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## FEATURED Q&A

# Is Duque Pursuing the Right Anti-Drug Policies?



Colombian President Iván Duque is cracking down on possession of illegal drugs in public. // File Photo: Colombian Government.

**Q** Colombian President Iván Duque this month signed a decree that outlaws the possession of even small amounts of marijuana and cocaine in public, allowing authorities to confiscate the drugs and impose fines. Duque's order followed statements that Colombian Foreign Minister Carlos Holmes Trujillo made in September at the Inter-American Dialogue in which he said the Duque administration would work very closely with the United States on anti-drug efforts, such as eradication of coca plants. Is Colombia's government pursuing the right anti-drug policies? What will such policies mean for drug consumption trends in Colombia? Will Duque's latest order lead to abuses by police, as his critics have argued?

**A** Hannah Hetzer, senior international policy manager at the Drug Policy Alliance: "President Duque's decree that allows for Colombian police to search individuals and confiscate their drugs outright ignores the 1994 Constitutional Court case that deemed it impermissible for the government to imprison people for drug use and allowed for the possession of small amounts of drugs for personal use. Duque's decree is an infringement on personal liberty, gives police leeway to engage in unnecessary searches, thereby increasing the potential for police abuse, and does nothing to stop the drug trade or the violence associated with it. Stigmatization and criminalization of drug use does not work to decrease drug consumption, nor does it provide people who are struggling with the treatment or support they need. Instead, criminalization is an unnecessary use of police resources and increases prison overcrowding, which is already an issue in Colombia and

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## TODAY'S NEWS

### POLITICAL

## Guatemala Revokes CICIG Officials' Visas

The government of President Jimmy Morales revoked visas that it had granted to three officials of the U.N.-backed anti-corruption agency and denied visas to another eight officials and their relatives, the agency said.

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### BUSINESS

## América Móvil Sees Profit Surge, Misses Estimates

The Mexico-based telecommunications giant reported a net profit of approximately \$1 billion for the third quarter.

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### POLITICAL

## Brazil's Temer Charged With Corruption, Money Laundering

Federal police in Brazil have charged President Michel Temer with corruption and money laundering in connection with alleged favoring of companies that handle port management.

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Temer // File Photo: Brazilian Government.

## POLITICAL NEWS

## Temer Charged With Corruption, Money Laundering

Brazil's federal police on Tuesday charged President Michel Temer with corruption and money laundering and requested that he be put on trial, O Globo reported. The charges, which were signed by investigator Cleyber Malta Lopes, also involve Temer's daughter Maristela and two of the president's close aides and also say that his assets should be frozen. The charges revolve around allegations that Temer took bribes in order to favor companies that handle port management, the Associated Press reported. Brazil's attorney general, Raquel Dodge, now has 15 days to decide whether to pursue the case against Temer. If she agrees, then a two-thirds vote in Congress would be required to place him on trial, in which case he would be suspended from office while the trial occurs. His term ends Dec. 31. Temer, who denies wrongdoing, has faced charges in two previous corruption cases. However, both times, Congress rejected putting him on trial. The latest case involves a decree that Temer signed last year to extend concessions at the Port of Santos to 35 years from 25. The federal police report alleges that bribe money could have been used to pay for renovations at Maristela Temer's house in São Paulo between 2013 and 2015. Executives of the J&F company have admitted to seeking political favors in exchange for paying \$280,000 to an aide to Temer, the AP reported.

## Guatemala Revokes Visas Granted to CICIG Officials

A U.N.-backed anti-graft agency in Guatemala said Tuesday that the country's Ministry of Foreign Affairs revoked visas it had granted to three of its officials and denied visas to another eight and their relatives without providing a

reason. The International Commission Against Impunity in Guatemala, or CICIG, said in a statement it "regrets this decision" and that it's evaluating the situation. The announcement came the same day that Guatemalan President Jimmy Morales overcame a third attempt to lift his immunity from prosecution, a measure that the attorney general's office and CICIG had requested months ago in an effort to investigate accusations of illicit financing during Morales' presidential campaign in 2015, the Associated Press reported. Morales has denied wrongdoing. The CICIG officials who saw their visas repealed include lawyers participating in the investigation against Morales and some of his relatives. Last month, the Guatemalan government denied CICIG's head, Iván Velásquez, from re-entering the country. Eighty-two of the 158 lawmakers in Guatemala's Congress voted to uphold Morales' immunity on Tuesday. The law requires at least 105 votes in favor of either maintaining or withdrawing presidential immunity, which means the measure will be put on hold and can be revived by any member of Congress for a vote, the AP reported. [Editor's Note: See related [Q&A](#) in the Sept. 20 issue of the Advisor.]

## BUSINESS NEWS

## Brazilian Card Processor Stone Files for IPO

Brazil-based StoneCo Ltd., a credit- and debit-card processor, on Tuesday filed for an initial public offering that could raise as much as \$1.1 billion, Reuters reported, citing a securities filing. The company filed for the offering on the Nasdaq exchange. Billionaire investor Warren Buffett's Berkshire Hathaway and some of the current shareholders of Stone could acquire as many as half of the nearly 48 million shares that are to be offered in the IPO, the filing said. Stone is setting a range of \$21-\$23 per share as the range for the offering. The founders of Brazilian investment firm 3G Capital are among Stone's current shareholders.

## NEWS BRIEFS

## Guatemalan Police Detain Organizer of Migrant Caravan

Guatemalan police on Tuesday detained a former Honduran lawmaker who had organized a large group of migrants who have been moving toward the United States, Reuters reported. Bartolo Fuentes was detained after U.S. President Donald Trump threatened to cut off aid to Honduras, Guatemala and El Salvador if authorities in Central America failed to stop the group of as many 3,000 migrants from moving north. The foreign ministry of Honduras urged the country's citizens not to join the group.

## Venezuela Seeking to Open Bank Accounts in Asia, Europe

Venezuela is looking to open bank accounts in Asia and Europe for hard currency transactions, Economy Vice President Tareck El Aissami said Tuesday, as the country tries to overcome U.S. sanctions and its fifth year of recession, Reuters reported. El Aissami added that the Venezuelan government will sell two billion euros, or \$2.32 billion, on its Dicom foreign exchange platform starting later this year. Official figures show it has sold just \$75 million through Dicom auctions this year, Reuters reported.

## Roku to Resume Sales in Mexico Following Year-Long Ban

Digital media player manufacturer Roku said Tuesday it would resume sales in Mexico after a pause of more than a year. Roku, whose media players allow customers to access online video or audio content through televisions, had been banned from selling in Mexico amid a court dispute in relation to hackers streaming pirated material from major television networks including HBO and ESPN. The company's shares gained almost 4 percent in trading after the announcement.

The investment firm and Berkshire Hathaway already jointly have control of U.S.-based food company Kraft Heinz. Berkshire's holdings in the financial sector currently includes shares of insurance companies as well as American Express, Bank of America and Wells Fargo. Stone and some of its current shareholders are planning to sell some of their shares in the IPO, Reuters reported. Among those shareholders are the company's founders, André Street and Eduardo Pontes. Through the IPO, Stone is expecting to raise \$950 million in order to acquire other companies or make other investments to grow its business.

## América Móvil Sees Profit Surge, Misses Analysts' Estimates

Mexico's América Móvil saw a surge in net profit in the third quarter, driven by foreign exchange gains and customers switching to more profitable plans, El Universal reported today. The company, Latin America's largest telecommunications firm by number of subscribers, reported a net profit of nearly 19 billion pesos, roughly \$1 billion, for the July-September period, reversing a loss of 9.6 billion pesos in the same period last year when a Colombian arbitration panel ruling negatively affected its gains, Reuters reported. However, net profit was not as high as analysts expected. According to a poll conducted by the wire service, experts had forecast a net profit of 22.6 billion pesos. The firm, which is controlled by Mexican billionaire Carlos Slim, said its results benefited from currency improvements in Mexico and Colombia after both countries' presidential elections earlier this year, as well as a successful campaign to encourage customers to shift from prepaid plans to more lucrative postpaid plans. It reported 1.1 million new postpaid subscribers during the quarter, a 7.6 percent increase from a year earlier. América Móvil's earnings before interest, tax depreciation and amortization (EBITDA), which measures profitability, was up by 7.7 percent to 71.8 billion pesos, or around \$3.8 billion, the company said.

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throughout much of Latin America. Duque is clearly trying to return to a more hardline, repressive stance on drugs, including punishing people who use drugs and emphasizing the eradication of coca plants. These approaches have been tried before, and they do not work to reduce drug use or cultivation. Instead of aligning himself with the Trump administration, Duque should learn from other countries that are moving away from drug policies based on punishment and repression, and embrace approaches that focus on health, human rights and development. The Constitutional Court declared that Colombians have a right to possess small amounts of drugs for personal use, and Duque and the Colombian police should respect that right."

**A** **Barry R. McCaffrey, president of BR McCaffrey Associates, a retired U.S. Army four-star general and former director of the White House Office of National Drug Control Policy:** "Colombian President Iván Duque's Oct. 1 decree that outlaws public possession of pot and cocaine is a sensible and small measure that will have some modest benefit, adding to social disapproval of a drugged lifestyle. Colombians should be confident that it will attract endless yowls of outrage from the drug legalization community, which they should ignore. There is a clever global drug legalization movement to make acceptable the consumption of illegal drugs. Medical pot from a scientific sense is a health care fraud, but politically, it is brilliant. Who wants to deprive a 'sick person' of their smoked pot 'medicine?' This legalization effort will help produce a disaster of growing adolescent use, stoned driving and work conditions and increases in polydrug use. The legalization community is well organized and funded and winning. The Colombian people fortunately have enormous collective courage. The peace accord with the FARC is unraveling and must be recast. Violence cannot be suppressed without jobs

and economic renewal. Cocaine production is skyrocketing. Colombia is being buried in desperate Venezuelan refugees fleeing the misery of the Maduro government. In the midst of all these challenges, the Colombian

“**Colombian President Iván Duque's Oct. 1 decree that outlaws public possession of pot and cocaine is a sensible and small measure that will have some modest benefit.**"

— Barry R. McCaffrey

government deserves the political and economic support of its allies in the OAS and specifically the U.S. government. We should not be drawn into a nonsense discussion of Colombia's sensible efforts to minimize the social acceptance of drug possession."

**A** **Vanda Felbab-Brown, senior fellow for foreign policy at the Brookings Institution:** "The Duque government's drug policy in Colombia is taking on a progressively ominous and counterproductive direction. It threatens to undermine the incomplete and struggling peace process, misdirect law enforcement resources, augment the alienation of coca farmers from the state and undermine human rights and drug users' access to health services in Colombia. With their emphasis on criminalization of even drug possession for personal use and forced eradication, the announced policies clearly cater to the Trump administration's doctrinaire and discredited drug policy preferences that harken back to the 1980s. But without sustainable livelihoods already in place, forced eradication will not sustainably reduce coca cultivation and cocaine production. The dominance of zero-coca thinking in Colombia where by a community

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has to eradicate all coca first before it starts receiving even meager assistance from the state never produced positive results in Colombia. At a time when the peace process is fragile, the Colombian government should work hard to strengthen the bond between the state and rural populations, not push them further away. The institutional reshuffle regarding land titling and local development programs the Duque administration is also planning equally signals a deeply concerning weakening of equitable rural livelihood efforts. Spraying coca with drones may achieve greater logistical access to coca fields, but it won't resolve matters of legitimacy and sustainability of the drug strategy. Criminalizing marijuana and personal drug possession flies in the face of decades of lessons of drug policy and global trends to decriminalize marijuana and stop punishing users. Critically, it misdirects Colombia's law enforcement forces from the fundamental focus on Colombia's violent 'bandas criminales' and drug trafficking groups. It threatens to undermine the hard-won increase in the effectiveness and legitimacy of Colombia's police forces."

**A** **Maria Velez de Berliner, managing director of RTG-Red Team Group, Inc.:** "Duque is under pressure from the Trump administration, which insists on the elimination of coca plantings and cocaine processing, and he faces increasing levels of addiction and growing micro-trafficking with its attendant high levels of violence. The recriminalization of the personal dose is like putting a bandage over a metastasizing tumor because drug use is so endemic that police have confiscated more than six tons of personal doses since recriminalization. Recriminalization does little to curtail the 'narcotized economy' upon which many Colombians depend for daily subsistence. Criminalizing the use of the personal dose

will incentivize ingrained police abuse and corruption. No matter how many 'comparendos' (legal citations) police issue and fines they levy, drugs will continue to be used publicly until the government can implement dependable, viable and reliable alternatives to the drug economy. Colombia's history of marijuana, cocaine and heroin is a case

**“Criminalizing the use of the personal dose will incentivize ingrained police abuse and corruption.”**

— Maria Velez de Berliner

study in the economic, social, political and cultural costs associated with prohibition and criminalization, not to mention the violence and economic distortions drugs cause. Colombia needs to establish and implement, nationwide and across all social strata, improvements in the skills pool. This includes fostering entrepreneurship and learning to tolerate, not malign, entrepreneurial failure. The country also must raise productivity and competitiveness in the agricultural, services, commercial and industrial sectors, while building dependable infrastructure and offering healthier opportunities for recreation, employment and effective professional advancement than it does today. However, Colombia does not have the resources to do so. The Trump administration, which could help financially, is focused on supply-side remedies whose history of failure is well documented."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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