

BIG MONEY

Counting the cost of drugs

The unprecedented levels of availability, diversity and use of illegal drugs represent one of the defining features of today's post-modern society. Drugs not only symbolise the rising star of the 1990's hedonistic highway but they also represent a massive source of economic and business activity. The E generation has, it would appear, now synthesised with the Me generation. For although making money out of drugs, legal or otherwise, is nothing new the scale of today's illicit drugs industry is immense.

In the 18th and 19th centuries large fortunes were made by British and French merchant classes from the profits of opium. Country houses, banks, cotton mills and coal mines were financed by an opium trade so lucrative that Britain entered into the only drugs war it has ever won when it militarily enforced a legalised opium regime onto a bitterly opposed Chinese Government (1).

150 years later the illegal drugs trade is estimated to be the second biggest industry in the world, behind only the arms trade, with global profits in excess of \$600 billion a year (2). Yet even this is only part of the biggest single component of the world's booming black economy. The cost of drug related crime must also be entered into the balance sheet. The exact extent of drug related acquisitive crime, mostly involving dependent opiate users or the comparatively smaller number of crack cocaine users, is a source of considerable controversy with estimates ranging from £800 million to £4,000 million a year (3).

In addition of course there is the cost of law enforcement and other governmental drug programmes. In the UK alone we probably spend at least £300 million a year on police, customs and prison work specifically in relation to enforcing prohibition while the amount we spend on education, treatment and rehabilitation is only around £160 million a year despite extensive evidence of its relative effectiveness.

In the drug market place each and every substance has its price. This price may vary depending on the usual laws of supply and demand together with the added ingredients of media hype and the ever changing psychotropic tastes and trends of youth culture. Yet not a single penny of the money that changes hands will go towards providing extra resources for treatment or education. Nor will much of it get back to the peasant farmers in the growing fields of Venezuela, Morocco or Laos.

In the unregulated market place the unscrupulous and the violent will be the only ones to profit from the choices made by the individual cannabis, ecstasy or heroin user. Meanwhile the tobacco growers of Europe who are responsible for the deaths of 100 times as many people each year as all the illegal drugs put together will receive an annual subsidy of £900 million pounds from the European Community budget.

Notes

- (1) Prof Julius Merry, A short history of narcotic addiction and the case for regulated legalisation. Institute for Economic Affairs 1994.
- (2) Various sources including Raymond Kendall, Head of Interpol, ACPO conference 1994.
- (3) Tackling Drugs Together HMSO 1994, Scottish Affairs Select Committee 1994 and Labour Party 1994.
- (4) Tackling Drugs Together HMSO and also Richard Stevenson Winning the War on Drugs, IEA 1994.

Mike Goodman is Director of Release, the national drugs and legal advice service. Release was established in 1967 and set up the world's first national Drugs Helpline.

Average price of street drugs in Britain

Amphetamine	£10 per gram
Cannabis	£15 eighth of an ounce
Cannabis Resin	£15-£18 per eighth
Cocaine Powder	£40-£70 per gram
Crack	£10-£25 per 'rock' depending on size
Ecstasy	£8-£15 per tablet
Heroin	£50-£90 per gram
LSD	£1.50-£3 per dose
Tranqs	50p-£2 per dose
Release survey (1994)	

STATING

Crime and the economy - the obvious link

If you think I'm stating the obvious, please excuse me. It's just that the obvious seems to be open to challenge as far as Ministers are concerned.

People who are interested in what they are doing, who are rewarded for what they do and who are encouraged to improve their performance are usually well motivated and positive about life in general. This applies to toddlers, school-children, members of the local football team, brain surgeons and people on the shop floor... doesn't it?

Mrs Thatcher defended the large additional rewards for 'performance' given to people in business who were already high earners with high status and recognition for their work. Doesn't it follow at the other end of the scale - and what is the link with crime?

During the years I worked with young people before entering Parliament, I certainly found that if you could offer positive opportunities and recognition you could often harness their abilities and give them 'a chance to make something of themselves'. Many young offenders and unemployed youngsters seized the opportunity with both hands. Others were more reluctant and less trusting, but over time many of them would also respond positively.

A training opportunity and the chance of a job wouldn't **guarantee** that the specific youngster would stop breaking the law. But it was close enough on a number of occasions to encourage the view that most youngsters don't **need** to be involved in law-breaking if you can offer something better.

The lack of a perfect relationship of cause and effect shouldn't worry us too much. After all, fraud and greed at the top of the society suggests that law-breaking is not wiped out entirely by big rewards, never mind small ones! But if the evidence is 'softer' than cause and effect, can we really identify a relationship between the economy and crime? Are Ministers wrong to deny the existence of such a relationship and to piously declare that it is an insult to unemployed people to suggest a link?

The statistics for recorded burglary and car crime are particularly interesting since these are the categories of crime in which young people predominate. Taking the years since 1979 as a convenient period to measure, I set these figures against the unemployment levels in each

...THE OBVIOUS

year. The three graphs show the results.

You can undertake all the sophisticated research you like, but to me the figures reflect common sense. There is a relationship and the graphs show that it is not an insignificant one. To answer the Ministerial cant, it is greatly to the credit of many unemployed people that they **don't** get involved in crime and set aside temptation even in a society which pumps images of possession and greed through every channel of the media.

Lack of a job is no excuse for breaking the law. But it is only common sense to recognise that a society that leaves youngsters unemployed, without allowances at 16 and 17, too often without a home and frequently without hope is likely to experience a rise in crime.

To put it another way, if you believe that opportunity and encouragement will usually (no need to say **always**) lead to a positive lifestyle, isn't it obvious that the lack of opportunity and encouragement will often be accompanied by a **negative** lifestyle? If you create a bad environment, many people will still show positive qualities but you will also have a society damaged by people who have been damaged by society.

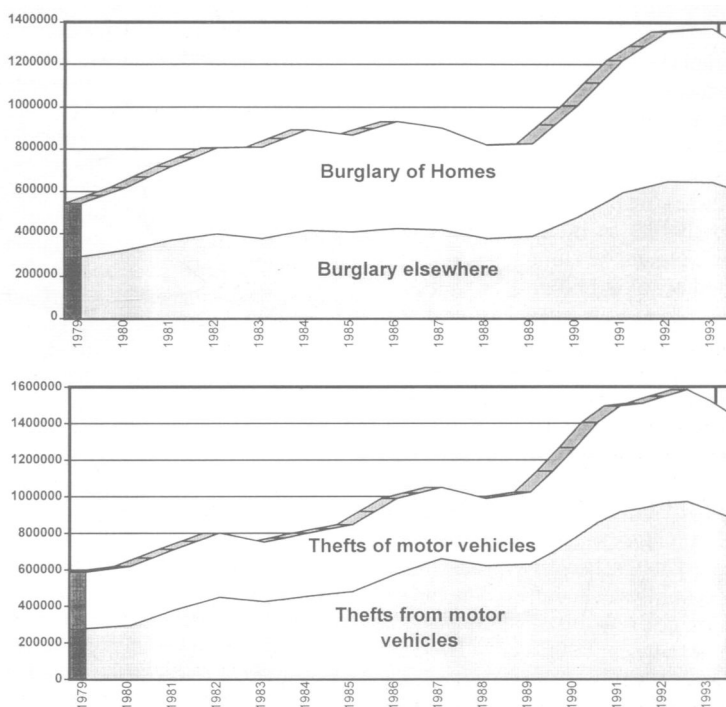
It makes Labour's case for a positive relationship between the citizen and society in which the citizen has responsibilities but in which society has an obligation to offer hope to the citizen. Leave out **either** and disaster looms ahead. Perhaps youngsters on a run-down housing estate or in an inner-city area aren't turned on by talk of citizenship, responsibility or rights, but they can be turned on by the opportunities that are offered to them if we get the equation right.

This isn't **just** about jobs and cash, though both are important. A few weeks ago, the Prince's Trust published a report by Coopers & Lybrand which showed that the cost of youth crime is high whereas youth work is cheap and cost-effective. This must be the first government in history that needed an accountant's report to persuade it that it makes sense to invest in the next generation.

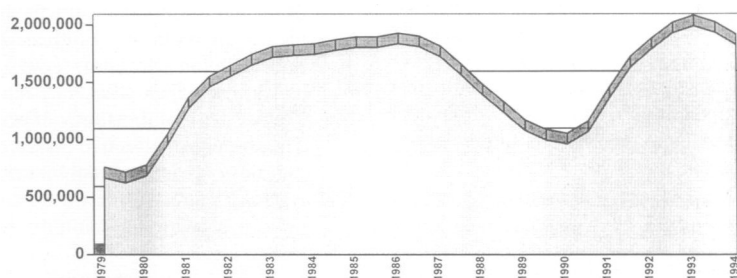
If we fail to provide the environment of youth activities in which growing up is assisted by responsible adults in a way that is far more positive than the street, isn't the danger clear? This is all the more obvious if the culture of the street includes drugs or solvent abuse or burglary or truancy or violence as acceptable norms.

If the lesson is not accepted, the next generation of victims will pay afresh the price now being paid by the victims of today's burglaries and car thefts and

Recorded Burglary & Car Crime, England & Wales



Seasonally Adjusted Male Unemployment



muggings. And yes, let's make the point that those little law-breakers will go on messing up their own lives and those of their families as well as their victims. It's a game with no sense and no fun and no winners. If a plea to selfishness is required, remember that we are paying 50% extra on home insurance and car insurance to cover the costs of crime.

If that isn't argument enough, let the Government respond to the report as objective confirmation of what our grandmothers always considered to be obvious - that **the devil makes work for idle hands** and that **prevention is better than cure**.

Alun Michael JP, MP is Shadow Minister for Home Affairs.

THE ITV TELETHON AND PRINCE'S TRUST REPORT

Preventative Strategy for Young People in Trouble

commissioned by
Coopers & Lybrand
was published in
September 1994.

Copies are available from the
Prince's Trust, 8 Bedford Row,
London WC1R 4BU, Price £10.

*Cheques payable to
Prince's Trust Events Ltd.*