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CONFLICT**

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# **Paco Under Scrutiny**

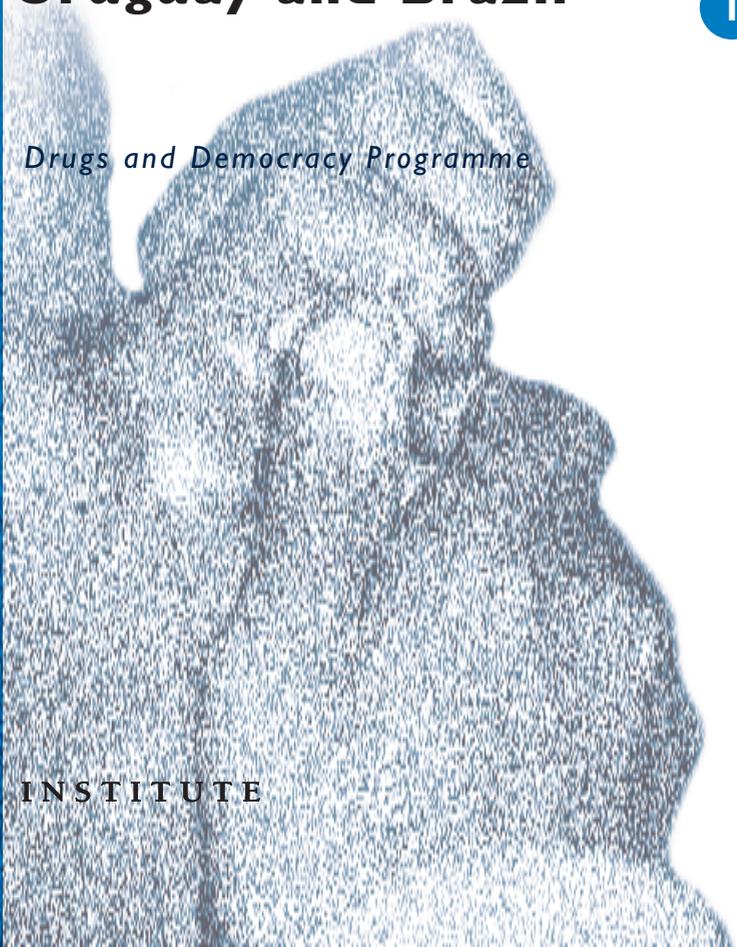
**The cocaine base paste market  
in Argentina, Uruguay and Brazil**



*Drugs and Democracy Programme*

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# CONTENTS

• <b>Editorial</b>	<b>3</b>
• <b>Objectives and methodology of the two studies of PBC</b>	<b>4</b>
• <b>What is PBC?</b>	<b>5</b>
- BOX: What is PBC?	
- World Health Organisation (WHO) Cocaine Project on PBC	
- BOX: Crack/'paco' production process	
• <b>PBC Consumption</b>	<b>9</b>
- Who, how, where, effects and problems related to consumption	
- Poverty and PBC	
• <b>Production and market</b>	<b>11</b>
- Why did PBC appear in Argentina and Uruguay?	
- PBC estimates (based on seizures)	
- From mega-laboratories to family 'kitchens'	
- Who sells? Retail prices	
• <b>Institutional response</b>	<b>15</b>
- Legislation in Argentina	
- Control of precursors	
- Box: Control of precursors	
- Abstinence vs. harm reduction	
<b>Crack in Brazil</b>	<b>18</b>
- Crack and harm reduction in Brazil	
<b>Conclusions and Recommendations</b>	<b>23</b>
<b>Reference Texts</b>	<b>23</b>

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Is there a cause-and-effect relationship between the explosive increase in consumption of *paco* (short for 'pasta base de cocaína', PBC) in Buenos Aires and Montevideo and a transformation in the structure of drug (cocaine) trafficking in Argentina, Uruguay and southern Brazil? This question is pertinent to an evaluation of the success or failure of policies implemented in the Andean Region in an effort to stem the supply of cocaine. It is worth asking if we are again witnessing the consequences of the 'balloon effect', which could be transforming, expanding and shifting the manufacturing of cocaine hydrochloride (the white powder that can be sniffed or injected) from the Andean Region to the southern part of the continent, with a resulting impact on the consumer market.

In Argentina in recent years, there have been raids on dozens of laboratories where cocaine hydrochloride was apparently manufactured. Argentina and Brazil have a chemical industry capable of producing the inputs necessary for manufacturing drugs. During the first half of 2006 alone, Argentine authorities seized as much cocaine as they had confiscated in the entire previous year. For agencies responsible for controlling the problem, this is an indication that the trafficking organisations' *modus operandi* is no longer exclusive to the Andean and Amazon region, where manufacturing of the final product traditionally was done.

Although these countries have not historically played a role in the manufacturing of cocaine, but have been points of transit toward markets in Europe and the United States and have been marked by increasing domestic consumption, there seems to be no discussion of the fact that in recent years these countries have taken on a more important role, not just in the organisation of trafficking, but also in certain stages of cocaine hydrochloride production. It is therefore legitimate to take a closer look at hypotheses about the causes of this change, which so far have not been developed in detail.

To begin this task, the Drugs and Democracy Programme gave two teams of researchers, one in Buenos Aires and the other in Montevideo,<sup>1</sup> the task of seeking answers, even if only partial, about the origin and characteristics of the explosive rise in the consumption of *paco*, the slang term for cocaine base paste (PBC) especially in Argentina. The results of the two studies enable us to better understand the impact of the emergence of this relatively new substance in the drug market. *Paco* appeared in 2002, around the time of a brutal economic crisis, partly replacing the consumption of less harmful drugs such as marijuana.

Although the new panorama is still not completely clear, these studies and other investigations reveal a pattern of diversification in the cocaine consumer market in the region. It was also impossible to establish the precise nature of the substance being consumed as *paco* in Buenos Aires and Montevideo. Is it actually the same as the PBC that is sold, or is it PBC that has been cut? Or is it a by-product of the cocaine hydrochloride manufacturing process?

The clearest example is that of Brazil, where different recipes for the preparation and consumption of crack — as the substance made of cocaine base paste is called there — have been around for years, but where there have also been significant changes more recently. The information about Brazil that we present here is not part of a study in that country, but is the result of inquiries made by a member of the TNI Drugs team.

So far, institutional responses to the impact of *paco* on public health have been slow and inadequate. There is also a tendency to address the problem exclusively as a law enforcement concern, which could ultimately be counterproductive.

<sup>1</sup> *Informe Pasta base de cocaína, Argentina 2006* by Victoria Ranguini, Diana Rossi and Alejandro Corda of Intercambios Asociación Civil; and *Mercado pasta base de cocaína en Uruguay. Complejidad y prospectiva, 2006*, by G. Garibotto, L. Calicchio, L. Latorre and L. Scarlatta.



**T**he lack of studies of the emergence of cocaine base paste (PBC) in Argentina and Uruguay has made it difficult to understand the elements that have shaped the phenomenon.

In both countries, PBC has become a key issue for health agencies, bodies responsible for defining public drug policies, non-governmental organizations working on the topic and, of course, the media.

Little is known about the arrival of PBC in the Southern Cone countries, the elements that may have contributed to this, the specific means of trade and trafficking of the substance, and possible links between the appearance of PBC and more general transformations in the illicit drug economy.

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Investigating the illicit drug economy and changes that could be occurring in the production and trafficking of certain substances is not easy. Any illegal activity, by definition, keeps as low a profile as possible. Sources are ambiguous, contradictory and evasive. The results can therefore be unpredictable, tenuous, provisional and imprecise. Inquiring into the drug trade and trafficking often requires bonds of trust with people involved in these activities, but such bonds are very difficult to establish and sustain, despite the strongest commitment to confidentiality and anonymity for informants.

The first study was conducted in metropolitan Buenos Aires. It is an exploratory study of the elements that contribute to the 'base paste problem'. It therefore examines forms of consumption, as well as sale and production of the substance. The second study was conducted in the city of Montevideo and its metropolitan area and describes the expansion of the illegal PBC market in that area. This study was particularly designed to increase knowledge of the functioning of local PBC trafficking and distribution networks and analyse the impact of its market on public policies and civil society.

*Methodology.* Both studies were conducted using similar methodologies: interviews with people involved with the substance at vari-

ous levels of the chain, supported by existing documentation related to use, production, trafficking and small-scale commerce. A number of secondary sources were also examined, along with theoretical material.

To investigate the forms of purchase and sale of PBC at the micro level, the places and times when it is most common, and sale prices for small and large quantities, the Buenos Aires study included various interviews with users and 'experts,' defining the latter as people working on problems related to the use of PBC, operators of therapeutic assistance programmes for drug users, government officials working on control of drug trafficking, officials in the criminal justice system, and journalists who specialise in the issues of drug production, use and trafficking. The information obtained in this way was complemented by secondary sources: press reports, documents from national and international agencies, official statistics about illicit drug seizures, and scientific studies.

Based on this information, the study describes the PBC panorama, the conditions under which it emerged, production maps, an overview of the substance, how it enters the country, distribution, forms of sale, the impact of control strategies, areas where PBC is rooted, and new patterns of consumption.

The Montevideo study was based on exhaustive interviews with consumers, people involved in the trafficking and sale of PBC, and 'experts,' including police officials involved in controlling supply, medical personnel and toxicologists, to understand technical aspects of the substances. Agencies involved in assisting drug users, operators of social programmes working with children and youth who use PBC, and political figures who provided information about public policy were also included. The users' perspective is based on material recently released in Uruguay as a result of research among PBC users, analysis of press reports and documentation related to the characteristics of the substance and the market in the country.

**A**s the Buenos Aires study establishes, it has not been easy to determine what it is that users consume when they say they smoke 'base paste' or paco, as it is commonly called in that city. The information gathered by the study indicates that there are three different ideas about what base paste is:

- The first refers to the substance that results from mixing and heating cocaine hydrochloride with sodium bicarbonate, which is then smoked. In other countries, this mixture is called 'crack', and its use is widespread.
- The second refers to the paste extracted from the maceration of coca leaves, which only through subsequent processing with chemical substances can be converted into cocaine hydrochloride; this is also known as 'base cocaine', and it can be smoked, but not injected or inhaled, as it is not soluble.
- Finally, PBC is defined as the residue from the manufacturing of cocaine hydrochloride. This final stage of processing may leave a residue that is sold as paco.

Several of the interviews conducted as part of this study mentioned a change that may have occurred in recent years. According to these accounts, about 10 years ago cocaine hydrochloride mixed with bicarbonate — crack — was consumed, but now almost everyone says that PBC is the residue from the preparation of cocaine hydrochloride, or paco.

To more precisely determine the composition of PBC, the coordinators of the Argentine study consulted both academic toxicologists and those in the chemical section of the national police, but were unable to confirm the chemical composition of the PBC being used in metropolitan Buenos Aires or possible differences among the three versions mentioned above. A question thus arose that requires further research with regard to the possible hazards associated with the toxicity of the substance currently being consumed as PBC in Argentina.

While it was impossible to determine exactly what types of substances are combined in the PBC that the interviewees were consuming, there is clear agreement in perceptions about the harm done by the substance and its inferior quality in comparison to cocaine hydrochloride. The idea that appears most frequently in comments from users, experts and the media is that what is being smoked is the residue from the manufacturing of cocaine hydrochloride (the third version). Knowing what is being consumed is crucial not only for investigating harm associated with PBC consumption, but also for trying to explain the emergence of this new pattern of drug consumption.

It is vital to do a laboratory analysis of the components of different samples of base paste obtained in various parts of metro-

#### Opinions of interviewees:

*'It's the residue from cocaine, which should be discarded'* (psychiatrist).

*'You know that base paste is the waste from cocaine after the final processing. Before, it was thrown out ... now they do the processing here'* (a pastor who does community work).

*'Paco is the residue from cooking the base paste ... what they scrape off the bottom of the pot ... it's a much poorer quality residue'* (journalist).

*'It's a white powder ... in newspaper ... it's a little rock, tiny rocks, and it's consumed just as it comes'* (seller)

*'Base paste is a by-product of cocaine: the coca leaf is washed with hydrocarbons or kerosene and that material is used. But because there are remnants left in the coca leaf ... it's chopped up and used'* (toxicologist, quoted in Clarín).

*'... paco is the product of the first stage of processing of cocaine. It's brutally toxic'* (El Sol de Quilmes).

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## What is PBC?

The lack of clarity about the composition of the PBC consumed in Buenos Aires and Montevideo is partly due to the great variety of names given to the substance. Chemical analyses conducted as part of the studies of PBC could neither confirm nor discount the various hypotheses offered in those cities about the nature of the substance. This confusion could stem from the fact that there are different ways to extract cocaine and its derivatives from the coca leaf. The main active ingredient in all the derivatives is cocaine.

First, there is a clear definition of cocaine base paste (PBC), also known as cocaine sulphate. According to this definition, PBC is the first consumable extract or by-product of the process of manufacturing and refining cocaine hydrochloride. PBC is therefore a substance produced in a primary phase of extraction and refining of coca leaves, a process that eventually ends with the production of cocaine hydrochloride.

Dry PBC — known in Colombia as *bazuco*, in Bolivia as *pitillo*, in Peru as *kete*, in Ecuador as *baserolo*, and in Chile as *mono* — contains 50 to 85 percent cocaine sulphate, along with other alkaloids and methanol, benzoic acid and kerosene. PBC is smoked by mixing it with tobacco. Consumption of PBC as defined here appeared in Colombia and Peru in the 1970s, later spreading to Bolivia, Ecuador and Chile.

Second, washed 'base paste' or 'cocaine base' is the result of the next step in the cocaine refining process, with the addition of potassium permanganate and acid, which cleanses the base paste of kerosene and other impurities (see chart).

The third level is *crack*, a substance well defined (although new variations in ingredients and forms of preparation appear to have emerged recently) as a product prepared from cocaine hydrochloride (powder) in a free base for smoking. According to other definitions, it may be 'unconverted cocaine'.

*Crack* is made by boiling cocaine hydrochloride with ammonia or sodium bicarbonate to evaporate the water. It is called crack because of the sound it makes when the mixture is smoked.

According to another common version, crack is made from PBC: '*dry paste or bazuco is diluted in a solution of ammonium precipitated with ether. The mixture is heated and filtered, and once dry it becomes like rocks again, but this time they are white — crack rocks*'.<sup>1</sup> In São Paulo, Brazil, people speak of 'pedra,' which is made with coca paste, and 'casca,' which is made with cocaine hydrochloride.<sup>2</sup>

In Argentina and Uruguay, the most common hypothesis among users and the media is that the substance being consumed is 'cocaine waste', the residue that remains in the pot after cocaine hydrochloride is made from base paste or cocaine base; this residue is then commercialised....

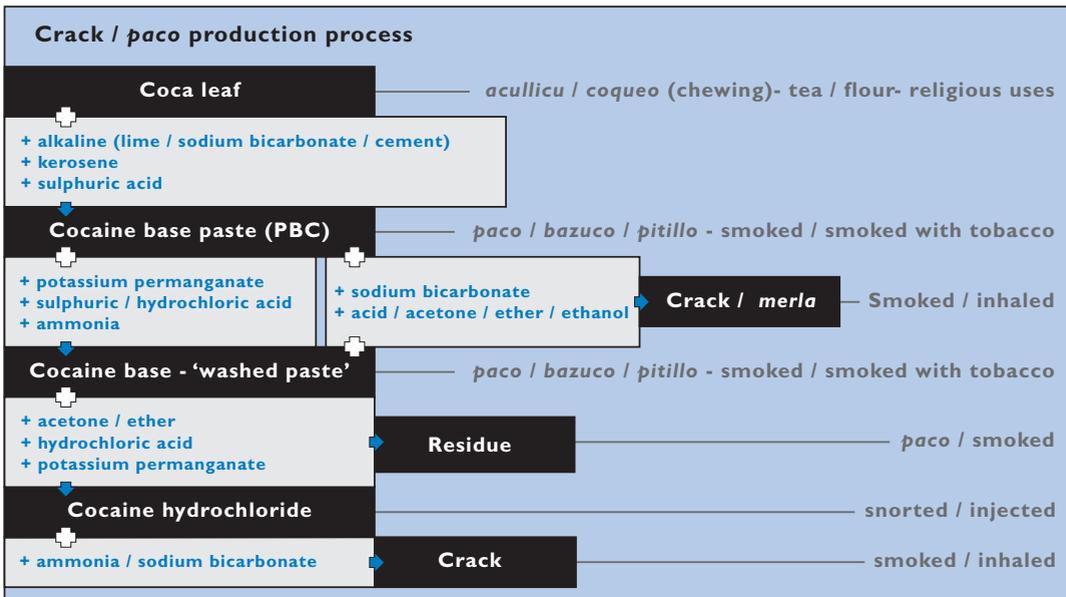
<sup>1</sup> <http://www.mind-surf.net/drogas/crack.htm>

<sup>2</sup> See 'WHO /UNICRI 'The Cocaine Project', Briefing Kit, Patterns of Use, p. 3. This study was never published because of formal protests and threats from the U.S. delegation to cut funding for the WHO. Part of the study is available on the TNI Web page, <http://www.tni.org/drugscoca-docs.pdf>

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### The WHO Cocaine Project on PBC

This study dedicated a significant section to the consumption of coca paste in the places where such consumption already existed. In Peru, consumption of coca paste had existed for 20 years, and according to the figures was very widespread. In Colombia, consumption of *bazuco* was spreading to higher socio-economic sectors because of its easy availability and low price.

In the conclusions: “Coca side-products (cocaine hydrochloride, coca paste and crack) considered together, including or not coca leaf, exhibit multiple aspects, the existence of a wide variety of careers of use, profiles, situations, types and methods or ways of using. In addition, their use is spread in an irregular pattern among the strata of the social classes, both among normalised population and among marginalized population. This diversity is reflected in the socio-sanitary consequences arising from use. These especial characteristics must be taken into account when planning any type of intervention to avoid uniform approaches.”

And later on: “The process of elaboration of cocaine hydrochloride gives rise to several smokable coca side-products that differ essentially in the amount of cocaine sulphate they contain and by the, again, varying amounts of chemical residues left over from the process. Some of these side-products are used exclusively in networks associated to the elaboration. Those that are sold are know generically as coca paste.”

And one of the recommendations says that: “The WHO should set, together with the UN and relevant international organisations a co-ordinated programme of information on patterns of drug traffic as a response to the appearance of new routes and to the correlative increase in the internal problems associated to coca side-products. The objective of this recommendation is to identify in advance the countries where health problems arising from coca side-products abuse may arise or get worse.”

If this study and its recommendations had been published at the time, in 1995, perhaps the explosion in the consumption of paco in the Southern Cone could have been foreseen.

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politan Buenos Aires, so as to evaluate the possible health problems associated with consumption. Unfortunately, the criminalisation of possession for personal consumption in Argentina makes collecting and transporting PBC samples for analysis too risky. In this sense, prohibition is an obstacle to investigation and to understanding the specific nature of each substance, the types of use and hazards associated with them, and how they are bought and sold.

Everyone seems to agree that PBC is more addictive and harmful than other drugs and that it causes more rapid and irreversible deterioration in the user.

In Montevideo, the lack of knowledge about and the apparent heterogeneity of the product offered in the PBC market are noteworthy. Studies conducted there coincide with the Buenos Aires study in indicating a phase of crack consumption prior to 2002, which was later supplanted by the appearance of PBC in the local

market. There is no reference to the substance known as *paco*, although there are references to PBC of varying qualities. The study highlights an investigation by university technicians that notes the presence of a variety of substances, including some related to the coca leaf, the chemicals used in processing and the substances used to 'cut' the merchandise. 'More concentrates appear in base paste than in cocaine hydrochloride, such as methyl benzoate, benzoilecgonine, ecgonine and norcocaine. It is not yet known whether the latter is the result of processing the plant or if it is a by-product created in the laboratory process of analysing cocaine. As impurity increases, truxiline, more complex, unidentified alkaloids, or cinamilcocaine,

another alkaloid of unknown toxicity, also appear.'<sup>2</sup>

Uruguayan traffickers indicate that at the wholesale level, base paste of various quality levels may be distributed at different prices. According to these sources, the difference in quality stems from the origin of the paste, which is identifiable either because it comes 'labelled' or because of the particular colour of each quality: grey is the highest quality, and it becomes whiter as purity is reduced.

Retailers indicate that base paste is sold as good or lower quality, just as it comes from the wholesaler, or may be adulterated with other products. The purpose of this is to increase the distributor's profits, a factor that operates throughout the entire trafficking chain, resulting in a series of 'cuts' to the original product. The various substances that may be used locally to cut the product include pesticides, chemical fertilizers, bronchodilating medications, analgesics and even veterinary medicines.<sup>3</sup>

*Consumers are the ones  
who know least about the  
components of the substance  
and assume the greatest risks  
from their effects*

Consumers are the ones who know least about the components of the substance and assume the greatest risks from their effects. In general, they can only decide if it is 'good' based on the effect it produces, and the effect is often simulated with the substances used to do the 'cutting.'<sup>4</sup> Retailers sell the different qualities depending on whether the client is 'trustworthy.'

<sup>2</sup> Umpierrez, E., 2006, *Informe del laboratorio de análisis orgánico*, Department of Organic Chemistry, School of Chemistry – Polo Tecnológico. Report 06-17 JND – INFO I.

<sup>3</sup> Scarlatta, L., et al., 2004, *No te enganches con la lata*. Montevideo: IDES.

<sup>4</sup> *Ibid.*

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## Who, how, where, effects and problems of consumption

Users' accounts in the Buenos Aires study provide a wealth of detail and generally coincide in describing the ways of preparing PBC to be smoked. While some say that they smoke or smoked PBC mixed with tobacco, most smoke it using a homemade 'pipe' made of items that are easily available, including a soft drink can, a mate straw, the upper part of a siphon, a cork, an asthma inhaler, a shower curtain rod, or a piece of a hollow rod from a TV antenna.

The pipe can be made when the person wants to smoke, using materials that are at hand. Some users have their own pipes, which they always use; they refer to it as their 'tool.' This is more common among people who have smoked for a longer time. Nearly all users say that to smoke PBC, they cover it with 'ash' (often cigarette ash) and heat it by placing this mixture over the flame of a cigarette lighter. The ash is used to keep the PBC from burning or sticking to the pipe because of the heat. A small piece of metal, such as a piece of aluminium foil from the top of a yogurt container or part of a metal scrub pad, can serve the same purpose. Again, these are items that are readily available.

When pipes are made of metal, users tend to suffer burns on their lips and hands, because the metals that are used (soft drink cans, antenna tubes, etc.) transmit heat and the temperatures can be very high. Burns are a recurring theme in the accounts of users and experts, a sort of mark on the user's body that is characteristic of the riskiest PBC use.

The preparation and use of base paste can be an individual or group activity. There are various references to this. Some people always smoke alone, but some people sometimes smoke with others. The place also varies, depending on the situation, but the common element in various accounts is that users stay in the place where they consume the paste; they do not go to other places. Various accounts mentioned that the youngest users smoked with others; this could be because there is greater family control at home, or perhaps it is a practice that is seen as more recreational than introspective.

Just as smoking can be done alone or in a group, there is no set place for smoking. It can be done at home,

at a friend's house, on a street corner in the neighbourhood, in a plaza in the city, or in a passageway in a shantytown. The scenarios are varied and are often associated with the place where the user lives. The poorest users tend to have the fewest possibilities for 'private' use, so they sometimes smoke in the 'passageways' of a shantytown, which makes the use of base paste much more visible in poor neighbourhoods than in middle-class areas where there are also many references to the presence of PBC.

Other studies in Montevideo mention consumption practices similar to those described in Buenos Aires: homemade pipes (made from PVC elbows or asthma inhalers), using aluminium foil, etc. Consumption is done both in groups and alone. Solitary consumption often appears to be a lesson learned over time as a way of avoiding sharing the drug or avoiding violence, among other risks.

*Compulsive use and regulated use.* Rhetoric about PBC raises the image of strong compulsion in its use, a claim repeated by all the 'experts' consulted. This is probably because the users who seek treatment or enter the criminal justice system have marked degrees of dependence and deterioration, which is why they are in contact with these agencies. Among users, however, the references were more uneven: while many (probably the most dependent users) said that with PBC 'you don't do anything but smoke all day,' others contradicted that, describing periods of more intensive use interspersed with times of more sporadic use, when consumption was more regulated.

Regarding the effects and sensations that PBC creates in users, accounts coincided in describing an effect 'similar (to cocaine), but stronger'. Base paste 'leaves you harsh and persecuted', the effect is much 'faster, more intense, but shorter'. Along with the description of pleasant sensations, there tends to be mention of some of the 'disadvantages' of smoking PBC, such as losing weight, bad breath, wasting away. Among the many interviews about this in the Buenos Aires study is the account of a 15-year-old boy who describes his experience, focusing on the fleeting effect and the need for repeated consumption, and that of a 31-year-old user who agrees regarding the briefness of the effect and the impact on appetite: 'It keeps you from feeling hungry.'

PBC use of is not only perceived as a problem by the agencies that focus on reducing or eliminating



consumption, whether through the health or criminal justice system. The users themselves often understand that certain forms of PBC use result in serious harm to health and their abilities, as well as in difficulty in relating to society. Contradicting the opinions of some experts who view drug users in general, and PBC users in particular, as unable to understand their situation or make decisions, many of the users' accounts describe situations that serve as a warning of the consequences of PBC use, which motivate them to take protective measures or reduce or give up consumption.

The Buenos Aires study includes the following statement from a 16-year-old youth:

*'... paco ... kills you faster. In a year or two, you're knocking on St. Peter's door. (laughs) ... I didn't smoke it every day; there was a time when I smoked every day and I started to get really skinny and was nearly on the other side, and I started to eat and I gave it up. ... It embarrassed me; you could feel my ribs and everything.'*

Another user, age 20, mentions weight loss and the harm associated with PBC as reasons for interrupting consumption. Another 19-year-old youth said that the deaths of other PBC users he knew was the main reason why he gave up consumption. These cases show that awareness of harm can serve as a self-regulator of consumption.

Studies in Montevideo hypothesise that there are cycles of compulsive consumption followed by periods of abstinence or relative control over the substance. It is worth noting the users' perception of harm associated with PBC consumption. From the point of view of young consumers, social harm is the most significant: loss of family ties, breaking with the peer group of non-users and contact with the criminal justice system. Physical harm rapidly becomes associated with periods of compulsive consumption, but for users this harm is reversed when PBC consumption is reduced, perhaps because the interviewees are young.

## Poverty and PBC

When PBC began to appear as a problem on the agendas of politicians and the media in Argentina, poverty levels were showing an unprecedented increase in the country. According to statistics, in 1992 in the suburbs of Buenos Aires — the areas most associated with the PBC problem — 17.9 percent of households and

22.3 percent of people lived below the poverty line. In 2003, these rates had risen to 50.5 percent and 61.3 percent respectively. In other words, the apparent increase in PBC consumption at the beginning of this decade occurred in a context in which more than half of the households and more than 60 percent of the people in the city's suburbs were poor.<sup>5</sup>

The link between poverty and PBC, however, must be viewed with caution. The increasing segregation to which a large part of the Argentine population is subjected has led to the need to develop various strategies for survival, given the impossibility of finding jobs or enrolling or staying in school. Some of these strategies are connected with illegal activities. But there are indications that the appearance of PBC is linked to a general transformation in the production, trade and trafficking of cocaine hydrochloride, and not merely the increase in poverty, which, in any event, fosters new patterns of use and micro-commercialisation in the drug economy. The association of poverty with PBC can also be explained by the fact that law enforcement agencies generally catch the people involved in trafficking and consumption who are most vulnerable.

As the Buenos Aires study shows, PBC is also consumed in middle-class sectors. Access to higher-quality PBC and the availability of material and symbolic resources that allow people to be more careful about consumption have probably led to fewer health problems among middle-class users, as well as less visibility in the health system. Use in these sectors is less visible because it does not occur in the street, as it does in the shantytowns.

In Montevideo, the study indicates that although there is a marked perception of PBC use among poor and marginalised groups in urban area, there are also recent indicators that middle-class sectors are consuming this drug. It was also found that there was a greater concentration of points of sale in peripheral neighbourhoods, and people from other sectors went there to buy or took advantage of 'delivery' services that serve as a strategy for protection.

<sup>5</sup> Instituto Nacional de Estadística y Censos. See: <http://www.indec.mecon.ar/>

## Why did PBC appear in Argentina and Uruguay?

**P**BC use began in coca-producing countries like Colombia, Peru and Bolivia more than two decades before it appeared in Argentina and Uruguay. The appearance of PBC in these two countries is apparently linked to a general transformation in the production, trade and trafficking of cocaine hydrochloride.

While cocaine hydrochloride, mainly from Bolivia, used to enter Argentina across the north-western border to reach the Atlantic seaports, where it was shipped out, what now comes across the border is cocaine base, which is then processed into cocaine hydrochloride in clandestine laboratories in Argentina. The availability and lower price of chemical precursors necessary for producing cocaine hydrochloride in Argentina are favourable to this option. This could explain both why the number of cocaine laboratories found in Argentina has increased in the past three years, and how this has helped turn Argentina from a cocaine transit country to a place where the last stage of manufacturing occurs.

The important changes that have taken place in Latin America in the manufacturing of cocaine hydrochloride may be related to the implementation of the 1988 U.N. convention on control of chemical precursors. Control of precursors in cocaine-producing countries may have spurred a shift of this final phase of production to countries such as Argentina and, later, Uruguay, which offer better conditions for chemical processing and export by air and sea.<sup>6</sup>

PBC thus appeared in Argentina and Uruguay, and a base paste consumer market emerged. PBC mainly enters Uruguay by land from Argentina and, to a lesser extent, Brazil. According to data from some informants in Uruguay, the most plausible route is probably the following: the PBC leaves Bolivia, is processed and divided up in northern Argentina or provinces

near Buenos Aires, and from Buenos Aires the packets are distributed to Uruguay. The paste is transported from Argentina to Uruguay by 'mules' who are paid two or three dollars per capsule transported, in batches of 60 to 100 capsules in the stomach (ingested) or 300 attached to their bodies. A trip for a 'mule' can cost between 80,000 and 15,000 pesos (US\$400 to \$800). Wholesalers in Montevideo report a profit of between 125 and 200 percent.

Subsequent police operations, however, have found large laboratories, leading to the assumption that there is parallel transportation of larger quantities of PBC for processing.

In summary, there appears to have been a geographic rearrangement of the cultivation-production-export circuit, which may have had a decisive impact on the presence of PBC in the area. If cocaine is being produced in Argentina or Uruguay, it is possible that there is much more PBC, and in any case much more of the residue from its preparation, which is what some interviewees — both users and experts — identify as paco (in Argentina). Paco may be a smaller business than the large-scale cocaine trade, and in Argentina its sale usually occurs near areas where laboratories are located. One journalist with expertise in issues related to drug trafficking said in an interview that:

'PBC doesn't arrive because of poverty ... it comes because there are laboratories, because there wouldn't be base paste if there weren't laboratories. So what actually arrived was the laboratory. Once the laboratory arrived, it found a market for the residue from the processing. ... In other words, if there weren't laboratories here, there wouldn't be paco. ... The laboratory doesn't come to sell paco; it comes to refine cocaine.'

### **PBC estimates (based on seizures)**

Both international and national agencies responsible for control present statistics and information about PBC seizures in recent years. Based on these data, however, it is impossible to get a true picture of the substantial and sustained in-



<sup>6</sup> De Torres, S., 2000, 'Las drogas en el contexto internacional (411-428)', in *Contexto, sujetos y drogas: un manual sobre drogodependencias*. Barcelona: Grupo Igia and collaborators, 411-428.

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CICDAT	160	18	46	118	-	23	34	71	89	76	74	-	-
MEM	-	-	-	-	-	-	34	71	91	76	74	66	-
SEDRONAR	-	-	-	-	-	-	-	-	199,1	75,9	74	66,4	34,8

Seizures of PBC in Argentina in kilograms.

crease in the presence of PBC in Argentina, which was described in the studies by all the interviewees, media and governmental and non-governmental bodies involved in the issue.

While seized cocaine is counted in thousands of kilograms (2,500 in 1993, 5,000 in 1997 and 3,000 in 2005), the same sources indicate that PBC seizures in Argentina have never exceeded 200 kilograms. The table above compares the number of kilograms of PBC seized in Argentina according to various official sources, including CICDAT (the Uniform Statistical System on Control of the Supply Area of the Organisation of American States' Inter-American Drug Abuse Control Commission, CICAD), MEM (CICAD's Multilateral Evaluation Mechanism), and SEDRONAR (the Secretariat for Prevention of Addictions and the Fight against Drug Trafficking):

These data obviously do not correspond to the generalised perception of a marked increase in PBC consumption in the country.

Some key informants from governmental control agencies maintain that nearly all the PBC seizures in Argentina take place as part of the 'preventive' work done by police on the streets, which targets users who possess PBC for personal consumption. Thus the agencies' figures would merely be the sum of the amount seized from small-scale consumers and would not contribute to an estimate of PBC trafficking and its role in the illegal drug economy in the region.

The failure of the indicators to reflect a greater presence of PBC in the area could also be related to the ineffectiveness of control mechanisms in distinguishing between cocaine hydrochloride and PBC; many informants indicate that PBC is often registered as cocaine hydrochloride.

### From mega-laboratories to family 'kitchens'

According to international reports and data provided by SEDRONAR in Argentina and the press, the number of clandestine labs producing cocaine has increased in recent years. The 2005 report by the U.N. Office on Drugs and Crime (UNODC)<sup>7</sup> presents data about the increase in cocaine production laboratories in Argentina. The U.S. government's 2005 report<sup>8</sup> indicates that while only 15 small laboratories with scant production capacity were found between 1999 and 2003, eight laboratories were found in 2003. In the first nine months of 2004, 12 clandestine cocaine laboratories were found, and in November of that year the largest laboratory to date was raided. According to the local press, 20 laboratories were found in 2004, including one with a production capacity of at least 300 kilograms of cocaine hydrochloride a month,<sup>9</sup> or 3,600 kilograms a year. When the investigation ended, there were no data about the number of laboratories detected in 2005.

While the statistics of laboratory raids may not give an entirely accurate picture, these figures nevertheless reveal the proliferation of these establishments in a relatively short time.

As indicated above, for some sectors of the population that have remained marginalised from the system, the drug business has become a means of survival. This participation by an impoverished population means there is a true 'socialisation' of the distribution of PBC in low-income neighbourhoods. The study in Argentina shows that in some cases, the drug organisation may be a niche in a shantytown where a head of

<sup>7</sup> See *World Drug Report 2005*, at: [http://www.unodc.org/unodc/world\\_drug\\_report.html](http://www.unodc.org/unodc/world_drug_report.html)

<sup>8</sup> *Internacional Narcotics Control Strategy Report (INCSR)*, March 2005, South America.

<sup>9</sup> 'Cocaína hecha en Argentina: en sólo un año y medio hallan 28 laboratorios clandestinos de droga,' in the daily *Clarín*, 25 September 2005.



household oversees the 'recipe' while his sons guard the paste maceration pits so the police do not find them. There are many indications of the coexistence of drug gangs connected with certain organisations and family enterprises — small 'kitchens' (as such laboratories are known) in poor neighbourhoods in the suburbs of Buenos Aires, managed by a handful of people from the same family who have suddenly managed to improve their precarious living conditions.

These 'kitchens' have less production capacity, but they also have fewer resources for protecting themselves and therefore run a greater risk of being discovered. These 'microenterprises' are apparently the last link in an extraordinarily profitable market chain. It is possible that these 'family kitchens' do not produce cocaine for export. They seem to process the residue from the manufacturing of cocaine hydrochloride. It is likely that they only divide up and adulterate the residue left from cooking cocaine, preparing it for sale in the form of PBC ready to be smoked. It is the small-scale end of a big business — the sale of a low-quality substance at a low price.

Meanwhile, one important element that should be analysed in future studies, which was mentioned by several experts, is the unequal presence of incipient drug-trafficking networks in the poor neighbourhoods of metropolitan Buenos Aires.

Most of the PBC trade aimed at the local market is organised by gangs with logistical bases in various 'emergency villas' in urban centres. Consumers go there to get their supplies. Although the press portrays them as powerful, the trafficking 'bosses' in marginal neighbourhoods are merely the poor relatives in the business, compared to those who oversee wholesale export and have connections with large sources of capital.

In interviews in the study in metropolitan Buenos Aires, it is particularly interesting to note the references to an unequal presence of PBC in the various zones of the region. In some neighbourhoods, this unequal presence of PBC may be associated with the existence of the 'kitchens' whose output is distributed in the immediate area. This is nothing more than an inference based on the information gathered,

and while it has been accepted by many of the experts consulted, it should be analysed in greater depth.

Better evaluation of patterns of PBC production, distribution and consumption would require access to information about the characteristics of the laboratories that have been found and the places where they were discovered, but the only information available comes from police reports in newspapers. There is no systematic information in this area. The information in the hands of government drug-control agencies comes from security forces and is generally designed to be used to resolve particular legal cases after laboratory raids, rather than the study of drug production and drug trafficking in general.

For both laboratories and kitchens, connections with powerful sectors are indispensable at some point in a process that ranges from importing base paste through the production of cocaine hydrochloride to local distribution and sale or export. The Argentine study notes the levels of impunity that protect drug trafficking. The necessary installations for the operation of laboratories capable of processing several tons of cocaine a year — the mega-laboratories, many of which are located in urban areas, with the movement implied by the production and circulation of materials — could hardly pass undetected by security forces and other control agencies. The same is true of clandestine landing strips. The existence of 'liberated zones' where there is no police control, or direct protection by security forces, also cannot be discounted as a possible condition for carrying out these activities.

### Who sells? Retail prices

The studies provide a wealth of information about forms of access to and supply of PBC and paint a picture that has been largely unexplored in previous studies of illegal drugs. In some poor neighbourhoods in the city of Buenos Aires and its suburbs, there is a very marked presence of PBC and its sale is widespread. The people who sell at all hours are residents of the neighbourhoods, and their numbers multiply from month to month. They take payment in cash or in kind



— cell phones, at best, or a ball cap or used sneakers at worst. The stereotype sometimes seen in the media, of a trafficker surrounded by a protective ‘army,’ an iron man who inspires fear, entrenched in a bunker with sophisticated security measures, contrasts sharply with many descriptions of PBC vendors in the Buenos Aires suburbs.

The *transas*, as they are called in some neighbourhoods, were described by one 20-year-old user as negative figures in the local social fabric, people with whom there is no relationship of trust and who could become violent. This image contrasts with others, in which vendors are described as ‘ordinary people.’

In middle-class neighbourhoods, both purchase and sale seem less risky. As with other illegalised drugs, such as cannabis and cocaine, it is possible to order PBC by telephone and set up rendezvous point. This is known as ‘delivery’<sup>10</sup> and is common in the retail drug market in middle- and upper-class neighbourhoods in the city of Buenos Aires.

*The stereotype sometimes seen in the media, of a trafficker surrounded by a protective ‘army,’ an iron man who inspires fear, entrenched in a bunker with sophisticated security measures, contrasts sharply with many descriptions of PBC vendors in the Buenos Aires suburbs*

The study in Montevideo indicates that public authorities initially assumed that the PBC sales structure was based on a network of traffickers who handled small amounts that crossed the borders. The recent discovery of large amounts of PBC and cocaine in two laboratories, however, could indicate that larger amounts are involved, leaving open the possibility of other destinations.

The PBC trade in Montevideo is structured according to rules of trust and codes of co-

existence. Retail vendors always buy from the same distributor, whom they trust and with whom they have an affinity. Codes of relationships among small-scale distributors (‘bocas’) involve the distribution of customers. Each trafficker has an area of action and a clientele, and this is generally respected by the vendors. It is the consumers who may push to transgress these boundaries. The consumer gains access to the trafficker through an acquaintance who introduces them. The network of clients is developed by word of mouth, with one client recommending another. Consumers bring other consumers, so the vendor apparently does not need to actively seek out clients.

In Montevideo, a significant percentage of the retail sale of PBC also seems to be done from private homes in various parts of the city, particularly in neighbourhoods with fewer services.

Only the Montevideo study provides information about retail prices. The unit of sale, known as the *chasque*, is a small packet wrapped in nylon, equivalent to one or two grains of pepper. It is also

called a ‘half’ or ‘a fourth,’ referring to the fraction of a gram, and it can even be sold in eighths of a gram. The price of a *chasque* ranges from 25 to 50 pesos (one or two dollars), depending on the client, the neighbourhood, the point of sale and the quality of the substance. A *tiza* or *pila* of PBC is the unit that crosses the border (some 10 grams, compacted), from which it is calculated that between 50 and 80 doses are extracted, depending on the purity. In Buenos Aires, a *tiza* costs about 700 pesos (US\$30), and its value in Uruguay ranges from 1,600 to 2,400 (US\$85 to US\$100), depending on the quality and the number of intermediaries. A ‘brick’ is the largest unit that is transported, and it is sold by weight to retail distributors. The exact unit weight is unknown.

<sup>10</sup> The English word ‘delivery’ is used to refer to home delivery of an order placed by telephone. This practice has become widespread in the past few years in large cities in Argentina. The most common ‘delivery’ services are food, beverages, ice cream and diapers. The same term is used to refer to the purchase of drugs ordered by phone; payment is collected when the drugs are delivered.

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In Uruguay, the main political player in the definition of drug policy is the National Drugs Board (Junta Nacional de Drogas, JND) and its operational body, the National Drugs Secretariat. The policy defined by the JND corresponds to the guidelines recommended by the UNODC, with which the JND has a commitment to collaborate. In focusing on emerging problems caused by new consumption patterns (such as PBC), the JND emphasises controlling supply as a way of decreasing consumption of base paste and other drugs.

For controlling consumption, the authorities suggest abstinence, accepting the participation of other agencies, including ministries, departmental governments, departmental interior councils, assistance centres, universities and civil society organisations. Actions to control supply are aimed at drug trafficking and money laundering.

In June 2006, an organisation of family members called 'Mothers of the Plaza' appeared on the scene, proposing the reduction of the supply of base paste by reporting and eliminating small-time dealers. Among other things, they call for 'the urgent review of the constitutional and legal framework that impedes nocturnal operations,' referring to the regulatory restriction on searches of private homes at night.<sup>11</sup> This organisation has succeeded in transferring the base paste problem from the domestic sphere to the public arena.

## Legislation in Argentina

Citing concern over the sale and consumption of PBC in metropolitan Buenos Aires, representatives of the executive branch of the province of Buenos Aires pushed for a modification of the Narcotics Law. The new legislation, known as Law 26.052<sup>12</sup> allows the investigation of certain crimes covered by the old narcotics law (Law 23.737) to be shifted from federal (criminal) courts to the criminal courts in each of Argentina's provinces. This decentralisation enables each provincial state and the city of Buenos Aires, which has a similar

status, to decide if they want their own criminal court systems to investigate certain crimes under the narcotics law. This possibility is limited to certain crimes, including simple possession, possession for consumption, and the sale, delivery, and provision of or access to 'narcotics broken down into amounts intended directly for the consumer.' When the report was completed, only the province of Buenos Aires had decided to take on responsibility for investigation of these crimes.

Of the 1,724 legal cases begun after the reform, between 11 December 2005 and 29 January 2006, about 90 percent involved possession for consumption or simple possession and the rest were related to dealing. Of the substances seized, PBC represented only 3 percent of the total; nevertheless, the governor of the province insisted that the new law would help attack 'paco, which is killing some of our adolescents in the poorest areas, because it is a very cheap drug.'<sup>13</sup>

## Control of precursors

As a country that produces chemical precursors and provides them to other countries in the region, for years Argentina has had regulations for controlling this and has created a Chemical Precursors Registry. The increase in PBC processing laboratories in recent years led to a reform to the old legislation on precursors, and Law 26.045 has been in effect since September 2005.<sup>14</sup> This law contains a series of administrative provisions that tighten controls on the sale and use of substances considered necessary for the production of illegal drugs.

Before the law was modified, various international bodies had expressed concern over the use of Argentine precursors in the manufacturing of illicit drugs in the region. The report by the CICAD-OAS Multilateral Evaluation Mechanism (MEM) for 2003-2004 recommended approving the regulations necessary to enable authorities to

<sup>11</sup> 'Madres de la plaza' presentaron otra proclama anti pasta base. Piden revisión legal para cerrar bocas,' in the Montevideo daily *El País*, 9 July 2006, second section, p. 4.

<sup>12</sup> Approved on 27/7/05, passed into law *de facto* on 30/8/05 and published in the official gazette on 31/8/05.

<sup>13</sup> 'Los operativos contra el paco se hacen junto a los vecinos señaló Felipe Solá,' in *Hoy*, La Plata, Argentina, 16 February 2006.

<sup>14</sup> Approved 8/6/05, took effect *de facto* on 6/7/05, and published in the official gazette on 7/7/05.



control chemical substances.<sup>15</sup> It also mentioned complaints about this from the international Financial Action Task Force on money laundering (FATF).<sup>16</sup> The U.S. State Department's report on drug control also stated that Argentina is one of the largest producers of precursors used to process cocaine and heroin.<sup>17</sup>

### Abstinence vs. harm reduction

In Buenos Aires, two basic drug treatment models are used (including in the specific case of PBC): abstinence and harm reduction. As in Uruguay, the best-established model is that of abstinence, in which the main objective is to give up drug

consumption, regardless of the substance used, the frequency of consumption or the harm associated with it. In Argentina, anyone who seeks a service with the goal of giving up consumption must stop using the substance in order to begin treatment. This 'treatment' model is based on the criminalisation of the possession of drugs for personal consumption and the concept that punishment can be replaced by treatment.<sup>18</sup>

One of the most serious questions about the abstinence model is related to its ineffectiveness given the impact of the HIV/AIDS epidemic among intravenous drug users. In the case of PBC, abstinence does not take into account the specific nature of the phenomenon, other than to denounce

<sup>15</sup> CICAD-OAS, (2005), Multilateral Evaluation Mechanism (MEM), Argentina, *Evaluación del progreso de control de drogas 2003-2004*, p. 21.

<sup>16</sup> 'Más controles a los químicos para cocaína,' in *Clarín*, 10 June 2006.

<sup>17</sup> INCSR (2005), op cit.

<sup>18</sup> This is the case if the person possessing the drugs proves that they are for personal consumption and that he or she is physically or psychologically dependent on drugs. If the person refuses treatment, he or she must complete serve the sentence set for drug possession. If he or she accepts, once treatment has concluded satisfactorily and after three years have passed, the person's criminal record can be expunged if investigators certify that the person has achieved 'full reinsertion into the social, family, labour and educational spheres.' Law 23.737, Articles 17, 18, 21 and 22.



### Control of precursors

Each year, the International Narcotics Control Board (INCB) dedicates a special report to the issue of controlling chemical precursors, as part of the implementation of Article 12 of the 1988 Convention. In the last report, the INCB expressed the view that 'commitment to precursor control is an indication of the political will of Governments to prevent and fight illicit drug manufacture ...'<sup>1</sup>

The U.S. State Department prepares an annual list of Major Chemical Source Countries where there is a likelihood that chemicals will be diverted to the drug trade. For several years, both Argentina and Brazil have appeared on the list because they have a large chemical industry, share borders with cocaine-producing countries, and are therefore considered source countries for precursors for cocaine production.<sup>2</sup>

Programmes for interdiction and control of precursors in recent years have had limited results in the design and approval of legislation and regulations. There has been even less success in avoiding the diversion of chemicals from legal industrial uses. Most efforts have been aimed at border control, with Customs playing an important role.

Operation Cohesion<sup>3</sup> was recently launched under the auspices of the INCB, taking the place of

<sup>1</sup> INCB. *Report of the International Narcotics Control Board for 2005 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988*, E/INCB/2005/4, Foreword, p. iii., March 2006.

<sup>2</sup> International Narcotics Control Strategy Report (INCSR), 2006, Bureau for International Narcotics and Law Enforcement Affairs, March 2006.

<sup>3</sup> Operation Cohesion focuses on regional operations with a specific time frame and includes the sharing of information in real time, tracking of investigations and periodic evaluation of activities.

its 'greater seriousness' and, therefore, reinforce the crackdowns that have been used with little success to combat drug use in general.

The harm reduction model attempts to moderate the problems associated with drug consumption, either by replacing the use of certain substances with others that are less harmful or through more controlled practices. These practices were initially proposed as pilot experiences of limited scope, outside the social and health system responses to the drug problem.<sup>19</sup> Nevertheless, this intervention model has encountered resistance and obstacles. One sign of this has been the reduction of these strategies to the mere delivery of preventive material (needles or condoms).

<sup>19</sup> Touzé G., D. Rossi, P. Cymerman, N. Ereñu, S. Faraone, P. Goltzman, E. Rojas and S. Vázquez. *Prevención del VIH/SIDA en usuarios de drogas. Resultados de un proyecto de investigación*. Buenos Aires: Editorial Intercambios, 1999. The non-profit organisation Intercambios began the first sterile needle distribution programme for intravenous drug users in 1999 in the Municipality of Avellaneda, as part of a project funded by UNAIDS.

Unfortunately, there has been no systematic, documented debate about implementing harm-reduction strategies for PBC use, although there have been some programmes that have been valuable, though limited in scope.

Some experts consulted as part of the studies referred to these as alternatives to the compulsory abstinence model for PBC. They are aware that demanding that a user stop smoking PBC overnight could drive the person away from the programme, as it merely 'forces' the user to behave in a certain way, rather than providing accompaniment in a process that seeks, in the short term, to reduce the impact of PBC on the user's health, making giving up consumption a medium-range goal.



two separate programmes<sup>4</sup> that focused on two chemical substances used in the manufacture of cocaine and heroin. In the case of potassium permanganate, which is used to make cocaine base, the INCB emphasised in its last report that: 'Traffickers now appear to have found ways to avoid the controls and monitoring mechanisms introduced under Operation Purple. While limited illicit manufacture of potassium permanganate has been reported in South America, consignments of the substance are diverted from licit trade and smuggled into the countries where illicit manufacture of cocaine takes place.'<sup>5</sup>

Another example is Operation Six Borders, a regional initiative established in 2000 under the supervision of the U.S. Drug Enforcement Administration (DEA), in which the five Andean countries (Bolivia, Colombia, Ecuador, Peru and Venezuela) participate with Argentina, Brazil and Chile. This operation controls the import and export of chemicals among the countries and facilitates the exchange of information about new trends in the use of precursors.

Control of precursors is also part of the CICAD Multilateral Evaluation Mechanism (MEM). In its report for 2003-2004, CICAD noted that in comparison to the previous period (2001-2002), '[t]he degree of fulfilment in the area of control of pharmaceutical products and chemical substances is lower,' and '... implementation has not begun for 30 percent of the recommendations issued on controlled chemical substances.'<sup>6</sup>

<sup>4</sup> These two programmes are Operation Topaz, for control of acetic anhydride, a chemical used in heroin production, and Operation Purple, for control of potassium permanganate, which is used to manufacture cocaine base.

<sup>5</sup> INCB (2006), p. 23, clause 140.

<sup>6</sup> OAS/CICAD (2005), *Hemispheric Report on Implementation of Recommendations*, 2005. Progress Report in Drug Control.

**T**here is still confusion about how crack is being produced in Brazil and what the trends are. Most of the crack appears to be made from cocaine base paste, which makes it a cheaper drug — a factor that is important in a developing country with many poor users.<sup>20</sup> Prevalence among young and poor homeless people is significantly higher than the average. It can be considered the ‘poor man’s crack’ of the underprivileged developing world, with the disadvantage of harmful chemical impurities. Sources often mention that it is made from the residue of the cocaine hydrochloride (cocaine powder) refining process. Some sources, however, also think cocaine base paste is the residue or ‘dirty cocaine.’ It is also known by various names, such as crack, *bazuco*<sup>21</sup>, *merla*, *mela* or *oxi*.

Crack is smoked in a homemade pipe or cachimbo in combination with ash from a cigarette, or using an aluminium can pierced with holes. Some users quickly become addicted, which leads to rapid physical and mental deterioration. The drug produces euphoria when consumed, and each rock lasts about fifteen minutes. The first large crack market appeared in São Paulo in the late 1980s and expanded during the 1990s, reaching its peak halfway through the decade. It is still very visible in a part of downtown São Paulo, which has been nicknamed Cracolândia or ‘Crackland.’<sup>22</sup> The market is unable to attract new users, mainly because of the negative side effects of crack

use. Prices have dropped from 10 real to two or three real.<sup>23</sup> The use of pure crack by street kids has been declining as youngsters opt to smoke it with marijuana, known as *mesclado*, a form that is supposedly less addictive.<sup>24</sup>

Local circumstances, such as the availability of precursors and knowledge of the production process, seem to have an impact on how crack variants are produced in Brazil. Crack made from cocaine base paste poses a challenge for producers. Unlike pure cocaine, cocaine base paste is not easily dissolved in water. An acid or ethanol (ethyl alcohol), acetone or diethyl ether is needed. In São Paulo, crudely dry cooking a mixture of cocaine base paste and sodium bicarbonate (baking soda) apparently solves the problem. A typical manufacturing process would involve mixing and dry cooking 500 grams of cocaine base paste and 250 grams of sodium bicarbonate in a small pan to obtain just under 750 grams of crack. The ‘rocks’ are formed from the vapour and ashes resulting from this process.<sup>25</sup> Preparation is done in a small kitchen lab or *cozinha*. Initially, most crack was prepared in small labs in or near Crackland.

As demand and police surveillance increased, manufacturing moved to the more isolated outskirts of town. In some raided labs, acetone and diethyl ether — chemicals that can be used to dissolve cocaine base paste — were found. Cocaine, crack and cocaine base paste are also often found in the labs. Since these places may also serve as warehouses for distribution to retail sales points, it is not always clear if cocaine is also produced in these labs, although cocaine refineries have been dismantled in and around São Paulo.

<sup>20</sup> According to a country profile by the UN Office on Drugs and Crime (UNODC), ‘there are neither technical studies nor reliable data from which to infer the trends of commerce and use of this drug [crack] in Brazil in the next few years.’ Crack is produced locally from coca paste or cocaine base (‘a cocaine by-product’). Because it is inexpensive, crack is the drug of choice of the low-income population. See: *2005 Brazil Country Profile*, UNODC Regional Office Brazil, p. viii and p. 19-20. ([http://www.unodc.org/pdf/brazil/country\\_profile\\_eng.pdf](http://www.unodc.org/pdf/brazil/country_profile_eng.pdf))

<sup>21</sup> As in other Latin American countries, the term *bazuco* is mainly used for cocaine base paste smoked with marijuana or tobacco.

<sup>22</sup> Guaracy Mingardi and Sandra Goulart, 2002, ‘Drug trafficking in an urban area: The case of São Paulo’, in *Globalisation, Drugs and Criminalisation, Economic and Social Transformations connected with the International Drug Problem*, Volume 2. Paris: UNESCO. ([http://www.unesco.org/most/globalisation/drugs\\_vol2.pdf](http://www.unesco.org/most/globalisation/drugs_vol2.pdf)) For patterns of use and data about the user population, see: *The Natural History of Cocaine Abuse: A case study endeavour*, Programme on Substance Abuse, World Health Organisation (WHO), September 1995 (<http://www.tni.org/drugscoca-docs/naturalhistory.pdf>).

<sup>23</sup> Mingardi and Goulart, 2006, Personal communication from Guaracy Mingardi, p. 97-98, September 2006.

<sup>24</sup> Carlini, E.A., et al., *Levantamento nacional sobre o uso de drogas entre crianças e adolescentes em situação de rua nas 27 capitais brasileiras 2003*. Centro Brasileiro de Informações sobre Drogas Psicotrópicas (Cebrid), São Paulo, n.d. ([http://www.cebrid.epm.br/levantamento\\_br2003/Levantamento2003.zip](http://www.cebrid.epm.br/levantamento_br2003/Levantamento2003.zip)).

<sup>25</sup> Mingardi and Goulart, p. 106. In the WHO study (1994), users either made crack themselves from cocaine hydrochloride or (and this was preferred) bought it directly from dealers because it was stronger. They suspected the crack from the dealers was made from ‘coca paste.’ See: *The Natural History of Cocaine Abuse*, op. cit., p. 145.

Crack in São Paulo is produced from cocaine paste imported from Bolivia and Paraguay. One case described involved a trafficker who was arrested carrying 200 kilograms of cocaine base paste in a truck heading for São Paulo. Between 700,000 and 1 million crack rocks could be produced with that amount of base paste. Bolivian traffickers had dropped it from a low-flying airplane and it had then been taken to a plantation in the interior of the state of São Paulo. It would subsequently be sold wholesale to small dealers who produced their own crack.

Most trafficking was on much smaller scale, however, with 20- to 30-kilogram loads being taken across the borders with Bolivia and Paraguay.<sup>26</sup> Since the July 2004 passage of the so-called shoot-down law (*Lei do Abate*), which authorises Brazil's air force to shoot down any unidentified aircraft suspected of smuggling drugs, air drops are much more difficult. Trafficking now appears to follow land routes, using cars, trucks and regular bus lines, according to reports in local newspapers in the states of Mato Grosso, Rondônia, Paraná and Mato Grosso do Sul. Seizures of five, 10 or 20 kilograms of base paste are quite common.

Since appearing in São Paulo in the late 1980s, crack has spread to other regions in Brazil, especially among low-income youngsters in urban areas. Large cities such as Recife, Curitiba, Belo Horizonte, Fortaleza and Porto Alegre have a significant crack problem. In the capital Brasília and the centre-west and north of the country a variant of smokable cocaine on the basis of cocaine base paste with similar effects to crack became quite popular. It is known as *merla* or *mescla*, *mela*, *mel*, *melado* and is made from cocaine base paste, *barrilha* or sodium carbonate (also known as washing soda or soda ash) and

*Since the July 2004 passage of the so-called shoot-down law (Lei do Abate), which authorises Brazil's air force to shoot down any unidentified aircraft suspected of smuggling drugs, air drops are much more difficult*

battery acid (sulphuric acid) to dissolve the cocaine base paste.<sup>27</sup> The process does not entail cooking the ingredients. Kitchen labs are discovered frequently in the States of Goiás, Rondônia and the Distrito Federal (DF). It is sold in emptied beer or soda cans containing 40 to 50 grams for between US\$10 and US\$15 and is usually smoked with marijuana or tobacco.

In the north-western state of Acre, which borders Peru and northern Bolivia, *oxi* or *oxidado*, a drug considered much more lethal as crack, can be found.<sup>28</sup> It is not entirely clear how *oxi* is made. As with *merla*, kerosene and quicklime are mentioned as ingredients, although those substances are used to produce cocaine base paste. It is sometimes ground and smoked in cigarettes, along with marijuana or tobacco, or snorted as powder. Many users serve as 'mules,' smuggling cocaine base paste over the border from Peru and Bolivia to supply cocaine-refining labs in Acre.<sup>29</sup> In a small lab that was raided in March

<sup>27</sup> Kerosene and quicklime are also often mentioned as ingredients, but were not found during a raid on an operating lab. Both are used in the production of cocaine base paste. See: 'Merla, o lixo da coca invade Brasília,' in *Istoé*, November 17, 1999 (<http://www.terra.com.br/istoe/brasileiros/1999/11/13/002.htm>); 'Garoto constrói patrimônio de R\$ 2 milhões com venda de merla, que comercializava em Goiânia,' in *Diário da Manhã*, 24 November 2005; *Lab oratório de merla que bacteria stores de Parricide de Goiânia é desbaratado*, Polícia Militar do Estado de Goiás, 4 September 2006 (<http://www.pm.go.gov.br/2007/index.php?i=libs/onoticiap&id=10020&pagret=home/home&mostaimg=S>). The first seizure of *merla* in Brasília occurred in 1984, and, according to a newspaper report, *merla* was first sold as *pedras* or rocks before it used sold as paste. *Polícia desmonta laboratórios*, *Correio Braziliense*, May 7, 2003 ([http://www2.correioweb.com.br/cw/EDICAO\\_20030507/pri\\_cid\\_070503\\_179.htm](http://www2.correioweb.com.br/cw/EDICAO_20030507/pri_cid_070503_179.htm))

<sup>28</sup> 'Pesquisa detecta droga mais devastadora que crack no Acre,' *Agência Folha*, 14 April 2005; 'Oxi: A New Drug in the Amazon,' in *The Narco News Bulletin*, May 13, 2005; 'Novas fórmulas, velhos vícios,' in *Correio Braziliense*, 18 May 2005.

<sup>29</sup> Even the former governor of the state of Acre, Orleir Camili, seems to have been involved in cocaine base paste trafficking from Peru and setting up labs in Acre. See the report of the Comissão Parlamentar de Inquérito (CPI) do Narcotráfico, Brasília, November 2001, p 64 a.f.

<sup>26</sup> Mingardi and Goulart, p. 98.

2004, *barrilha* and battery acid were found, which might indicate that the *oxi* of Acre is in fact very similar to or a further elaboration of *merla* into a crack-like rock.<sup>30</sup> Most sources describe *merla* as a paste and *oxi* as a *pedra* or rock.

Rio de Janeiro seems to be the exception in the crack market. Use appears to be low in comparison to other major cities. Its prevalence among homeless people is significantly lower, while cocaine use is higher, according to a 2003 survey.<sup>31</sup> Crack has been available in Rio for at least 15 years,<sup>32</sup> but never gained the popularity it acquired in São Paulo, although the reason is unclear. The conventional explanation is that Rio's organised gangs did not allow the sale of crack. Crack would be more harmful to users, who would experience a more rapid mental and physical decline, and the traffickers would lose their market. A study of crack and cocaine use by the World Health Organisation (WHO) in 1994 concluded that "[c]rack is not widespread because of the workings of the market". Traffickers rejected crack users "because their violent behaviour could put their activity in jeopardy."<sup>33</sup>

Rio's drug market is organised quite differently from the one in São Paulo. Several gangs in Rio - such as the Red Command (Comando Vermelho, CV), Third Command (Teceiro Comando, TC) and Friends of Friends (Amigos dos Amigos, ADA) - control distribution of

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the main drugs, marihuana and cocaine, from retail sales points in the *favelas* (shantytowns) throughout the city. When crack appeared in São Paulo, there was no such control of the market. Since then, the First Command of the Capital (Primeiro Comando do Capital, PCC) has emerged, but it is not as narrowly focused on drug trafficking as the Rio gangs and is very active in other criminal enterprises, such as bank robberies and kidnapping.<sup>34</sup>

According to lawyer and criminologist Cesar Caldeira, who is a prison inspector in the state of Rio de Janeiro, this 'mystery of Rio', as it has been called, is becoming an 'urban legend' that needs to be discarded.<sup>35</sup> The legend is based on the 1994 murders of some

dealers who tried to sell crack.<sup>36</sup> Another source may have been statements from a leader of the Comando Vermelho, Márcio Amaro de Oliveira, alias Marcinho VP, who was boss of Morro Dona Marta. Interviewed the night before director Spike Lee and pop star Michael Jackson recorded the video clip They

Don't Care about Us on Morro Dona Marta in February 1996, Marcinho VP told reporters from Rio's major newspapers, 'Crack causes a lot of harm. If I wanted to, I could earn a lot of money with it. But I don't want to hurt people even more. Besides, it would be very difficult to control my men, who would be crazy on crack.' Years later, in April 2000, while imprisoned, he repeated his statement before

<sup>30</sup> *Polícia estoura laboratório de refino de coca no Taquari*, Página 20 (Rio Branco-AC), March 4, 2004 ([http://www2.uol.com.br/pagina20/04032004/c\\_1102032004.htm](http://www2.uol.com.br/pagina20/04032004/c_1102032004.htm))

<sup>31</sup> *Levantamento nacional sobre o uso de drogas entre crianças e adolescentes em situação de rua nas 27 capitais brasileiras 2003*, op. cit.

<sup>32</sup> The first seizures of crack rocks in Rio occurred in 1991. See: 'O crack? Como não entra? Já entrou,' op. cit.

<sup>33</sup> *The Natural History of Cocaine Abuse: A case study endeavour*, op. cit., p. 25.

<sup>34</sup> Like the Rio gangs, the PCC was organised around 1993 inside the prison system. One reason why prisoners organised in São Paulo was the widespread use of crack in prisons, which made conditions even more appalling. The PCC prohibited crack in the prisons. ('Prestes a explodir', *Revista Epoca*, 3 June 2004).

<sup>35</sup> Caldeira, Cesar, 2006, 'O crack? Como não entra? Já entrou,' in *Revista Inteligência*, No. VI-27, October/November/December 2004 and personal communication, September 2006.

<sup>36</sup> 'O crack? Como não entra? Já entrou,' op. cit., 2005, 'Tráfico do Rio derruba embargo à droga,' in *Jornal do Brasil*, 20 February 2005.

a parliamentary commission of inquiry into drug trafficking.<sup>37</sup>

Marcinho VP has died, however. And the alleged pact among the leaders of Rio's various drugs gangs not to sell crack might be dead as well. The 'crack-less' days in Rio seem to be over. Outreach workers report an increase in use, Rio's State Anti-Narcotics Council (Conselho Estadual Anti-Drogas, CEAD) reports an increase in people seeking treatment, and crack seizures are on the rise.<sup>38</sup> The constant wars among Rio's main gangs for control of retail sales points appear to be one of the reasons why crack availability is increasing. There is a need for money to bankroll weapons, ammunition and incursions into enemy territory. Many of the old gang leaders are either dead or in prison, and a new generation of younger and less-experienced bosses seem to have lost any moral qualms about allowing crack. Some sources mention the alliance between Comando Vermelho and the PCC in São Paulo as a source of crack dating back to at least 2001.<sup>39</sup> Seizures of crack shipments often involve cars with São Paulo license plates. Others say that the PCC is supplying not only the CV, but other factions as well.

On the other hand, the gang-leaders' control should not be overestimated. Although allied

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to offset attacks from rival gangs and business enterprises, each local boss is fairly autonomous in handling affairs in his territory. Police and the media exaggerate the level of coordination and hierarchy in the gangs. According to police inspector Marina Maggesi, former head of the intelligence division of the Rio drug control police (Delegacia de Repressão a Entorpecentes do Rio de Janeiro, DRE-RJ), there is no agreement among Rio's factions not to sell crack.<sup>40</sup> Drug supply is handled not by local factions, but by independent traffickers known as *matutos*, who supply all kinds of drugs to anyone who wants to buy them.

Crack in Rio is not only imported, but is also produced in shantytowns.<sup>41</sup> One often well-informed source said there are at least 10 kitchen labs, although this could not be confirmed. Nevertheless, the importing of cocaine base paste into Rio indicates that it is produced in small labs<sup>42</sup> that are not necessarily sophisticated. This source said that leftovers from the cocaine refining process were dissolved in high-concentration alcohol before being turned into crack.

## Harm reduction and crack

In July 2005, the Ministry of Public Health issued Decree 1028, which formalised harm-reduction policies in Brazil. Since 1993-94, harm-reduction strategies have been established in most areas

<sup>37</sup> Caco Barcellos. *Abusado: o dono do Morro Dona Marta*. Rio de Janeiro: Editora Record, 2005, p. 343; *CPI do Narcotráfico*, op. cit., p. 928.

<sup>38</sup> 'Pesquisa alerta para o perigo das drogas,' in *Rio Estudos* No 160, June 2005 ([http://www.armazemdedados.rio.rj.gov.br/arquivos/1450\\_pesquisa\\_alerta\\_sobre\\_perigo\\_das\\_drogas.PDF](http://www.armazemdedados.rio.rj.gov.br/arquivos/1450_pesquisa_alerta_sobre_perigo_das_drogas.PDF)); 'Tráfico de crack, a nova ameaça,' in *O Globo*, 19 December 2004; 'Tráfico do Rio derruba embargo à droga,' in *Jornal do Brasil*, 20 February 2005; 'Polícia realiza a maior apreensão de crack no Rio,' in *Folha de São Paulo*, 21 July 2005; 'Crack começa a invadir as favelas,' in *Jornal do Brasil*, 15 April 2006; 'Crack chega a usuários de classe média,' in *O Globo*, 30 April 2006.

<sup>39</sup> 'PCC fornece crack para o Rio, diz polícia,' in *Folha de São Paulo*, 5 November 2002; 'São Paulo dissemina droga no Rio,' in *Folha de São Paulo*, 20 January 2005.

<sup>40</sup> 'O PCC é um perigo para a soberania,' in *O Globo*, 16 May 2006.

<sup>41</sup> 'O crack? Como não entra? Já entrou,' op. cit.

<sup>42</sup> In July 2006, 208 tablets of cocaine and 50 tablets of crack were seized. The crack was probably actually cocaine base paste, which is often called crack since it is its raw material. The crack was packed in pressed tablets of approximately 1 kilogram rather than rocks. See: 'PF apreende 250 quilos de cocaína,' in *O Globo*, 13 July 2006; 'PF faz maior apreensão de drogas do ano,' in *Tribuna de Prensa do Estado de RJ*, 13 July 2006.

of Brazil. This initially entailed needle exchange programmes among intravenous drug users who injected cocaine. In most areas, however, cocaine injection has been replaced by the expansion of crack use.<sup>43</sup> Although these policies, which were implemented by municipalities and civil society organisations, were recognised as effective, harm reduction workers were often harassed by police and accused of aiding and encouraging illicit drug use.

With the decree, harm reduction strategies are now formalised, recognised and provided with some degree of financial backing. The decree officially approves needle exchange, but is not limiting harm-reduction strategies. Other strategies are needed for crack users. When sharing homemade pipes or cachimbos, which is often part of the crack use ritual, crack users get sores on their lips and gums and are susceptible to diseases such as herpes, tuberculosis, hepatitis and HIV/AIDS. Crack use often also implies risky sexual behaviour in exchange for crack or as a means to earn money to buy crack. Crack use is high among some groups of sex workers.

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Harm-reduction workers dispense condoms, pipes, pipe stems, tissues, Vaseline and lip balm to counter infections and sexually transmitted illnesses, and provide information about preventing unsafe crack smoking habits. The decree does not require abstinence as the basis for harm-reduction strategies. This opens up the possibility of setting up user rooms with medical supervision and substitution treatment. User rooms were originally part of the draft decree, but after two years of negotiation and much debate, they were removed because of resistance from the National Anti-Narcotics

<sup>43</sup> See for example: Tarcisio Andrade et al., 2001, 'The Opening of South America's First Needle Exchange Program and an Epidemic of Crack Use in Salvador, Bahia-Brazil', in *AIDS and Behavior*, Vol. 5, No. 1. (<http://www.citizen.org/documents/1555a.pdf>).

Secretariat (Secretaria Nacional Antidrogas, SENAD), which is more oriented toward law enforcement.

Nevertheless, experiments with user rooms are expected, along with the introduction of marijuana substitution treatment for crack users, based on the experience of crack users who began using cannabis in an effort to ease withdrawal symptoms.<sup>44</sup> These strategies, combined with social projects for homeless people, could help reduce the high mortality rate among crack users from violence associated with use and dealing. The mortality rate among crack users in São Paulo is more than 7.5 times that of the rest of the population of the same age and sex, and violence accounts for 56.5 percent of deaths, AIDS for 26.1 percent and overdoses for 8.7 percent.<sup>45</sup>

The police are frequently involved in crack-related violence. In November 2005, five members of the Military Police were arrested for killing seven homeless people and brutally wounding eight in the Praça da Sé in August 2004 — an outrage that made international headlines. The victims had

trafficking-related debts and operated in a scheme organised by the police, who also shook down street vendors and fenced goods stolen by addicts to support their habit.<sup>46</sup>

<sup>44</sup> A study showed that 68 percent of crack users successfully broke crack habits over nine months by using cannabis. See: Eliseu Labigalini et al., 'Therapeutic use of cannabis by crack addicts in Brazil', in *Psychoactive Drugs*, Vol. 31, No. 4, Oct.-Dec. 1999 ([http://www.ncbi.nlm.nih.gov/entrez/query.fcgi?cmd=Retrieve&db=PubMed&list\\_uids=10681113&dopt=Abstract](http://www.ncbi.nlm.nih.gov/entrez/query.fcgi?cmd=Retrieve&db=PubMed&list_uids=10681113&dopt=Abstract)).

<sup>45</sup> 'Homicídio responde por 60% das mortes no crack', in *Jornal da Paulista*, February 2001 (<http://www.unifesp.br/comunicacao/jpta/ed164/pesq3.htm>); Marcelo Ribeiro et al., 'High mortality among young crack cocaine users in Brazil: A 5-year follow-up study', in *Addiction*, Vol. 99, No 9, September 2004 ([http://www.ncbi.nlm.nih.gov/entrez/query.fcgi?cmd=Retrieve&db=PubMed&list\\_uids=15317633&dopt=Abstract](http://www.ncbi.nlm.nih.gov/entrez/query.fcgi?cmd=Retrieve&db=PubMed&list_uids=15317633&dopt=Abstract)).

<sup>46</sup> 'PMs voltam a ser acusados por chacina na Sé', in *Folha de São Paulo*, 4 November 2005.

# CONCLUSIONS AND RECOMMENDATIONS

**T**here is a generalised perception that PBC is the most harmful and addictive of the illegal drugs, despite the great confusion that seems to exist about the exact composition of the substance known as PBC.

The association between PBC and poverty has been called into question. There is evidence that the substance is also consumed by middle-class sectors, and that this involves more discreet consumption, limited to the domestic environment. The emergence of PBC may be associated, above all, with a geographic readjustment of the cultivation-production-export circuit. Argentina may be shifting from a role as transit country for cocaine hydrochloride to a place of final-stage production. This would explain the greater circulation of PBC in the local market. Nevertheless, this is still a hypothesis that requires more investigation.

Although the small-scale commercialisation of PBC repeats patterns common to retail drug dealing in general, the PBC 'dealer' often has specific characteristics. The vendor may be anyone from the neighbourhood who has found the business to be a means of survival.

Government responses to production and trafficking repeat familiar patterns of cracking down on the weakest links in the chain. The approaches currently being used are ineffective. Anti-drug authorities should design comprehensive strategies, with community

participation, that would create mechanisms for social inclusion. PBC consumption should be left out of current models of criminal justice and punishment; the availability of treatment to users should be expanded, as should the scope and sustainability of harm-reduction programmes.

Authorities — preferably in cooperation with organisations working at the grassroots — should do chemical analyses and more structured monitoring of the substances being consumed, which would provide more information about the origin and operation of the base paste market, as well input for the design of preventive public policy.

With regard to the rise in PBC consumption, the Southern Cone countries should share effective strategies for countering its negative effects. In Brazil, where there is long experience with crack consumption, effective strategies have been implemented based on harm reduction, which could be expanded with the introduction of designated places for consumption for the users at greatest risk, who suffer from the high degree of violence that accompanies the use and sale of PBC.

Finally, it would be useful to implement a regional strategy that would also include the coca-producing countries, so as to more effectively address the penetration and expansion of drug trafficking in the region.



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Based on two studies carried out in the cities of Buenos Aires and Montevideo, this report examines the origin, characteristics and impact of the explosive increase in cocaine base paste in urban areas. It also highlights the variety of products consumed in these cities and the substance known as crack that is consumed in Brazilian cities. The Brazilian experience with this consumption could serve as an example and a lesson for the Southern Cone.

The question of whether there is a cause-and-effect relationship between the explosive increase in consumption of *paco* in Buenos Aires and Montevideo and a transformation in the structure of drug (cocaine) trafficking in Argentina, Uruguay and southern Brazil is relevant to an evaluation of the success or failure of policies implemented in the Andean Region to stem the supply of cocaine. It is worth asking if we are again witnessing the consequences of a 'balloon effect' that may be transforming, expanding and shifting cocaine hydrochloride manufacturing from the Andean Region to the southern part of the continent, with a resulting impact on the consumer market.

In recent years, dozens of laboratories where cocaine hydrochloride was apparently manufactured have been found in Argentina — the first time such discoveries have been made. In the first half of 2006 alone, Argentine authorities seized as much cocaine as they had confiscated in the entire previous year. Until then, the country had not played a role in the manufacturing of cocaine; it had been limited to a significant role in the transit of the drug towards markets in Europe and the United States. This new trend could be related to the fact that both Argentina and Brazil have a chemical industry capable of producing the inputs necessary for manufacturing cocaine, as well as the difficulties that the traditional cocaine-producing countries have encountered in gaining access to chemical precursors.

Founded in 1974, TNI is an international network of activists and researchers committed to critically analysing current and future global problems. Its goal is to provide intellectual support to grassroots movements concerned about creating a more democratic, equitable and sustainable world.

Since 1996, TNI's Drugs and Democracy Programme has been analysing trends in the illegal drug economy and global drug policy, causes and effects on the economy, peace and democracy.

The programme does field research, fosters political debate, provides information to officials and journalists, coordinates international campaigns and conferences, produces analytical articles and documents, and maintains an electronic information service on the topic.

The goal of the programme and the Drugs and Conflict series is to encourage a re-evaluation of current policies and advocate policies based on the principles of harm reduction, fair trade, development, democracy, human rights, protection of health and the environment, and conflict prevention.

