

## CHAPTER II

### THE DOMAIN OF COCAINE

#### *Emergence, Impact and Organisation of Drug Entrepreneurs in Colombia*

“Left to themselves and the principles of Adam Smith, the consortia of Medellín investors would no more see themselves as criminals than did the Dutch or English venturers into the Indies trade (including opium), who organised their speculative cargoes in much the same way.”

E. Hobsbawm, *Murderous Colombia*.

#### INTRODUCTION

This chapter will be devoted to the analysis of the illegal cocaine industry in Colombia and its emergence, the nature of cocaine entrepreneurs and enterprises, and their social and political impact. The questions posed – and answered – here are essential for understanding further and more central chapters of the book.

In the first place, it may be asked just how and why did Colombia come to occupy such a prominent place within the cocaine market, becoming the leading world producer and exporter of the drug. Therefore, I will describe the emergence of the illegal business in Colombia and the factors that contributed to creating and maintaining its competitive advantage in relation to other countries in the region.

A second section will describe the processes of coca and cocaine production, and will provide some macroeconomic information about volumes exported, prices and cocaine income.

Thirdly, I will tackle the crucial problem of the business actors. In showing how the groups producing and exporting cocaine are organised, what social, labour and organisational relationships are developed, and what their social origins and regional differences are, I will introduce the theoretical notions essential to understand the activities of these groups or individuals in the European context. However, in thinking about illegal entrepreneurs moving at times in rather oligopolist market sections, does it necessarily mean that they have formed cocaine ‘cartels’?

The illegal nature of this business implies some particular relationships between these entrepreneurs and the Colombian society and institutions. Thus, I will further analyse how this link is constructed and the sources of the social legitimisation of the illegal entrepreneurs. Is it possible to speak about a Colombian cocaine *mafia*, analogous to the Sicilian or Italian-American ones? What is the social and political impact for Colombia, as these groups enter into collusion with the state or with guerrilla and paramilitary groups? I will demonstrate how the illegal business contributes to the amplification of other violence as well as to the construction of new

social bonds and alliances. The problem of collusion with state and society is important to my argument, since issues such as legitimisation strategies or the impact on non-involved groups, and questions on corruption and violence will also be tackled when describing the situation in Europe.

In no way do these aspects exhaust the treatment of the cocaine domain in Colombia. Important issues such as the economic impact,<sup>1</sup> domestic consumption,<sup>2</sup> coca cultivation<sup>3</sup> and the 'war on cocaine'<sup>4</sup> have been left aside.

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- 1 Several top Colombian economists have extensively researched on the size and the macroeconomic impact of cocaine industry in Colombia. See Kalmanovitz (1990, 1994); Sarmiento (1990); Gómez (1988, 1990); Gómez and Santa María (1994); Urrutia (1990); Thoumi (1995, 1997); Rocha (1997, 2000); Uribe (1997) and Steiner (1997). Although there are some discrepancies in calculations, a wide consensus exists on the fact that negative effects of the cocaine business for the Colombian economy surpass the positive ones: 'Dutch disease', more informal economy, short-term and speculative mentality, agrarian counter-reform, unsustainable growth and employment, and so on.
  - 2 Domestic cocaine consumption exists though to a lesser extent than in the American or European context. In 1992, the consumption annual prevalence – people from 12 to 60 years old who tried at least once during the last year – was 3,0 per 1000 for cocaine and 1,3 per 1000 for *basuco* (cocaine base smoked with tobacco) in Colombia. In the United States, for the same year and consumption prevalence, these proportions rise up to 17 per 1000 for cocaine and 6 per 1000 for *crack* (smoked cocaine freebase). That difference might be even stronger if frequent consumption (addicts) rates are considered. In Colombia, other substances such as inhalant solvents show higher consumption rates. (Rodríguez Ospina et al. 1992; and National Institute on Drug Abuse 1994).
  - 3 Neither will I go deeper into the specific issue of coca leaf cultivators, which constitutes an important topic given the enormous growth of domestic cultivated hectares in recent years.
  - 4 Another dimension omitted in this chapter is the one of repression, that is, of the national and international policies applied in Colombia to combat the cocaine industry. Obviously, the illegal nature of this business and the state actions to fight against it are constitutive elements of everything that follows below, from the organisational forms of cocaine entrepreneurs to their social and political impact, from the relationships within the market to the place of violence and secrecy in it. Almost 20 years of the American war on cocaine and of the so called 'narco-diplomacy' in Colombia, have even determined the international relations of this country with the rest of the world. However, two reasons motivate me to avoid digging into this topic. Firstly, it is far removed from my central object of analysis. It makes no sense to deal with it, if it is not to take it again to study the criminal policies in the Netherlands and to engage in the discussion on alternative approaches – normalisation or legalisation policies –, matters that I do not intend to tackle in this book. The second reason is that most of what has been written on cocaine in Colombia, both in Spanish and in English, focuses on this problem of penal control policies, and maybe little more remains to be said. Many criminologists, jurists, political scientists and journalists, in Latin America as well as in the United States, have produced a huge range of serious writings on this topic during the last fifteen years. See Ambos (1997); Arrieta et al. (1990); Bagley (1990); Clawson and Lee III (1996); del Olmo (1992, 1996); Jelsma (2000); Labrousse (1993, 2000); Lee III (1989); McCoy and Block (1992); Tokatlian (1990, 1995, 2000); Uprimny (1994a, 1994b) and Vargas Meza (1999a, 1999b).

## 2.1 COCAINE IN COLOMBIA

### 2.1.1 *Getting into business: from the 'bonanza marimbera'<sup>5</sup> to the Miami cocaine wars*

Though in historical terms the emergence of Colombia as the main cocaine producer and exporter country in the world still remains rather astonishing in terms of its speed, the business 'explosion' and the consolidation of exporter groups in the early 1980s is the product of a formation process of some 20 years that goes back to the first half of the 1960s. Initially was a somewhat slow development, strongly accelerating from 1978 onwards, that evokes with no doubt the idea of short cycle export economies – i.e. a boom around one particular exportable product – widespread in Latin America in the nineteenth and twentieth century (Tovar Pinzón 1994: 92). Yet neither tobacco, nor quinine, indigo, rubber, coffee or marihuana left so dramatic and pervasive fingerprints in Colombia as those made by the boom of the 'white gold'. In trying to understand how initially the business developed, I will identify those settings and activities that invigorated the process. I shall then focus in greater detail on those factors that explain why Colombia – and the Colombians – managed to control production, export and wholesale distribution of cocaine into the United States.

#### *Rise and fall of Colombian marihuana*

The cocaine boom in Colombia was preceded by an immediately previous one: that of marihuana. Domestic production of marihuana had already developed in the 1960s, as a response to the growth of local demand, particularly from the cosmopolitan elite. However, its production and traffic remained insignificant until the early 1970s. Its expansion and boom, that lasted from 1971 to 1979, originated in the search for a new source of supply for the growing American market. Mexican marihuana had supplied that market until the end of the 1960s, but eradication programmes with the dangerous herbicide *Paraquat* reduced both the availability and the demand for this variety, opening the door to Colombia (Thoumi 1995: 126; Tokatlian 1990: 300).

All sources agree that the first local marihuana traffickers, both in the Atlantic Coast and in the Antioquian Urabá, were old smugglers of home appliances, cigarettes, whisky and textiles, traditional activities in both regions, who were very familiar with the routes and hideaways in the Antilles and the Caribbean (Betancourt and García 1994: 48-49; Salazar and Jaramillo 1992: 39; Arango 1990: 250-251). Around 1968-1970, these smugglers from Maicao, Santa Marta, Barranquilla, Turbo and Medellín (see Appendix I), while buying their merchandise in the International Free Port of Colón, in Panama, made their contacts with American buyers and dealers for sending the first shipments of marihuana.

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5 *Marimba* is one of the Colombian names for marihuana, and *marimberos* the marihuana entrepreneurs. The *bonanza marimbera* is the marihuana prosperity boom that took place in Colombia during the 1970s.

Once the Colombian variety<sup>6</sup> became well-known and accepted in United States, many American traffickers – from independent adventurers, in some cases Vietnam veterans, to official envoys of American *mafia* organisations – began to arrive to the *Sierra Nevada de Santa Marta*, on the Colombian Atlantic Coast, providing peasants with seeds, cultivation instructions, financing and technical assistance.

In contrast with what would happened later with cocaine, these *marimberos* only produced and exported the weed, whereas the Americans always controlled its import and distribution in the United States. The Americans bought the marihuana at the port of shipment, loading the planes and the ships on the clandestine air strips or on the Colombian coasts. Although not structured in large organisations, they controlled enough resources to avoid a stronger Colombian business share. This is an important element, which to a great extent explains the fact that no stable and powerful Colombian groups emerged around the export of marihuana (Betancourt and García 1994: 67). The ephemeral character of the prosperity – for Colombians – and the propensity of the *marimberos costeños* to spend everything they earned also help to explain their decline.

Marihuana was cultivated in the provinces of La Guajira, Cesar, Magdalena and Bolivar, and was later extended to the zone of the Eastern Prairies. According to Camacho Guizado, in its heyday it managed to represent two-thirds of the supply for the American market (Camacho Guizado 1988: 103). Although cultivation and export continued during the following two decades,<sup>7</sup> the *bonanza marimbera* was over by 1980. Three circumstances converged to lead to this decline. First of all, the introduction of a new stronger variety, known as *sin semilla* (seedless), popularised and cultivated in California substituted the weed brought from Colombia.<sup>8</sup> In other words, there was a relocation of production. Secondly, United States strongly pressed the Colombian government to engage in the eradication of illicit crops. That was finally undertaken in 1978 by the elected president Turbay, in part due to accusations of suspected links with traffickers. With a huge military deployment and avoiding the use of herbicides, the operation was recognised as a 'success' by the American government. However, the real impact of the eradication (regularly accomplished later with other illicit crops) may well be put between brackets, and perhaps diminished a supply whose days were already numbered. Finally, some *marimberos*, a small group mainly from the areas of Turbo and Medellín, had already found a more profitable product, easier to transport, and with more promising prospects.

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6 It is a soft variety that came to be widely known as *Santa Marta Gold*, and was very popular amongst consumers.

7 Domestic marihuana production had a brief revival in 1987-1988, declined, then made a come-back from 1993 onwards. However, its 'productive cycle' and its relative small volume compared with cocaine or heroin never recovered (Thoumi 1995: 128; Steiner 1997: 46).

8 Although this idea is broadly accepted by Colombian researchers, Reuter (1992) claims that in fact the strong variety *sin semilla* did not replace the milder Colombian weed, but consumption of the Colombian variety just dropped.

*Cuba and Panama: the first contacts*

Beyond any doubt, both the American *mafia* organisations as well as many other more or less independent adventurers also from the States, played a central role in the establishment of cocaine traffic from Colombia to the United States. This link had already been revealed in the case of marihuana. Two clear locations can be identified through which the first contacts were made.

It is well known that in the 1950s Havana had already been transformed into an important centre for illegal activities. The American *Cosa Nostra* regarded Cuba as an ideal place through which the illegal drug traffic could be organised to the United States.<sup>9</sup> Cuban groups were thus made into middlemen between the American market and the potential suppliers of illegal drugs, since they were not produced in the island itself. Though interest was mainly centred on heroin and morphine, cocaine was already commanding some attention. By the mid 1950s, several Antioquian smugglers operating in the Caribbean made contacts in Havana and opened the first 'lines'. In 1959, the FBI and the Colombian authorities had already dismantled a laboratory in Medellín, considered important for the time, where cocaine, heroin and morphine were refined and sent to Cuba for their distribution.<sup>10</sup> With the revolution and the massive Cuban emigration to Miami and New York, Cuban networks involved in drug trafficking were reorganised there. They took in their hands a big share of the yet incipient cocaine business on the East Coast, cocaine being used to a large extent as a luxury drug by the elite of the recently migrated. Additionally, American organisations such as *Cosa Nostra* left cocaine in Cuban hands, and were more concentrated on the heroin and morphine traffic. Little more is known about this early link between the Colombians and Cubans, partly due to the low level of demand, and partly to the lack of interest from American governmental agendas.<sup>11</sup> What is certainly clear is that, from the outset, the most important supply source of Cuban illegal entrepreneurs were Colombians (MacDonald 1988: 28).

Many testimonies indicate that years later, as in the case of marihuana, contacts established in Panama between Colombian smugglers and American dealers and intermediates provided another incentive to enter the business. Around the first half of the 1970s, and with a market in expansion, many of these dealers began to request cocaine, offering high prices, to smugglers that until then had been devoted to the supply of marihuana (Arango and Child 1984: 183). Some of these Antioquian smugglers decided then to specialise in cocaine, encouraged by the following circumstances: a) the *bonanza marimbera* had already declined in the Urabá region by 1974, moving up to the Atlantic Coast; b) there were contacts already established with Cuban organisations in Miami and New York; c) those contacts were energised with the huge migration of Antioquians to the United States, very strong from 1965; and d) they could refine cocaine with local input.

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9 Lucky Luciano, who lived in the island for three years, and Meyer Lansky, played a central role in the establishment and organisation of Cuban groups within the incipient illegal drug business.

10 *El Espectador*, 22-5-59, cit. by Arango and Child (1984: 166-167).

11 Arango and Child (1984) and Henman (1981) even claim that the CIA covered Cuban traffickers, who mainly assumed anti-Castro positions.

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