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Prohibition versus Legalization

Do Economists Reach a Conclusion on Drug Policy?

————— ◆ —————
MARK THORNTON

The policy of prohibiting the sale and consumption of cocaine, heroin, and marijuana is of great public interest, with much debate about the effectiveness of the “war on drugs” and alternative policies such as legalization, decriminalization, drug treatment, and medical marijuana. Economists have been at the forefront of the debate, criticizing the effectiveness of the war on drugs, drawing attention to its “unintended consequences,” such as violent crime and the corruption of police and public officials, and proposing alternative policies, such as drug legalization and decriminalization.

Milton Friedman (1972, 1980, 1984, 1989) has long advocated the legalization of drugs. Gary Becker (1987, 2001), George Shultz (1989), Thomas Sowell (1989), and William Niskanen (1992) have also endorsed liberalization. Both Milton Friedman and Gary Becker have been awarded the Nobel Prize in economics; in the Reagan administration, George Shultz served in the president’s cabinet, and William Niskanen served as the chairman of the President’s Council of Economic Advisors. Given that these noteworthy economists are associated with conservative politics, it might seem that a bipartisan consensus prevails on the direction of reform in drug policy.

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Do these views represent the economics profession's views? Are they indicative of the views of economists who are actively engaged in research on drug policy? Or might they be a minority view? After all, the economists I have mentioned are strongly associated with the Chicago school of economics and a policy agenda of economic liberalism. Furthermore, only one of the endorsements, Gary Becker's, comes from an economist whose primary research is related to drug policy (via his study of addiction). Therefore, it is less than obvious that their views reflect those of the profession at large or of economists who research this issue.

In order to answer these questions, I conducted two surveys of economists' policy views: one of the profession as a whole and the other of economists who are actively engaged in drug-policy research (table 1). I then examined the results of both surveys in the context of the demographics of the profession and public-opinion polls on drug policy.

Economists Are People, Too

In 1995, I surveyed 117 randomly selected professional economists who belonged to the American Economic Association. The findings were initially reported in Thornton 1995, 73. Subjects were randomly selected from the 1993 biographical listing of members of the American Economics Association. I randomly selected one subject from alternating pages of the directory, contacted that person by phone, and interviewed him or her.

Table 1
Survey of Economists on Drug Policy

Do you favor the decriminalization of illegal drugs?	Yes = 61 (52%)	No = 45 (38%)	No opinion = 11 (9%)
What is your preferred policy choice to deal with illegal drugs?	Legalize = 19 (16%)	Status quo = 18 (15%)	No opinion = 9 (8%)
	Decriminalize = 45 (38%)	Increased efforts = 24 (21%)	
	Total = 64 (55%)	Total = 42 (36%)	

Of those who offered an opinion, 58 percent favored a change of public policy in the general direction of decriminalization. When asked to choose from among five policy options, only 16 percent of economists favored complete legalization. Among the economists who gave a response other than keeping the status quo, 71 percent favored either legalization or decriminalization. Less than 2 percent

endorsed measures stronger than longer prison sentences and increased enforcement budgets. Thus, the survey shows that in 1995 a majority of economists, though not a strong consensus, favored changes in public policy in the direction of decriminalization.

Above-average support for decriminalization is prevalent among economists specializing in monetary theory, public finance, and labor economics. Business economists were the strongest supporters of prohibition. Among nonacademic economists, those working for private institutions were more likely to support decriminalization, whereas those working in the public sector were more likely to support the status quo or increased enforcement. Age and rank appear to be largely unrelated to policy preferences. The evidence also suggests that economists trained in the Chicago, public-choice, and Austrian traditions are more likely to support legalization, so ideology or training may have a strong influence on policy views.

A 1991 opinion poll of Americans showed that 36 percent favored legalization or controlled distribution of most drugs (Thornton 1991b). The poll, sponsored by the pro-liberalization Drug Policy Foundation, also found that 40 percent believed that decriminalization of cocaine would reduce violent crime and that most, by a three to one margin, preferred addiction treatment and counseling for drug users over fines or imprisonment.

These findings contrast with a survey of college freshmen in 1988, which found that 19.3 percent favored the legalization of marijuana. A survey of the high school class of 1987 found that 15.4 percent favored legalization, 24.6 favored decriminalization, and 45.3 percent believed marijuana should remain illegal. Approximately 80 percent favored the prohibition of LSD and heroin. Surveys show a precipitous decline in support for legalization of marijuana to 16 percent from 1977 to 1989. Afterward, however, support began to increase among high school students after 1989 and had doubled to 32 percent in 2000 (36.5 percent of college freshmen in 2001), with nearly 50 percent supporting marijuana decriminalization and 73 percent supporting medical marijuana. Moreover, majorities favor treating drug use as a disease and believe that too many people are put in jail for drug use (Maguire and Pastore 2001).

An examination of responses relative to demographic characteristics of the general population is revealing (see table 2). Prohibitionists are more likely to be female, older, from the South, blue collar, low income, Protestant, high school dropouts, and Democrat. Supporters of legalization in the general population are more likely to be male, younger, from the North and West, professional, highest income category, Jewish or nonreligious, college graduate or more advanced in education, and independent in politics. In recent years, these demographic distinctions have become less dramatic than they were ten or fifteen years ago.

Given that the members of the economics profession tend to match more closely the characteristics of the reformers in the general population, it is unclear that being

Table 2
Demographic Characteristics and Drug Liberalization

Characteristic	Reformers	Prohibitionists
Sex	Male	Female
Race	White	Nonwhite
Education	College or more	Grade school
Occupation	Professional/farmer	Clerical/manual
Income level	High and Middle	Low
Age	Young and Middle	Fifty years or older
Region	Northeast and West	South
Religion	Jewish or none	Protestant
Politics	Independent	Democrat and Republican

an economist per se has much impact on the choice between prohibition and legalization, especially in view of the survey's wide confidence interval (plus or minus 9 percent). Brian Caplan (2001) has found that being male and well educated and having rising income is associated with the tendency to think like an economist and in general to favor liberal economic policies.

Economists Gordon Tullock and Richard B. McKenzie have suggested that economists have always opposed prohibition:

In the early part of this century, many well-intentioned Americans objected to the consumption of alcoholic beverages. They succeeded in getting the Constitution amended to prohibit the sale of alcohol. By the 1930s most of them had given up because they discovered how difficult it was to enforce the law. If they had consulted economists, I'm sure they would have been told that the law would be very difficult and expensive to enforce. With this advice they might have decided not to undertake the program of moral elevation. The same considerations should, of course, be taken into account now with respect to other drugs. (1985, 7)

However, one of the leading economists of the early twentieth century, Irving Fisher, was an outspoken proponent of alcohol prohibition and wrote three books in support of the policy. As late as 1927, Fisher claimed that he could not find a single economist to speak against prohibition at a meeting of the American Economic Association (Thornton 1991a). At the end of the 1920s, Fisher remained solidly in support of strict alcohol prohibition: "Summing up, it may be said that Prohibition has already accomplished incalculable good, hygienically, economically and socially. Real personal liberty, the liberty to give and enjoy the full use of our faculties, is increased by

Prohibition. All that the wets can possibly accomplish is laxity of enforcement or nullification; in other words, enormously to increase the very disrespect for law which they profess to deplore. Hence the only satisfactory solution lies in fuller enforcement of the existing law” (1930, 454–55). Clearly, economists did not always support liberal drug policies. They have come a long way, however, since the 1920s.

Vital Economists on Drug Policy

I define *vital economists* as those who write directly for publication on a particular policy, embrace policy-reform positions that are more than vague generalities, and express plainly their judgments about desirable reform (which might be support for no reform—that is, for retention of current policies). Admittedly, these criteria for “vitality” are somewhat fuzzy. For example, consider the first requirement—that the economist’s views on the policy topic must have been published. Must the economist have written on the topic for publication in the academic or scholarly literature? Or does a newspaper op-ed on the topic qualify as a publication on the topic? Readers can decide this matter for themselves. To cover the bases, I included both sorts of publication as I went about identifying the vital economists on this issue. Another demarcation line concerns who is an economist. I count anyone who has a economics graduate degree (such as a master’s or a Ph.D.) or anyone employed as a member of the economics faculty in a college or university.

I present here a list of statements (direct quotations) by postwar American economists about drug policy. In some cases, the economists express clear recommendations about how drug policy should be reformed. In other cases, their remarks are less clear, but seem to suggest one view rather than another. This survey is not a systematic one. It consists simply of the writings that I have found or come across, and it certainly is not exhaustive. I have been scrupulous, however, keeping my eyes peeled for antiliberalization judgments and including any judgments that tend toward that position.

Based on a search of EconLit, I sent e-mail requests to economists whose views on drug policy I was not familiar with, most of them residing outside the United States, but I received only two replies (less than a 10 percent response), both indicating that the recipients did not have a position on drug policy. As a result, my survey is based on the conclusions publicized by American economists.

This set of judgments does not show a clear consensus on exactly what should be done. Still, a broad—although not perfect—consensus exists on three general matters. First, most economists find the current policy to be somewhat ineffective, very ineffective, or harmful. Second, most economists agree that the current policy should be changed. Third, most economists agree that the policy should be changed in the general direction of liberalization. Disagreement generally pertains to the direction and degree of liberalization. Thus, the suggestions range from political decentraliza-

tion (which would allow experimentation and differentiation) to diminishment of the drug war, decriminalization, reallocation of resources from criminal prosecution to treatment (or more broadly from supply-side to demand-side policies), qualified or limited legalization, sin taxes, outright legalization, and “perfect legalization,” my own policy recommendation (Thornton 1998).

Robert J. Barro: Legalize and Tax

“The experience with drug enforcement shows that prohibitions of recreational drugs drive up prices, stimulate illegal activity, have only a moderate negative effect on consumption, and impose unacceptable costs in terms of high crime, expansion of prison populations, and deterioration of relations with the foreign countries that supply the outlawed products. A better idea would be to leave intact the existing regulatory structure for cigarettes—which includes substantial but not outrageous tax rates and restrictions on sales to minors—and apply this apparatus to the currently illegal drugs” (Barro 1997, 143).

Gary S. Becker: Legalize and Tax

“Legalizing drugs is far from a panacea for all the distress caused by drugs, but it will eliminate most of the profit and corruption from the drug trade. Ending Prohibition almost immediately cleaned up the liquor industry. To be sure, legalization will increase drug use by, among other things, lowering street prices, but that can be partially offset through sizable excise taxes on producers. In many nations, retail prices of cigarettes, alcohol, and gasoline are several hundred percent higher than their wholesale prices because of large ‘sin’ taxes on them. The revenue collected from large taxes on drugs could be used to treat addicts and educate youngsters about the harmful effects of many drugs” (Becker 2001).

*Daniel K. Benjamin and Roger LeRoy Miller:
Take a Constitutional Approach*

“Our proposal—the Constitutional Alternative—is that the power to control the manufacture, distribution, and consumption of all psychoactives revert to the states, under provisions identical to those of the Twenty-first Amendment. As with repeal of Prohibition, the Constitutional Alternative would repeal only the federal prohibition of psychoactives. As was true with the repeal of Prohibition, the Constitutional Alternative would return to the states the powers that they held from the inception of the nation; thus, the states would regain full powers to control the manufacture, distribution, and consumption of psychoactives within their borders” (Benjamin and Miller 1991, 194).

Walter Block: Legalize

“This paper argues the case for legalizing drugs such as marijuana, cocaine and heroin. It claims there are no market failures that justify prohibiting of these opiates, and there is nothing in positive economics that precludes legalizing drugs. On the contrary, a free market in marijuana and other drugs enhances economic welfare” (Block 1996, 433).

Mary M. Cleveland: “Downsize” Drug Prohibition

Cleveland states that she is a critic of drug prohibition (1998, 573). She concludes, “Policies that stigmatize and imprison drug users may hurt rather than help troubled young people and problem users.” The abstractions of “prohibition” or “legalization” have little to do with troubled people’s behavior or needs. There must always be some policing of illegal drug markets, just as with bootleg liquor markets, but the drug war makes the black markets very dangerous and therefore attractive to troubled young people with limited opportunities and a high risk of becoming problem users of hard drugs. The drug war does not cause the family and social problems that put young people at risk, but rather diverts resources and attention from education and treatment programs that might help them. Although “legalization” in any of its many possible variations cannot solve family and social problems, any more than repeal of alcohol prohibition solved the problems that caused some individuals to become alcoholics, it can help, when combined with a downsizing of the drug war, to restrict casual access to drugs while making it easier for problem users to find treatment.

William Davis: Costs of the Drug War Outweigh Its Benefits

“The government’s current strategy, by measures of economic efficiency and equity, has been costly and its burden distributed unfairly. Taxpayers fund the explicit cost of drug control and the spillover costs have been borne by parties usually not associated with illegal drug activity. Current attempts to eradicate illegal drugs appear to create the very phenomena they are supposed to correct—spillover costs” (Davis 1998, 176).

Milton Friedman: Legalize or Decriminalize

“Legalizing drugs would simultaneously reduce the amount of crime and raise the quality of law enforcement. Can you conceive of any other measure that would accomplish so much to promote law and order? In drugs, as in other areas, persuasion and example are likely to be far more effective than the use of force to shape others in our image” (Friedman 1972, 104).

“Decriminalizing drugs is even more urgent now than in 1972, but we must recognize that the harm done in the interim cannot be wiped out, certainly not immediately. Postponing decriminalization will only make matters worse, and make the problem appear even more intractable” (Friedman 1989).

Michael Grossman, Gary S. Becker, and Kevin M. Murphy: No Position

“Clearly, we have not provided enough evidence to evaluate whether or not the use of heroin, cocaine, and other drugs should be legalized. A cost-benefit analysis of many effects is needed to decide between a regime in which drugs are legal and one in which they are not. What this paper shows is that the permanent reduction in price caused by legalization is likely to have a substantial positive effect on use, particularly among the poor and the young” (Grossman, Becker, and Murphy 1991, 83).

Joel W. Hay: Establish Stronger Prohibition

“I do not have the answer to the drug-policy dilemma other than to keep moving ahead pretty much as we have been. I would focus substantially more effort, using both carrots and sticks, on discouraging demand. I agree with the critics that supply interdiction, by itself, is extremely expensive and ultimately futile. If we are going to make policy for this difficult and tragic problem with simplistic solutions that can be fit into 30-second TV sound bits, then I would definitely prefer a real drug war, with swift and certain punishment of casual drug users, to a drug-legalization surrender” (Hay 1991, 219).

David R. Henderson: Legalize

“I oppose the drug war. I also advocate legalizing drugs whose sale and use is currently illegal. Although not problem-free, the case for legalization is much stronger than the case for criminalization” (Henderson 1991, 655).

“Most of the problems that people think of as being caused by drugs are not caused by drugs per se. Rather, they are caused by drug laws” (Henderson 1991, 675).

“Further, the morally proper way to prevent drug use is to persuade people, not to imprison them” (Henderson 1991, 675).

Robert Higgs: Legalize

“[Like the U.S. war in Vietnam,] [t]he Drug War is an ugly sight, too, and opposition is growing, especially among judges, who see its futility up close. It still awaits

its equivalent of Richard Nixon and Henry Kissinger, who will declare ‘peace with honor’ and bring the troops home. By abandoning this costly, quixotic crusade, the authorities could spend more time protecting life and property and relieve us of an obnoxious invasion of our natural rights, which include the right to decide how we use—or abuse—our own bodies” (Higgs 1995, 36).

Randall G. Holcombe: Legalize

“An argument for legalization is that most of the harm caused by recreational drug use comes from the fact that drugs are illegal, not that they are drugs. This implies that to minimize this harm completely free and open markets for drugs should be established” (Holcombe 1995, 158).

*Mireia Jofre-Bonet and Jody L. Sindelar:
Increase Treatment for Addicts*

“For our sample, we find that treatment reduces drug use. . . . Reduced drug use due to treatment is associated with 54% fewer days of crime for profit, *ceteris paribus*. Our evidence suggests that, reduced drug use is causally related to reduced crime. This finding is robust to different specifications and sub-samples. Our findings broadly suggest that drug treatment may be an effective crime-fighting tool. Given the huge and growing expense of the criminal justice system, drug treatment might be cost-effective relative to incarceration” (Jofre-Bonet and Sindelar 2002, abstract).

Daniel B. Klein: Liberalize

“A barrage of research and opinion has pounded it [the Drug War] for being the cause of increased street crime, gang activity, drug adulteration, police corruption, congested courts and overcrowded jails. Drug prohibition creates a black-market combat zone that society cannot control” (Klein 1993, 11).

Li Way Lee: Liberalize?

“The paper has advanced a theory of illicit drug markets in which buyers and sellers face large transaction and consumption penalties, and it has used the theory to analyze whether harassing users would lower both consumption and price. The analysis implies that, under the present criminal justice system, escalating the hostility towards users is unlikely to be the win-win policy that standard theory suggests” (Lee 1993, 957).

Jeffrey A. Miron and Jeffrey Zwiebel: Legalize

“The existing evidence relevant to drug policy is far from complete. Given the evidence, however, our conclusion is that a free market in drugs is likely to be a far superior policy to current policies of drug prohibition. A free market might lead to a substantial increase in the total amount of drugs consumed. But that policy would also produce substantial reductions in the harmful effects of drug use on third parties through reduced violence, reduced property crime and a number of other channels. On net, the existing evidence suggests the social costs of drug prohibition are vastly greater than its benefits” (Miron and Zwiebel 1995, 192).

Mark H. Moore: Continue the Status Quo

Mark Moore is a political scientist, but he has published on the subject of drug policy in the *American Economic Review*. In his view, “[t]he real lesson of Prohibition is that the society can, indeed, make a dent in the consumption of drugs through laws. There is a price to be paid for such restrictions, of course. But for drugs such as heroin and cocaine, which are dangerous but currently largely unpopular, that price is small relative to the benefits” (Moore, qtd. in “Actually” 1989).

“In sum, I am sympathetic to the notion that society should have a rational regulatory scheme for controlling the availability of psychoactive drugs according to reasoned estimates of their potential for abuse and their value in legitimate medical use. I believe that the current statutes create a workable framework for such a regime. In answer to the question of whether society would be better off if it widened legitimate access to drugs such as heroin and cocaine, I would say no” (Moore 1990, 724).

William A. Niskanen: Liberalize Substantially

“In summary, the popular perception that drug legalization would lead to a large increase in health problems and demands on the medical system by drug users appears to be without merit. The potential net effects (of legalization) appear to be small and may be negative” (Niskanen 1992, 244).

Chris Paul and Al Wilhite: Legalize/Liberalize

“[With drug prohibition] competition for market control creates negative externalities which take several forms. First, violence increases as sellers attempt to monopolize markets, enforce contracts and protect property risking harm or harming non-participants, Second, as a consequence of the higher ‘monopoly’ price, the number and severity of crimes increase as buyers attempt to support their use. Third, some of the revenue is used to corrupt police, politicians and otherwise legitimate businesses. Fourth, as illus-

trated by the current ‘war on drugs,’ non-participants’ civil liberties are eroded as law enforcement agencies attempt to identify voluntary market participants. Finally, steps taken by the public to insulate themselves from these crimes and civil liberty disruptions constitute additional social costs” (Paul and Wilhite 1994, 114).

David Rasmussen and Bruce Benson: Localize and Decriminalize

“Thus, a more pragmatic policy may be both economically and politically superior: A regime of local control and more or less ‘permanent experimentation,’ not seeking to solve the problem all at once with a federally mandated universal policy, but simply letting local officials make changes in policy that are politically feasible and likely to yield more benefits than costs” (Rasmussen and Benson 1994, 177).

“The crucial point is simple: most serious policy analysts actually agree on more than the mass media sound bites from the public debate on drug policy imply. In a localized experimentation approach to drug policy, particularly in the early years of such a regime, it appears that many prohibitionists and advocates of legalization would find considerable common ground” (Rasmussen and Benson 1994, 179).

“First among federal reforms in drug policy should be a reduced role for or, perhaps better yet, elimination of the Office of the National Drug Control Strategy” (Rasmussen and Benson 1994, 182).

“A third federal reform appropriate in the drug policy experiment is both important and very modest: federal decriminalization of marijuana possession. It is important because it provides an environment for effective local experimentation with de-emphasis of marijuana enforcement” (Rasmussen and Benson 1994, 83).

*Peter Reuter: Reallocate Resources from Enforcement
to Treatment Liberalization*

“This suggests that we should examine the possibility of enforcement moving to the fringes of drug policy, aiming at getting dependent users into treatment and making drug dealing less conspicuous, and thus drugs less available to novice users. The case is far from proven but the truth is that we are far from knowing either whether toughness has been tried or whether its potential gains are worth the potential costs, given the other means available to us for achieving comparable reductions in drug use” (Reuter 1991, 152).

Murray N. Rothbard: Legalize

“There is, of course, a very strong connection between addiction and crime, but the connection is the reverse of any argument for prohibition. Crimes are committed by

addicts driven to theft by the high price of drugs caused by the outlawry itself! If narcotics were legal, the supply would greatly increase, the high costs of black markets and police payoffs would disappear, and the price would be low enough to eliminate most addict-caused crime” (Rothbard 1978, 111).

Harry Saffer and Frank Chaloupka: Liberalize

“The main findings from the regression results are that drug control spending reduces drug use. However, the results suggest for marijuana users [that] the marginal cost of drug control exceeds the social benefits of drug control. This may not be the case for users of other illicit drugs. Spending for drug enforcement by police and drug treatment are found most effective in deterring drug use. However, spending for correctional facilities is never significant which suggests that a more efficient method of reducing drug use might be to reduce correctional facilities spending and increase spending on treatment” (Saffer and Chaloupka 1999, abstract).

David Sollars: Liberalize

“Thomas Sowell (1987, 74) has written, ‘Policies are judged by their consequences, but crusades are judged by how good they make the crusaders feel.’ There is little doubt that the current drug war has elements of a crusade. This, however, does not necessarily imply that the crusade is misguided or that the costs of the policy are larger than the benefits. In the Florida case, however, evidence suggests that the drug war policy has failed to achieve its goals and has probably created many unintended consequences” (Sollars 1992, 36).

“While Florida may be unique in many geographic and demographic categories, the Florida ‘War on Drugs’ model encompasses most elements of a ‘get-tough,’ supply-side approach. Evidence suggests that the past drug policy in Florida may be misguided as the assumptions which undergird the policy are suspect. Revising the assumptions may result in the formulation of a new policy which is better able to reach desired ends without the explicit and implicit costs associated with the current policy. If the twin goals of reducing drug use and reducing property crime are to be realized, then other policy options must be formulated” (Sollars 1992, 36).

Thomas Sowell: Decriminalize

“What would make still more sense would be to admit that we are not God, that we cannot live other people’s lives or save people who don’t want to be saved, and to take the profits out of drugs by decriminalizing them. That is what destroyed the bootleggers’ gangs after Prohibition was repealed” (Sowell 1989).

Sam Staley: Decriminalize

“American drug policy should be realigned according to the potential harms of drug abuse and the economic development needs of American cities. As long as drug policy ignores the demand side of the drug-use equation, little headway will ever be made in the battle to reduce drug addiction and abuse. Drug policy, through most of U.S. history, has been supply-side oriented, implicitly assuming that eradication of the source would miraculously reduce the demand for illicit drugs. The reality has been the persistence of a drug industry feeding on the demand for illicit psychoactive substances. As law enforcement efforts become more concentrated, the drug industry becomes more violent, profitable, and debilitating.

“Decriminalization is a strategic shift to a demand-side strategy that concentrates on education and treatment. Decriminalizing drug use and trafficking will greatly increase our ability to cope with the human dimensions of drug abuse. Moreover, by shifting to a demand-side strategy, that uses comprehensive decriminalization as a cornerstone, urban policy can concentrate more fruitfully on the problem of urban economic growth and development” (Staley 1992, 249).

Paul Taubman: Legalization Is Probably Bad

“[T]he quality and quantity of available research reported [earlier] could be improved. It seems likely that the price elasticity of demand is not zero. Since decriminalization would sharply lower prices, there would probably be a noticeable increase in use of drugs and new users and addicts. People other than users would be affected, with children being one of the largely impacted groups. The costs to make these children ‘whole’ would be large: There would probably be an increase in homelessness, imposing health and other costs on society and its members. An increase in child, spouse, and parental abuse is likely, especially if cocaine and crack are used more heavily. Putting a value on these changes is difficult.

“The estimate of all the effects of drug use needs to be improved substantially before a firm judgment can be reached on whether the value of the benefits outweigh the costs of decriminalization” (Taubman 1991, 106–7).

Conclusion (or Confusion?)

Do economists reach a specific conclusion on drug policy? Certainly not. Do they reach a fair degree of agreement? Yes. Based on my admittedly incomplete and imperfect investigation, I am comfortable in saying that economists who think enough about drug policy to publish (and hence to be accountable for) their judgments on the topic generally point in the direction of liberalization.

This set of policy judgments does not, however, present a clear and unified perspective that the general public can understand, trust, and willingly accept. Therefore, the impact of these economists' efforts and pronouncements is dispersed and easily countered by those who tout prohibition and generally defend it with fear tactics, emphasizing crime, addiction, and harm to children. The general consensus among drug-policy researchers and economists as a whole can be characterized being in opposition to prohibition, but only timidly in support of decriminalization and even less boldly in favor of the desirability of legalization.

This consensus among economists may have contributed significantly to a movement toward liberalization of drug policy. Support for liberalization has increased significantly over the past decade. Starting in the late 1990s, a significant and successful movement has sought to legalize "medical marijuana"—permitting doctors to prescribe the use of marijuana legally for a variety of illnesses. Canada has enacted a medical marijuana law and is seriously considering decriminalizing marijuana altogether. Several European countries have taken significant steps to liberalize their drug laws. It would be difficult to argue that economists' endorsement of drug-law liberalization has had no effect on public opinion or on public policy. (See Thornton 1991b, which shows how experts' endorsements are translated into public policy and which predicts the current liberalization reforms.)

With more research and a great deal of critical introspection, economists can move from this general consensus to a firmer pro-liberalization conclusion. Establishment of a firm conclusion would greatly enhance the transmission of research findings to opinion makers and the general public and ultimately into public policy. Current liberalization policies—such as medical marijuana, decriminalization, and state-run drug stores and addiction-treatment facilities—are "half-way" measure between prohibition and legalization, and such policies are politically highly unstable. As Randall Holcombe, an expert in public policy who has examined reforms such as decriminalization, observes, "The problem with all of these proposals is they leave the problems of illegal drug use intact. The problems are caused by the existence of underground markets. The only way to truly eliminate those problems is to legalize the sale of drugs. If half-way measures do not succeed, there will be a renewed push for stronger drug laws using the argument that decriminalization was tried and did not work. Half-way measures are not likely to work, because they retain the incentives to trade in illegal markets" (1995, 158–59). This observation suggests that economists should continue their research into drug policy, refining their understanding of prohibition in general, of drug laws in particular, and of all suggested reforms. On the basis of this research, they should develop alternative reform proposals and seek to translate their findings into recommendations for public policy.

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