levitsky Before the House Foreign Affairs Committee Task Force on International Narcotics Control, October 10, 1990, p. 1-3.

[13] U.S. Department of State, Office of the Inspector General, Drug Control Activities in Bolivia, October 1991, Audit Report 1-CI-030.

[14] U.S. General Accounting Office, The Drug War: U.S. Programs in Peru Face Serious Obstacles, GAO/NSIAD/92-36, October 1991.

[15] U.S. General Accounting Office, Drug War: Observations on Counternarcotics aid to Colombia, September 1991, GAO/NSIAD-91-296.

[16] U.S. GAO, The Drug War: U.S. Programs in Peru Face Serious Obstacles, October 1991, p.4-6.

ability of the host country to implement drug control programs effectively, and (2) long-standing fragmentation and coordination among U.S. Government agencies involved--particularly at the field level. The report noted that the host nation--under strong U.S. urging--"has taken a number of concrete steps to combat drugs and corruption. Nevertheless, Bolivia's political will is questionable, as demonstrated by some recent appointments of corrupt officials to key drug control positions."[17]

The GAO report dealing with Colombia focused on program management and supported the viewpoint that both legislation and policy permit Colombia to use U.S. aid against both drug traffickers and insurgents involved in the drug trade. However, the report went on to note: "the necessary management oversight of U.S. aid was not in place. Without such oversight, there is no assurance that the aid is being used effectively and as intended." The report further noted that "U.S. officials have not finalized plans for (1) designating how the aid should be used by military units, (2) monitoring how the military aid is used, and (3) evaluating the effectiveness of the aid in achieving counter narcotics objectives".[18]

In his October 1991 testimony, responding to these three reports,[19] Assistant Secretary of State Levitsky noted that the GAO report on Colombia acknowledged dramatic accomplishments made against the traffickers in Colombia, but that the other reports questioned the slow pace of accomplishments in Peru and Bolivia. He stated that in Peru the overall counter-narcotics situation was much improved over three years ago and that the report made only passing references to Peru's deathbed economy, violent insurgencies, human rights abuses by security forces, and unwieldy and demoralized government bureaucracy. Despite such dismal obstacles, he argued that the new Fujimori government had made a considerable effort to: (1) involve the military to support counter-narcotics operations; (2) correct human rights problems; and (3) set the stage to provide alternative sources of income for coca farmers.

Moreover, he noted that for the first time after many years of rapidly expanding coca cultivation in Peru, the amount of area farmed had levelled

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[17] U.S. Dept. of State, Office of the Inspector General, Drug Control Activities in Bolivia, October 1991, Audit Report 1-CI-030, p. 1-11.

[18] U.S. GAO, The Drug War: Observations on Counternarcotics Aid to Colombia, September 1991, p. 1-5.

[19] Statement of Assistant Secretary of State Melvyn Levitsky before the House Government Operations Subcommittee October 23, 1991.

off.[20] Levitsky questioned whether it was realistic for Congress to expect an economic program, and much less a counter-narcotics program, to succeed in Peru, if Congress withholds $10 million in narcotics related Foreign Military Financing from the Peruvian army because of their human rights abuses.

In addressing Bolivia, Levitsky noted that in less than two years since the Andean Strategy was begun, the Bolivians, with United States assistance, had among other things: (1) regained effective control over the Chapare coca growing region; (2) reduced the number of trafficking organizations, arresting one major kingpin; (3) taken custody of seven major traffickers under a controversial decree allowing traffickers to turn themselves in, get reduced sentences, and avoid extradition; (4) achieved a net reduction in 1990 coca cultivation; and (5) removed corrupt officials.

In addressing Colombia, Levitsky focused on management techniques and end-use performance monitoring techniques for United States programs. On the policy level, he addressed concern expressed by the State Department Inspector General's report that the Government of Colombia may not be using all its resources--particularly its military force to effectively fight drug trafficking. Levitsky stressed that 1991 cocaine and lab seizures were up, and not without significant Colombian government casualties in the drug war. Moreover, he noted that engagement of the Colombian military in the drug war was relatively recent, and that despite minimal seizures, complex multi-service raids had been conducted.

Levitsky's October 1991 testimony came in the wake of two earlier GAO reports that examined the status of DOD's support to counter-narcotics activities and the effect of DOD's detection and monitoring of cocaine flows. The latter of these two reports concluded that, among other things, DOD's efforts had not had a significant effect on reducing drug supplies and that interdiction alone cannot make a difference regardless of how well DOD carries out its mission.[21] Such findings are reportedly supported by conclusions reached in an internal Pentagon document obtained by *Newsweek* magazine. According to Newsweek, the author of the report concluded that: (1) the Andean Initiative so far has "only marginally impacted on the narcotraffickers"; (2) Peru is such "a quagmire of deceit and corruption, [that] attainment of U.S. objectives is impossible"; (3) the flow of cocaine from Colombian processing

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[20] This could be interpreted as implying that coca leaf production in Peru had leveled off as well. However enhanced farming techniques could also have increased yields per hectare resulting in increased production. Also, if planted areas and yields remained constant, but more potent strains of coca were planted, the potential for enhanced cocaine production would nevertheless increase.

[21] U.S. General Accounting Office, Drug Control, Status Report on DOD Support to Counternarcotics Activities, June 1991, GAO/NSIAD-91-117 and Drug Control, Impact of DOD's Detection and Monitoring on Cocaine Flow, September 1991, GAO/NSIAD-91-297.

centers has not been slowed; and (4) generally, anti-drug aid to Latin America has been held up by congressional micro-managing and bureaucratic inertia.[22]

[22] "The Drug War: A Bad Report Card," Newsweek, Jan. 27, 1992, p. 4.

ISSUES FOR CONGRESS

The Andean Strategy poses a number of important issues for policymakers. They include: (1) overall soundness of strategy, (2) effectiveness of U.S. drug policy leadership, (3) adequacy of resources, (4) need for host nation cooperation, (5) danger of a single-issue foreign policy, and (6) criteria for evaluation of effectiveness.

OVERALL SOUNDNESS OF STRATEGY

A key question raised by policymakers is whether or not the strategy can work, i.e., will the President's proposed increases in military, economic, and law enforcement assistance significantly aid the Andean nations in combatting drug production and trafficking; and if so, would this have a favorable effect on illicit drug use and drug related crime in the United States?

Interdiction/law enforcement activity and economic diversification are cornerstones of the current strategy. Such policies aim at reducing the supply of illicit drugs available to the U.S. market. Proponents of the strategy strongly maintain that providing economic alternatives to growers, and raising risks and costs to refiners, traffickers, and consumers will reduce the supply and use of cocaine in the U.S. marketplace. Proponents of the interdiction elements of the strategy maintain that there can be no effective interdiction without host nation cooperation and that the overall strategy package is promoting such results: seizures are up, trafficking organizations are being disrupted, and assets are being targeted. Moreover, many believe that the power wielded by the trafficking organizations through corruption, intimidation and violence, poses a threat to the United States and other nations of a magnitude that warrants disruption of their criminal activities independent of any effect such action may have on illicit drug use in the United States. Proponents also argue that it is unrealistic to expect the Andean countries, particularly the more coca dependent countries of Peru and Bolivia, to commit economic suicide by destroying a major source of foreign currency without some assistance to overcome the destabilizing effects of such action. In this context, economic assistance is seen as part of the price of obtaining host nation cooperation to implement policies with components that may often be economically and politically disruptive.

Critics, on the other hand, see drug production as expanding, and see interdiction as costly and at best able to seize only a small percentage of illicit drugs entering the United States. They suggest that given a best case scenario, one in which illicit drug supplies to the U.S. were severely curtailed, users would simply pay more for their drugs or switch to substitute drugs. For such analysts, the purpose of interdiction programs is to hold the line and buy time for policymakers to implement effective demand reduction programs within the United States. Consequently, they suggest buying time is the best that could be expected from the Andean initiative.

Some question whether or not it is realistic to assume that successful implementation of economic stabilization and diversification programs in the Andean nations will effect favorably levels of drug production, trafficking and use. Given years of economic assistance, for example, Peru might achieve economic levels equal to today's Mexico--a major illicit drug transit and producing nation. Given even more years of economic assistance--the argument goes--Peru might then achieve economic levels comparable to the State of California, a major marijuana producing and trafficking region. Other analysts go further to suggest that any amount of economic assistance given to Peru is a waste of money in terms of its potential to produce economic results because of Peru's perceived inability to implement reform programs in a climate of overwhelming debt overhang, bureaucratic inefficiency, corruption, and insurgency.

EFFECTIVENESS OF U.S. DRUG POLICY LEADERSHIP

A second and ongoing question facing those charged with overseeing implementation of U.S. drug policy remains: how effective is leadership and coordination of overall U.S. drug policy, and how does this impact on the Andean Initiative?

Critics have repeatedly charged that the drug war in effect does not have a leader. Congress created the Office of National Drug Control Policy (ONDCP) in response to such charges. Yet some maintain that this office has largely been ineffective in providing leadership in the Federal counter-drug community. They suggest that the office was doomed to failure from its inception as it was designed primarily as a policy coordinating body without real command authority. Some also suggest that the effectiveness of the Office was further undermined by personnel turnovers and its failure to recruit and retain first rate professional talent. Moreover, they maintain that the Office is perceived by many in the Federal drug control bureaucracy as lacking Presidential backing in disputes with other Federal agencies, further undermining authority to direct policy which the Office attempts to exercise.[23] Thus, some analysts blame ineffectiveness of the ONDCP for what they see as two lost years spent on "start-up" of the Andean Initiative--years wasted cajoling other Federal actors to join in a common game plan, in the midst of interagency squabbles and bureaucratic delays.

Supporters of ONDCP activities and its leadership role maintain that the Office has used its limited authority effectively and to the maximum extent feasible. An ongoing national drug control strategy has been formulated and updated; the existing labyrinth of Federal agencies with drug control responsibilities has been brought together and is "on board"; and resources have

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[23] Witkin, Gordon. The Bad-News Drug Czar. U.S. News and World Report, v. 112, no. 5, Feb. 10, 1992. p. 33; and Biskupic, Joan. Drug "Czar" Meets Skepticism about His Clout, Success. Congressional Quarterly, v. 50, no. 6, Feb. 8, 1992. p. 314.

been more effectively marshalled and targeted to achieve desired results--commendable accomplishments for a relatively new and small governmental entity with limited authority, staff, and resources. Moreover, many who work with the Office on a daily basis maintain that staff quality is professional and high in calibre. They suggest that if even more is expected from the Office, its authority and operating budget should be increased.

ADEQUACY OF RESOURCES

A third issue facing policymakers is adequacy of resources. Are funding levels, equipment levels, or levels of U.S. direct involvement adequate to assist significantly the Andean nations in combatting drug trafficking and production, and to enable these countries to overcome the destabilizing economic effects of eliminating coca on their economy? The Andean strategy calls for $2.2 billion in military, law enforcement and economic assistance over a five-year period. Dwarfing such projected assistance levels are estimates from various sources that the illicit drug trade generates, worldwide, in excess of $300 billion per year in gross total receipts to criminal elements engaged in the trade. These amounts suggest a scale of "enemy" resources characteristic of nations rather than businesses. Given the scale of "enemy" resources, are U.S. expenditures sufficient to wage effective "battle" in the Andean region? U.S. law enforcement personnel often stress the need for additional funding and equipment such as UH-60 helicopters to attack processing labs. Without additional commitment in funding and equipment, many law enforcement personnel argue that efforts to institute effective air interdiction in the Andean region will be severely limited. This raises the question how much additional funding might be needed to effectively wage "battle" in the region? Given the large gulf between the tens of billions of dollars in gross revenues the Andean drug trade generates yearly and the $2.2 billion five-year Andean Initiative funding levels, would another $1 billion make a difference? A law enforcement response to such questions would be that parity of resources is not the issue here but rather how to concentrate limited resources on trafficker weak links.

Some analysts suggest that expanding European demand for cocaine coupled with stagnation in the U.S. market will result in expanding cocaine production/trafficking in the Andean Initiative nations. This in turn is expected to raise costs of U.S.- Andean nation counter-drug programs in the region, prompting some to suggest that the time is ripe for U.S. policymakers to raise the issue of counter-drug operation burdensharing with the European Community and its member states.

On the economic front, oft-cited conservative estimates suggest that the drug trade brings in at least $600 million per year in foreign exchange respectively for Peru, Bolivia, and Colombia. Given increasing demands on United States foreign aid from Eastern European, the former Soviet republics, and other emerging international needs, given growing demands on the Administration to increase funding of domestic programs, and given the possibility that opium producing countries may also seek a greater share of

American economic assistance to enable them to overcome destabilizing effects of efforts to eliminate opium production, can the United States realistically be expected to fund an expanding Andean initiative? And if other foreign funding partners are brought in, to what degree might this result in reduction of United States control of its anti-drug foreign policy agenda? Would achieving a consensus on concerted action be possible and, if not, would this limit the United States' ability to take independent action? Another issue of consequence is: given the fact that increased levels of counter-narcotics aid comes out of the existing budgets of other foreign policy programs, what trade-offs might occur by increasing Andean funding and cutting aid programs elsewhere?

NEED FOR HOST NATION COOPERATION

A fourth issue facing policymakers is the need for host nation cooperation. The Andean strategy cannot be pursued in a vacuum. Without host nation cooperation it is impossible to implement. The strategy assumes the presence of willing partners but, as partners, foreign nations are often willing to cooperate in differing degrees for differing reasons. Nations have divergent policy priorities although economic and political stability appear to be among the highest. In the Andean nations, on one level, the drug trade contributes to the economy, and political stability may be undermined by attacking the traffickers head on in what some see as U.S. "gangbusters" style. Moreover, countries such a Peru are likely to see combatting ongoing insurgencies as their number one domestic law enforcement priority, and not attacking the drug trade. Such divergence of perceived threats and the priorities nations place on combatting them are largely responsible for delays encountered in working out details of bilateral agreements to implement the Andean drug initiative.[24]

Moreover, good-faith host nation efforts to cooperate with U.S. counter-narcotic goals are often hindered by conditions endemic to the Andean region. Such obstacles include widespread corruption, the inability of countries such as Peru to control areas where drugs are grown and traffickers operate, and the fragility of judicial institutions and their inability to effectively bring traffickers to trial. The decisions of Colombia and Bolivia not to extradite major traffickers to the United States is seen by most in law enforcement as a major blow to implementation of the Andean strategy. This situation will likely continue until institutions are in place in the Andean nations with the power to prosecute effectively and jail major traffickers.

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[24] For additional information on the U.S.-Peruvian relationship, see: "Peru-U.S. Relations Under the Fujimori Government" by Nicholas Cochrane, Congressional Research Service Report number 91-689 F, September 20, 1991; and "Peru: Country Background Report" by Maureen Taft-Morales, CRS Report number 90-247 F, May 10, 1990.

DANGER OF A SINGLE-ISSUE FOREIGN POLICY?

A fifth issue facing policymakers is that of the potential consequences of what many see as emergence of a single-issue foreign policy for certain Latin American countries, i.e., a policy to counter cocaine. Some observers warn that a concentration on drug-related issues obscures other fundamental long-term policy goals such as stability, democracy, respect for human rights, the environment, and overcoming poverty. In this vein, they suggest that by promoting host nation military involvement in Andean counter-drug operations, the United States is promoting a policy that could strengthen the power of the military at the expense of often fragile civilian democratic political institutions in the region. Moreover, as links between trafficker operations and insurgents groups are often prevalent, particularly in Peru where traffickers and insurgents may both operate in the same areas, some analysts warn of danger that U.S. personnel supporting counter-drug operations may run the risk of being drawn into a counter-insurgency war.

Generally, providing counter-narcotics training to law enforcement and military agencies, particularly in the case of Peru, is seen by many in Congress as problematic as such agencies often have dismal histories of human rights violations. Moreover, some suggest that if U.S. economic assistance is primarily counter-cocaine oriented, it may not be most effectively targeted in an economic development sense, but may become contorted to serve counter-narcotic goals. Finally, many ask what happens to U.S. "counter cocaine" aid if what some see as a temporary United States cocaine cycle subsides, or if heroin use increases dramatically in the United States.

CRITERIA FOR EVALUATION OF EFFECTIVENESS

A final and key question facing policymakers is how to evaluate "success" of the strategy. A subsidiary issue is: given the ability of traffickers to adapt rapidly to thwart policy changes, a need may exist to modify policy, goals, and implementation methods. Thus, many see the strategy as a changing or evolving document. Quantitative goals--such as decreasing the cocaine supply entering the United States--in this context are viewed as important barometers of progress, but failure to achieve them in the short run cannot fairly be equated to failure of the strategy. Moreover, experts generally agree that exact quantities of coca leaf grown, cocaine produced, and cocaine shipped are not known with precision as the cocaine trade is clandestine by nature and that important aspects of the trade are decentralized by the presence of many small suppliers.

Without access to such data, and without truly reliable base figures, it is difficult to gauge if, in fact, drug production and shipment to the U.S. is decreasing by a specified percentage. Moreover, some suggest that since law enforcement only seizes a small percentage of drugs in the market, sustained increases in seizures, may, on one level, simply be indicative that the overall availability of drugs is increasing. A major weakness of such arguments questioning the reliability and meaning of seizure statistics, is that skeptics have yet to propose more promising alternative indicators which are at the same time quantitatively measurable. Thus, most analysts, realizing that use of such figures has inherent limitations, complement their evaluations with other less tangible indicators.

Most analysts agree that in evaluating the effectiveness of the strategy tangible figures such as number of aircraft seized or intercepted, amount of cocaine seized, number of arrests of major traffickers, dollar value of assets seized, quantities of chemicals seized, and hectares of drugs eradicated are important indicators. For example, the GAO, in addressing the issue of developing criteria to measure counter-narcotic program effectiveness in Colombia, noted that: "to be most useful to U.S. decisionmakers, the performance criteria should include reliable indicators in changes of Colombia's production and shipments of cocaine".[25] However, analysts suggest that less tangible indicators might include host government levels of cooperation and attitudes, host country public opinion on drug cooperation, host nation levels of corruption, changes in trafficking modes, increases in costs to traffickers, trafficking organizational restructuring, and levels of coordination and cooperation among those entities in the U.S. Government who formulate and implement, fund, and oversee the strategy.

Moreover, many maintain that as every strategy has a "start-up" time, it may be premature to judge the effectiveness of the Andean initiative definitively, as it is only now going into full swing. Others, however, believe such arguments are spurious--reflective of years of optimistic assertions designed to obscure, not only ongoing lack of progress, but dismal failure of United States foreign drug policy and programs. Few disagree, however, that to a major extent, implementation of the law enforcement side of the strategy depends on sound intelligence data--and reliable intelligence sources often take time to develop and leave in place. Also, economic assistance contemplated under the strategy is relatively new, beginning only in FY 1991. Furthermore, the Andean Trade Preference Act, a major economic element of the strategy, although proposed by the President in November 1989, was not enacted until November 1991. Finally, many argue that objective evaluation of the strategy cannot be done in an intellectual vacuum, but must necessarily consider the consequences of no strategy, or be performed in the context of an alternative competing strategy whose initial strengths and weaknesses are simultaneously evaluated.

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[25] U.S. GAO, Drug War: Observations on Counternarcotics Aid to Colombia, September, 1991, GAO/NSIAD-91-296, p.6.

APPENDIX I.

U.S. ANDEAN STRATEGY NARCOTICS-RELATED ASSISTANCE
(itemized by account in millions of U.S. dollars)
Authorized Program by Fiscal Year – Budget Authority

COUNTRY	FY 1990 Actual	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request
COLOMBIA:				
Military Assistance	$71.2	$37.1	$30.3	$44.8
Economic Assistance	$3.9	$50.0	$50.0	$50.0
Law Enforcement	$22.0	$32.5	$30.1	$37.4
DEA Support	$4.9	$6.2	$6.4	$6.4
SUBTOTAL	$102.0	$125.8	$116.8	$138.6
PERU:				
Military Assistance	$0.5	$18.9	$30.8	$30.6
Economic Assistance	$3.8	$60.0	$100.0	$100.0
Law Enforcement	$20.0	$24.6	$28.1	$28.1
DEA Support	$3.6	$4.7	$4.8	$4.8
SUBTOTAL	$27.8	$108.2	$163.7	$163.5
BOLIVIA:				
Military Assistance	$38.8	$30.9	$35.2	$35.2
Economic Assistance	$42.0	$87.9	$124.5	$108.5
Law Enforcement	$16.7	$20.7	$21.4	$22.7
DEA Support	$8.4	$10.1	$10.2	$10.2
SUBTOTAL	$105.9	$149.6	$191.3	$176.6
Andean Narcotics Information System (ESF):	$0.0	$0.5	$0.0	$0.0
TOTAL ASSISTANCE:				
Military Assistance	$110.5	$86.9	$96.3	$110.6
Economic Assistance	$49.6	$198.5	$274.5	$258.5
Law Enforcement	$58.7	$77.8	$79.6	$88.2
DEA Support	$16.9	$21.0	$21.4	$21.4
SUBTOTAL	$235.7	$384.1	$471.8	$478.7
DOD SECTION 506(a)(2)	$27.8	$0.0	$0.0	$0.0
EXCESS DEFENSE ARTICLES	$0.0	$3.1	$0.0	$0.0
SUBTOTAL	$27.8	$3.1	$0.0	$0.0
GRAND TOTAL	$263.5	$387.2	$471.8	$478.7

NOTE: State Department accounts are operating under a Second Continuing Resolution until March 31, 1992. Therefore, FY 1992 estimates are subject to change. In addition, for both FY 1992 and FY 1993, no decisions have been made on an FMF split between military assistance and law enforcement. Therefore, the FY 1992 levels for these activities are estimates only.

Source: Office of National Drug Control Policy 1/31/92

APPENDIX II.

DRUG ENFORCEMENT ADMINISTRATION DRUG SUPPRESSION PROGRAM (FY 1990 - FY 1991)

Source Country

Country/ Organization	FY 1990	FY 1991
SNOWCAP	159 base labs destroyed	160 base labs destroyed
Peru/Bolivia	20 HCL labs destroyed 26 aircraft seized 3.5 metric tons cocaine base seized	21 HCL labs destroyed 47 aircraft seized 5.5 metric tons cocaine base seized

Transit Country

Country/ Organization	FY 1990	FY 1991
OP Bahamas, Turks and Caicos (OPBAT)	3.5 metric tons cocaine HCL seized No aircraft seized 3 vessels seized	6.6 metric tons cocaine HCL seized 4 aircraft seized 3 vessels seized
Northern Border Response Force (NBRF)	NA *	27 metric tons cocaine HCL seized 18 aircraft seized no vessels seized
Central America Drug Enforcement Centers (CADENCE)	NA *	8.2 metric tons cocaine HCL seized 3 aircraft seized (Guatemala) 2 vessels seized

* Programs not active in FY 1990.

Source: Drug Enforcement Administration, January 1992.