INTRODUCTION

Drug Trafficking and Organized Crime in Latin America and the Caribbean in the Twenty-First Century

Challenges to Democracy

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What are the major trends that have characterized the evolution of illicit-drug trafficking and organized crime (organized criminal networks) in the Americas over the last quarter of a century?[1] Which have been the principal transformations or adaptations—economic, political, and organizational—that have taken place within the region's vast illegal-drug economy during the first decade of the twenty-first century? This chapter identifies eight key trends or patterns that typify the ongoing transformation of the drug trade and the organized criminal groups it had spawned as of mid-2011: (1) the increasing globalization of drug consumption; (2) the limited or "partial victories" and unintended consequences of the U.S.-led war on drugs, especially in the Andes; (3) the proliferation of areas of drug cultivation and of drug-smuggling routes throughout the hemisphere ("balloon" effects); (4) the dispersal and fragmentation of organized criminal groups or networks within countries and across subregions ("cockroach" effects); (5) the failure of political reform and state-building efforts (deinstitutionalization effects); (6) the ineffectiveness of regional and international drug-control policies (regulatory failures); (7) the inadequacies or failures of U.S. domestic drug- and crime-control policies (demand-control failures); and (8) the growth in support for harm reduction, decriminalization, and legalization policy alternatives (legalization debate).

The Globalization of Drug Consumption

Many Latin American political leaders have long argued that if the U.S. population did not consume such large quantities of illegal drugs—if there were not so many American drug addicts and users—then Latin American and Caribbean countries would not produce large quantities of illegal drugs like marijuana, cocaine, and heroin for export, and the region would not be plagued by the powerful and well-financed drug-trafficking organizations—often called cartels—that have sprung up throughout the hemisphere over the last twenty-five years plus.[2] It is certainly accurate to claim that the United States has been for decades, and remains today, the largest single consumer market for illicit drugs on the planet. Although there is no definitive estimate, the value of all illicit drugs sold annually in the United States may reach as high as U.S.$150 billion. Some $37 billion per year may be spent on cocaine alone.[3]

Nonetheless, illegal drug use (and/or addiction) is not a uniquely "American" disease, despite the title of David Musto's pioneering book on the origins of drug control in the United States.[4] Since 2000, the twenty-eight countries of the European Union (EU) have seen the number of cocaine users increase from 4.3 million to 4.75 million, which represents 30 percent of the worldwide consumption in cocaine. The Europeans are almost closing the gap with the approximately 5 million regular cocaine users found in the United States.[5] Indeed, levels of cocaine use in the United States have dropped steadily since the early 1990s while cocaine consumption in Europe exploded exponentially during the first decade of the twenty-first century. In fact, the number of cocaine users in the four European Free Trade Association (EFTA) and twenty-seven European Union countries doubled from 1998 through 2006.[6]

Moreover, the Europeans pay more than twice as much per gram, ounce, kilo, or metric ton as do American consumers. The United Nations Office on Drugs and Crime (UNODC) 2011 report estimates that the Americas combined consumed 63 percent of the 440 metric tons of cocaine available, while the European population consumed 29 percent of the world supply. However, cocaine consumption in the United States decreased by 40 percent from 1999 to 2009.[7]

The global heroin market is quite complicated in terms of the supply chain. Afghanistan leads the world in heroin production, producing 380 metric tons, or 83 percent. It has been estimated that Afghanistan produced 6,900 metric tons of opium in 2009 alone. The heroin from Afghanistan is trafficked to every major region of the world with the exception of Latin America. Myanmar produces 5 percent, while Mexico produces 9 percent of the heroin supply. The supply from Mexico is trafficked to the U.S. market. Colombia, on the other hand, accounts for only 1 metric tons, which is approximately 2 percent of the world's production.

In terms of consumption, the UNODC 2011 report estimates that Central and Western Europe consumed 70 metric tons of heroin in 2009. People residing in Eastern Europe consumed even more, approximately 73 metric tons in 2009. Over the last decade, the bulk of the heroin consumed in Europe has come from Afghanistan, whereas most of the heroin consumed in the United States comes from either Colombia or Mexico.[8] Cocaine, in contrast, is produced in only three countries of the Western Hemisphere: Colombia (45 percent of world supply), Peru (35–40 percent), and Bolivia (15–20 percent). Cocaine is trafficked from these three Andean countries to 174 countries around the globe.[9]

Cocaine consumption is not limited to advanced capitalist markets such as those of the United States and Europe.[10] Cocaine use in Latin America has also skyrocketed since 2000. Indeed, Latin American consumers were, in 2010, estimated to have absorbed some 200 metric tons of cocaine. Until 2009, Brazil was considered to be the world's second-largest market for cocaine, behind only the United States.[11]

In the 2011 World Drug report, the United Nations reported that Brazil had replaced Argentina as the second-biggest consumer of cocaine. The report estimated that Brazil had 900,000 cocaine users, which made it the number one consumer in South America. Cocaine use in Argentina was reported to be 2.6 percent, and 2.4 percent in Chile.[12]

Cocaine consumption rates are quite high in other regions of the world. In 2009, Africa had between 940,000 and 4.42 million cocaine users. During the same year, Asia had an estimated 400,000 cocaine users on the lower end and 2.3 million users on the higher end. Eastern and southeastern Europe had fewer cocaine users in 2009 (310,000 on the lower end and 660,000 on the upper end).[13]

The dramatic rise in European and South American cocaine consumption specifically has greatly expanded world market demand for this illicit Andean product since 2000. As a consequence, a pronounced trend toward the proliferation of new global trafficking routes and the increased involvement of criminal trafficking networks originating outside the Andean subregion has become increasingly evident.

Partial Victories in the Andean War on Drugs

From the middle of the nineteenth century through the mid-1980s, Peru and Bolivia were the two principal suppliers of both coca leaf and refined cocaine to the U.S., European, and other world markets.[14] As of 1985, Peru was producing roughly 65 percent of the world's supply of coca leaf, while Bolivia was growing approximately 25 percent and Colombia around 10 percent.[15] With the "partial victories" achieved by the U.S.-led war on drugs in the southern Andes during the late 1980s and early 1990s—specifically, U.S.-financed crop-eradication programs in Bolivia's Chapare under President Víctor Paz Estenssoro after 1986 (Operation Blast Furnace) and Presidents Hugo Banzer and Jorge Quiroga from 1998 to 2002 (Plan Dignidad), along with Peruvian president Alberto Fujimori's interruption of the "air bridge" between the Alto Huallaga coca region in Peru and the clandestine cocaine laboratories located in Colombia in the mid-1990s, coca cultivation in the Andes rapidly shifted to Colombia in the mid- and late 1990s.[16] By 2000, Colombia was cultivating an estimated 90 percent of the world's coca leaf while production in Peru and Bolivia had dwindled to historical lows.[17]

In the early 1990s, Colombia's U.S.-backed all-out war against drug lord Pablo Escobar and the Medellín cartel during the César Gaviria administration led to Escobar's death on December 2, 1993, and the rapid dissolution of the Medellín cartel.[18] Plea bargaining in 1994–1995, during the Ernesto Samper administration, with the major drug lords of the Cali cartel, specifically, the Rodríguez Orejuela brothers, catalyzed the dismantling of the Cali cartel.[19]

While some large criminal trafficking networks (e.g., the Cartel del Norte del Valle), continued to operate in Colombia in the late 1990s and early 2000s, some 300 plus smaller drug-trafficking organizations (known as *cartelitos*) surfaced to fill the vacuum left by the dismantling of the two major cartels in the political economy of Colombia's still highly profitable drug trade. By the late 1990s, basically as an unanticipated and unintended consequence of the demise of the country's major cartels, Colombia's left-wing Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia, or FARC) guerrillas and right-wing United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia , or

AUC) paramilitary militias took control of coca cultivation and processing throughout rural Colombia, precipitating increased drug-related violence between these two groups of armed illegal actors, each of which sought to eliminate the other and to consolidate its own territorial control over drug-cultivation regions and the peasant growers across the Colombian countryside.[20]

As a direct result, levels of drug-fueled violence in Colombia spiraled out of control in the late 1990s and early 2000s. Indeed, during much of the first decade of the 2000s, Colombia became one of the most dangerous and violent countries in the world. In July 2000, President Clinton and the U.S. government responded by backing the Andrés Pastrana administration in its war against runaway drug production and trafficking in Colombia via the adoption of Plan Colombia. In August 2002, the newly inaugurated government of Álvaro Uribe received additional drug war assistance from Washington and the George W. Bush administration in the wake of the 9/11 terrorist attacks on the United States. Supported by almost $8 billion in U.S. aid under Plan Colombia over the course of a decade, by 2010, President Uribe and his program of "democratic security" had managed to beat back the FARC guerrillas, demobilize many—if not all—of the country's paramilitary bands, and substantially reduce the country's astronomically high levels of drug-related violence.[21]

Despite the substantial achievements of Plan Colombia and the Uribe administration's democratic security policies, however, as of 2010, Colombia remained a principal source of coca leaf and refined cocaine in the Andes, and drug-related violence and criminality appeared to be once again on the rise. The 2011 UNODC Drug Report states that the area used for cultivating coca in Colombia decreased by an estimated 15 percent in 2010, leaving the country just slightly ahead of Peru as the world's largest coca leaf producer. In 2011, the area under cultivation in Colombia was estimated at 62,000 hectares. In comparison, 2009 statistics reported 73,000 hectares under cultivation.[22]

As an unintended consequence of the U.S.-backed war on drugs in Colombia, the locus of organized criminal involvement in cocaine trafficking gradually shifted northward from Colombia to Mexico. As the Uribe administration and the U.S.-backed Plan Colombia succeeded at least partially in Colombia in the war against cocaine traffickers, the major drug-trafficking networks in Mexico took advantage of the vacuum left in the drug trade to take control of cocaine-smuggling operations from Colombia into the United States. As a consequence, drug-related violence and criminality shifted northward into Mexican territory as various Mexican trafficking organizations vied for control over the highly lucrative smuggling trade from Colombia and the southern Andes into the large and profitable U.S. market.[23]

Thus, Mexico's current drug-related bloodbath is, in part, directly attributable to the partial victory in the war on drugs achieved in Colombia via Plan Colombia. If the U.S.-backed Mérida Initiative currently being implemented in Mexico achieves results similar to those of Plan Colombia, it will not halt drug trafficking or end organized crime in Mexico or the region. The most likely outcome is that it will drive both further underground in Mexico while pushing many smuggling activities and criminal network operations into neighboring countries such as Guatemala and Honduras and back to Colombia and the Andes. Indeed, evidence that some Mexican drug-trafficking operations (e.g., Sinaloa's Zetas) are moving from Mexico into Central America is already abundant.[24]

Proliferation of Areas of Cultivation and Smuggling Routes (the Balloon Effect)

The 2010 UNODC World Drug report indicates that Colombia successfully reduced the number of hectares under coca cultivation within its national territory in the second half of the 2000–2010 decade, and production had still not returned to pre-2000 levels. How large the reductions in Colombian coca cultivation since 2010 have actually been is a controversial topic, plagued by inadequate data, methodological problems, and major uncertainties regarding the extent of cultivation and yield levels.

Given similar caveats, coca cultivation in both Peru and Bolivia, after almost two decades of decline, appears once again to be expanding.[25] Most observers believe that, overall, coca leaf production and cocaine availability in the Andean region remain roughly on a par with 2000 levels and well above those of 1990 or 1995. Evidently, the balloon effect that allowed coca cultivation to shift north from Bolivia and Peru to Colombia in the 1990s continues to operate, as cultivation moved back into Peru and Bolivia from Colombia by 2010. Various observers have speculated about the possibility that the tropical variety of coca—known in Portuguese as *epadu*—might well balloon coca cultivation from its traditional growing areas on the eastern slopes of the Andes into Brazil and elsewhere in the Amazon basin in