Drug trafficking and the anti-drug war in
Latin America in the late twentieth century

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MHPG856 The World Since 1750

There is nothing new about cocaine, because its use dates back to the time of the Incan empire. Its rise to prominence would not come about until it was developed and perfected by Western scientists. This is where the Coca leaf began to take on a new life, where in the eyes of the Westerner, it would soon become infamous in the war on drugs. Cocaine along with many other forms of narcotics has been viewed as a threat to citizen security despite years of anti-drug efforts led by the United States. Cartels have grown while maintaining decentralized roles in Latin America, but still challenge state authority in source (to a great extent Colombia, Peru and Bolivia) and transit countries (most Caribbean, Central and South American nations) with weak and fragile governments.

Today it is common to read press releases detailing the horrific consequences of drug related deaths in arguably every country in Latin America. Because of the magnitude of the illicit drug trade, Latin America has become the center of attention on the war on drugs. As the United States matured into a dominant nation after World War II, its economic prosperity enabled an insatiable, unquenchable demand for narcotics. Latin America soon became the ideal destination for supplying this demand. The U.S. has spent billions of dollars in foreign assistance programs aimed at stemming the flow of illicit drugs from Latin America. The results and outcomes of these programs have been mixed. Therefore this discussion will centre on how the United States’ relationship has matured with her southern neighbours through drug control policies and the resulting challenges that Latin American countries have encountered within the context of drug trafficking.

Given the supply side war on drugs has cost the United States billions over the last few decades and experts argue the results have not been satisfactory, the solution to weakening the drug cartels may lie on taking a different approach to the demand side issue. In considering alternative strategies that have succeeded in other countries, the amount of funds spent on
prosecution and imprisonment could be substituted with innovative approaches that attack the core of illicit drug problems on the domestic front. These solutions would reallocate funds for law enforcement officials to focus on larger prey. Otherwise, without radical solutions, the anti-drug war will continue to persist and the suppliers will continue to readapt their strategies, moving from one nation to another. To highlight the pervasive reach of the drug trade, Figures 1 and 2 (in the Appendix) illustrate the routes and final destination of narcotics within the Americas and the world.

How did drug trafficking bring together two nations in the war against drugs during our generation? During the Clinton presidency in the U.S., Colombia had been fighting a war with two cartels located in Medellin and Cali. The United States became deeply involved when Plan Colombia came into effect and was coined the modern day ‘Marshall plan’ by Colombian politicians. Its publicity in the United States, gave hope to many people that a credible plan to combat drug trafficking was finally taking place.

With the collapse of the two cartels in Colombia, helped in part by Plan Colombia, the war on narcotics seemed as if it were taking a turning point. But to understand why Colombia began its anti-drug war, a national tragedy must be considered. Before Plan Colombia had been conceived, a number of events in the late 1980s transpired that had united Colombians against narco-traffickers. The presidential assassination of Lius Carlos Galán, and other political Colombian figures, including the massive increase in violence caused by drug syndicates in 1989 and 1990, played an important role in rallying Colombians to counter attack. These events began what many call the turning point in Colombia’s battle with narcotics.

An important victory for Colombia came when a leader of the Medellin cartel, Pablo Escobar was killed in gun battle. This marked the beginning of the end of the heavily centralized drug trade in Colombia. The Cali cartel would follow shortly thereafter as the Colombian government, financed in part by American and European funds, pushed the cartel leaders out of business. However, these victories would soon be short-lived as the drug trade took on a new form of decentralized trafficking. Today, the Norte de Valle cartel along with many other baby cartels, have filled the gap and have been described as less hierarchical and more decentralized than the Cali and Medellin cartels.

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Colombia is an ideal case study to examine narcotics. Given its volatile history since nationhood, the country is still considered to be in a civil war with left and right wing guerrillas. The complexities of this situation get far more complicated when the drug trade comes into play. At times during the insurgencies of FARC and ELN, the drug traffickers would pay their landlords’ taxes and work closely with the left wing rebels and with the right wing AUC. 4 The illicit economy of narco-trafficking became so powerful that it is necessary to understand its development within the context of Colombia as a major supply and transit hub.

Medellin, Colombia would become one of the centres of drug trafficking during the late twentieth century. The rise in wealth from narcotics overwhelmingly altered the entire cultural landscape of the once conservative peoples in the area. So strong were the economic benefits of selling narcotics, that it drove a wedge into the normal lives of the farming class and its arrival heralded the destruction of the old way of living for Paisas (Native people from Medellin) and Colombians alike. As a fortunate coincidence, large numbers of Colombians were immigrating to America in the 1960s and 70s and these enabled traffickers to count on a reliable distribution network. 5 With a network of distributors and suppliers established from Bolivia to America, Colombian drug syndicates quickly began to dominate the illicit drug trade.

Colombian civil life became more and more dangerous as the infighting between leaders escalated into unabated war due to competition with cartels. Assassinations were common and dead bodies found along the streets were normal during these dangerous times. 6 Fuelled by an insatiable demand from its giant northern neighbour, Colombia became the epicentre of the war against drugs and infamous for the civil warfare that ensued during the latter part of the twentieth century. Colombia is just one example of the interdependency and complexity that brings internal strife to a Latin American country and how the supply side war forged complicated relations with the United States.

But has U.S. involvement in the war on narcotics been a beneficial one for Latin America? Considering the policy of the previous administrations, there are concerns about the effectiveness and approach American policy makers have taken. A majority of the aid given to Latin American countries came through military equipment and financial aid to purchase resources and upgrade

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6 Ibid., p.167-168.
the capabilities of law enforcement. However, these aid packages were accompanied with conditionality and often enforced with ‘bullying’ American political tactics that fostered resentment and cooperation.⁷

Indications of failed cooperation would soon appear within many Andean administrations during the 1990s. The Andean initiative of the 1990s, led by America, Colombia, Peru and Bolivia started a strategic dialogue that led to a consensus on the fight against the drug trade. The cracks began to appear when many of the Latin administrations expressed angst for the lack of funding provided to crop substitution. Peru was at the forefront of the disagreement in the 1990s, as Peruvian president Alberto Fujimori stated he would not sign any anti-drug agreement without the inclusion of more funds for crop substitution and debt forgiveness.⁸

Panama presents a differing case during the latter part of the twentieth century. The rise of President Noriega in Panama was seen as a counter weight to the leftist Sandinista regime in Nicaragua and Noriega’s administration often worked with the Drug Enforcement Agency in stemming the flow of narcotics. However, given the Panamanian regime was a military dictatorship, the U.S. could not rely on Noriega to cooperate at all times. The relationship came to a halt after accusations of Noriega’s involvement with the drug trade surfaced. At which, the pinnacle of American intervention came when the Unites States invaded Panama and forced a regime change in late 1989.⁹

America’s involvement in the fight against narcotics has had an interesting effect on the land locked country of Bolivia. What makes Bolivia, and to an extent Peru, different from Colombia lies squarely within the context of culture. Much of the Andean mountain range is still inhabited by the former peoples of the Incan empire. There traditions pose a direct threat to the American policy of fumigating and eradicating Coca leaf farms. It is common for the Quechua to chew the coca leaves or make Tea, as it is traditionally known that coca leaves help overcome fatigue, hunger and thirst.¹⁰

Though the war on drugs is not entirely synonymous with Cocaine, America has placed an important emphasis on its eradication within Latin America in particular Bolivia and Peru. The divide began to appear as Bolivian president Evo Morales proclaimed his stance on the wrongful

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⁷ Carpenter, Bad Neighbor Policy, p. 123.
⁸ Douglas Jehl, “Peru Balks at Drug Plan Unless U.S. Boosts Aid: Summit: With White House signalling it won’t agree to terms, seven-nation meeting could miss its goal,” Los Angeles Times (1992)
demonization of the Coca leaf during a speech to the Bolivian congress and Peruvian president Alan Garcia suggested it would go well with salad. These statements go against the policies and undermine America’s supply-side war on narcotics. But there are some interesting facts within America that oddly support Coca farming in Latin America.

Further diminishing the war on narcotics and the coca leaf in particular is how Coca Cola promotes its cultivation in Peru. Coca Cola, based in Atlanta and an iconic American brand, has an exemption on the use of the Coca leaf for its formula in making its soft drink. During the 1920s, Coca Cola had started working with the U.S. narcotics bureau and used an ‘intermediary’ to import coca leaves from Peru to make the necessary ingredients for its soft drink, Coca-Cola. Though the process is heavily supervised, the demand for coca leaves has motivated the intermediary, Stepan Company, to be a vital participant in U.S. policy on Peruvian Coca leaf production. Since, the exemption was put in place for Stepan Company to legally process coca leaves, the firm now imports over 100 tons of the Coca leaf annually from Trujillo, in Northern Peru.

Considering the irony that Coca Cola’s situation brings to light, the local citizenry in Latin America has endured a significant amount of punishment and data suggests an abundance of pent up anger towards American policy in Latin America. This anger originates in part from how America perceives drug control as rationale for achieving foreign policy and national security objectives. With these policies, the United States tactics and actions have exhibited traits of imperialism towards Latin American nations by: (1) extraditing narco-criminals based on a lack of confidence in the Latin American criminal system; (2) showing a willingness to invade other countries that harbor leaders that are un-cooperative and associated with drug trafficking; (3) breaching the national sovereignty of Latin nations with ‘sting’ operations often conducted without the consent and knowledge of the host government; and (4) using the threat of sanctions as a ‘stick’ to implement policy.

At what point does a nation draw the line and exercise her sovereignty? This was evident during the 1980s when Colombia was at odds with America’s stance on extradition. Over the course of the debacle, Colombia had initially outlawed extradition but only backtracked and legalized it

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after U.S. complaints. So divisive was this issue that Colombian newspaper columnist Enrique Santos remarked that ‘The reprisals have created a mood of anti-imperialism that our leftist guerrillas have failed to achieve in decades.’ He continued, ‘The anti-American mood is stronger than in years. The reprisals are driving perfectly decent people into the arms of the mafia.’15 This forceful policy by the U.S. complicated relations and diminished the progresses made during the 1980s.

As mentioned earlier, the Noriega administration in Panama eventually prompted the U.S. to invade the country. This invasion was justified under the guise of extraditing Noriega to stand trial for drug abuses in an operation coined ‘Nifty Package’.16 The international outcry came to a head when the U.S., U.K. and France vetoed a UN resolution deploring the invasion. However, these actions also indicated the extent to which the U.S. had moved the war on drugs to the forefront of national security and foreign policy objectives.17 The use of force in order to bring about regime change reveals how far the U.S. will go in the context of the war on drugs. Though these events were widely publicized, Latin American policy makers have also complained that covert operations without the host country’s consent should also cease.

Operation Casablanca is an example of American authorities acting in a foreign jurisdiction without permission. Though experts agree that it did bring in a wide collection of traffickers, corrupt bankers and money launderers and was seen as a success, the operation did have authorities work in Mexican territory without the consent of the government.18 The discovery of Operation Casablanca led to massive protests and debates in Mexico and the United States, where Mexican officials decried that American authorities worked without the knowledge of Mexican leadership.19 These events provide validity of the extent to which the U.S. has gone in order to exercise her power abroad. Yet, the threat of sanctions is another tactic that U.S. policymakers employ to enact change within Latin American countries.

Of all the options used by the United States to manipulate policy within Latin American nations, the threat or implementation of sanctions are most severe. The United States, through the drug abuse act of 1986 and 1988, now has the ability to ascertain if the country in question has been cooperative with American policy on the drug war. To demonstrate the possible damage, the types of sanctions the U.S. could enact are:

1) Mandatory Sanctions:
   - 50% suspension of all US assistance for the current fiscal year (certain categories of assistance are exempt, such as humanitarian assistance and international narcotics control assistance).
   - 100% suspension of US assistance for subsequent fiscal years (unless the country is certified in the interim).
   - Voting against loans to a country in the multilateral development banks (SEC. 481 [h] [1] [A] and [B] and SEC. 481 [h] [5] of the Foreign Assistance Act of 1961).
   - Non-allocation of a sugar quota (SEC. 803 of the Trade Act of 1974).

2) Discretionary Sanctions:
   - Denial of preferential tariff treatment to a country's exports under the Generalized System of Preferences (GSP) and the Caribbean Basin Economic Recovery Act.
   - Duty increases of up to 50% of value on a country's exports to the United States.
   - Curtailment of air transportation and traffic between the US and the non-certified country.
   - Withdrawal of US participation in any pre-clearance customs arrangements with the non-certified country (SEC. 802 of the Trade Act of 1974).\(^\text{20}\)

These sanctions are used as diplomatic leverage in the ‘de-certification’ plan that the president reviews annually against the drug majors. Drug Majors (countries considered suppliers or those that facilitate transit) are evaluated on the basis of their efforts to combat drugs and cooperate with the U.S. on drug policy issues. The president can use this as a diplomatic tool to persuade nations to cooperate fully or face losing the types of assistance listed above. In 2011, three countries (In the western hemisphere: Bolivia and Venezuela) have been de-certified after the president listed them

as ‘failing demonstrably’ at cooperation with the U.S. government and the international community on counternarcotics issues.\textsuperscript{21}

**Mexico: La Guerra de hoy; Today’s War**

‘In 2009, Mexican and Colombian Drug Trade Organizations reportedly “generate, remove, and launder” between $18 billion and $39 billion in wholesale drug proceeds annually, according to the U.S. Department of Justice.’ \textsuperscript{22} This explains why the illicit narcotics industry is stronger than ever and how Mexico is arguably the focus of attention on drug trafficking, cartel wars and violence in the western hemisphere. To get an understanding of the importance of Mexican involvement in drug trafficking, Figure 3 (Appendix) illustrates the routes and types of narcotics that transit through Mexican soil. Unfortunately for Mexicans, the successes of Plan Colombia and the battle on narcotics have led to an increase in the role of Mexico as a transit country. Mexico’s importance rose as the use of trans-shipment routes such as the Bahamas, Jamaica and the Dominican Republic became much more risky from the enduring crackdown waged by American authorities,\textsuperscript{23} thus highlighting Mexico as an ideal alternative for narcotics shipment into the United States. The drug trade has had such an immense impact on Mexican livelihood that cartel leaders have penetrated into the highest echelons of government to secure their interests.

To many experts, Mexico has evolved into the ‘new Colombia’ of today. With the lucrative narcotics market that includes Marijuana, Heroine, Cocaine and other illicit drugs, Mexican participants in the trade have amassed enormous amounts of wealth. Many experts in the United States agree that Mexico has become too volatile and that American authorities should stay away from getting involved with local Mexican officials since corruption and bribery is rampant. At one point in 2000, the Drug Enforcement Agency (DEA) even pondered pulling its agents out of Tijuana, Mexico because the corruption, killings and kidnappings were out of control.\textsuperscript{24}

The massive economic disparity of wealth that drug trafficking causes is also an important aspect of why corruption is so pervasive. The salaries of Mexican police including those within the


federal police are insignificant compared to the amount of money that can be earned by working in the drug trade protecting the interests of cartel associates. The extent of corruption has been so widespread in Mexican law enforcement institutions that many police officers wouldn’t even bother to pick up there paychecks, given these salaries were a small portion of ‘real’ income. The effect this has had on Mexican autonomy, social livelihood and safety has undermined the democratic reforms achieved over the twentieth century. Though it is given that Mexican officials have sold out their brethren historically with the illegal sale of parts of Arizona to the ‘Gringo’ giant in the north during the 1800s (Gadsden Purchase), Mexico has found it difficult to eliminate the corruption that has held back development and growth and abetted the economic disparity and class segregation that is widespread today.

Given that drug trafficking has had such a profound effect on Latin American countries and contributed to a contentious relationship with the United States, drug traffickers have displayed a unique ability to adapt and change to threats by decentralizing and emphasizing a multi-national approach to diversifying their operations. Considering the supply side war on drugs and its perceived failure to address the region as a whole in the war, what options are available to halt or slow the growing threat that drug trafficking poses to Latin American sovereignty, national security and social welfare? Since the U.S. is not likely to curb its insatiable demand for narcotics and the possible corruption within Latin American law enforcement (though this is not inclusive of all Latin American countries), the answer to this question must include a strategy that includes all the nations effected.

It is apparent that war against the supply side has produced results that are less than satisfactory and the United States in part should rethink the strategy currently deployed with the amount of resources that are exhausted annually on counter narcotics. Figure 4 (Appendix) illustrates the annual expenditures towards Latin American and Caribbean countries.

By contrast, in 2001, Portugal legalized all forms of marijuana, cocaine, heroine and methamphetamines and abolished all criminal penalties related to possession. Portugal, though a small country in the European Union has found a way to help alleviate the problem it has been facing for decades. Their method of tackling the war on drugs has proven to actually decrease consumption and address the issues that drug addicts normally have. There are a number of key factors that have contributed to its radical, yet innovative approach to dealing with its once rising

drug problem. *Time* magazine reported on the results of the law after five years and found personal possession was decriminalized, illegal drug use among teens in Portugal declined and new HIV infections rates caused by sharing dirty needles fell, while drug treatment patients for drug addiction increased more than 200 per cent.\(^\text{26}\)

Given the success that Portugal has had with this law, it provides a scenario that would focus on the social aspects and devote more resources to attacking the problem at home. California is currently experimenting with elements of Portuguese tactics by controlled purchase of marijuana in the surrounding bay area cities. However, given the massive landscape and diversity of the American population, this type of approach seems impossible to implement even though recent polls show 50% of the American population supports legalized marijuana.\(^\text{27}\)

While Portugal provides a country analysis of its success with drug addiction and abuse, without radical steps taken to address the demand side problem of narcotics in the Americas, the illicit traffic of narcotics will continue to exist so long as there is profit to be made. Latin American nations will have to deal with these issues and the aggressive policies that the United States pressures them to implement.

Temporary successes in one country or sub-region have often led traffickers to alter their cultivation patterns, production techniques, and trafficking routes and methods in order to avoid detection. As a result, after the Colombian cartels were disrupted in the 1990s the resulting void was soon filled by Mexican cartels. Taking this into account, without a proper and radical policy to address the demand side and supply side war on narcotics, these events will continue. Already with the successes that have come under Mexican president Calderon, Fareed Zakaria argues that the Cartels will move to Central America where Guatemala is already becoming the next frontier. To conclude: ‘when the richest country in the world has an insatiable demand for drugs. Someone is going to produce them and meet that demand.’\(^\text{28}\)


Appendix

Figure 1 & 2. Major Drug Trafficking Routes in Latin America, Caribbean and America

Figure 1.

Figure 2.


Though this is for Cocaine movement from 2008-2010 it is relevant in that narcotics traffickers likely do not discriminate on routes.
Figure 3. Traditional routes and Cartel groups within Mexico.


Figure 4. U.S. Counternarcotics Obligations to Latin America and the Caribbean, FY1980-2009

Source: U.S. Agency for International Development, U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2009. 2009 are the most recent data available from this source. Notes: These figures do not include funds that may have been obligated for counter drug purposes under other U.S. Agency accounts.
Bibliography


