# Cocaine on Wall Street, The War on Drugs, and Peace in Colombia

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*(...) If you got that lose, you want to kick the blues, cocaine*
*When your day is done, and you want to ride on cocaine*
*(...) Don't forget this fact, you can't get it back, cocaine*
*She don't lie, she don't lie, she don't lie,*
*Cocaine (...)*

*– Eric Clapton, Cocaine (1977)*

## Introduction

Let us start with a significant truth. The business of drug trafficking is a natural consequence of the so-called 'wealthy economies' around the world. These economies use banking and financial systems to falsely inflate the amount of money in the economy without using real capital in a process called speculation. Let's tie this to the drug trade: the cocaine market works in an analogous way, producing the perfect multiplier effect used by the banks of financialised economies. It is a business that makes it possible to create money in a way that has never been seen in legal economies. The price paid in Colombia to the farmers per kilogram of coca leaves can be multiplied by 250,000 times and more when the cocaine is sold in the streets of Frankfurt, London, Paris, New York, São Paulo or Tokyo. It goes without saying that hardly any of this profit does returns to the country in which the illegal stimulant was produced.

The money is embedded in Wall Street, the global system that controls economies and local resources around the world. This is not a debate about ethics or morality. On Wall Street, in the USA, Europe, and every major capital city worldwide, money from cocaine is used to create and improve business, to access the corridors of power, and for the recreation, and ultimate detriment, of millions of people. It is a reality that most global citizens are not aware of. This nefarious money leads to instability in other countries, causes speculation regarding the value of natural resources, and, of course, increases banking income. Moreover, in lost war in Colombia the people have endured the impacts of the cocaine trade for 40 years, resulting in the death of hundreds of thousands of innocent people and the destruction of nature, social and cultural links.

In this essay we connect three scenarios: the link between cocaine, financial system and global economies; an alternative that was born in Colombia with the recent Peace Agreement, which seeks to find solutions for the pervasive drug problem; and 'legalization' in The War on Drugs (TWOD).

## Cocaine on Wall Street: Financial (de)regulation and dirty money flows

*On a daily basis I consume enough drugs to sedate Manhattan, Long Island, and Queens for a month. I take Quaaludes 10-15 times a day for my 'back pain', Adderall to stay focused, Xanax to take the edge off, pot to mellow me out, cocaine to wake me back up again, and morphine... Why?, because it's awesome.*

*– Jordan Belfort, The Wolf of Wall Street (2013)*

As Eric Clapton puts it so well, cocaine 'don't lie'. The harshness of drug trafficking allows us to see the logic and functioning of capitalism in its very essence. At the same time, since drug cartels don't much bother about being reliable sources of statistical information, we can identify trends in drug trafficking from the behaviour of the financial market. It then becomes clear that drug trafficking and the financial system are in a symbiotic relationship. Money from drug trafficking gets laundered and later transformed into capital through the banking and financial systems, and the financial system reports succulent benefits due to the risky nature of these operations (Machado 1996), not to mention *cash pools* being filled by an endless source, ready to flow into market operations.

What differentiates cocaine trafficking from legal agribusiness? This question may seem absurd, but in fact the answer is not so obvious. After all, we are talking about transforming a crop – coca – into an industrialised product – cocaine. Moralistic arguments appeal to the effect of illicit drugs on human health and, unfortunately, are usually dealt with in a reductionist way without considering licit drugs (such as cigarettes, alcohol, or even sugar), nor the consequences of prohibitionist policies for certain social groups, especially African-Americans and Latin Americans (Hart 2013). The humanist arguments refer mainly to the violent, speculative and polluting nature of this activity, undoubtedly important, but not exclusive to drug trafficking – mining as one of the most obvious counter examples.

It is important to emphasise the attributes that make this criminal activity comparable to any other business, because here lies the key to understanding its links with the legal economy in general and with the financial system in particular.  As we saw in the introduction, the price of cocaine increases exponentially from the first stages of the chain to its final distribution, a value structure it shares with legal agribusiness. Fidel Mingorance et al. (2008) even categorise cocaine trafficking as a megaproject due to its economic characteristics, political domain, and capacity to substantially transform territories throughout its path. In this way, the most lethal weapon of drug trafficking is its effectiveness in infiltrating legal circuits and interfering in the culture, as can be seen in Colombia (Medina 2012).

Cocaine trafficking has crucial particularities, however, most of which derive from its illicit quality, since illegality essentially translates into the need to evade the authorities at all levels, from armed forces to customs controls – in the first case, by creating and brutally managing *strategic trafficking routes*,  and in the second, through its corrupting power; both as part of a logistically complex operation that destabilises all spheres of society. To correctly weigh up this process, we must keep in mind that *strategic routes* represent only the first stretch in the distribution channels of illicit drugs (crops and processing areas), later they are distributed through legal spaces, being transported to the final consumer in a multi-modal system that uses conventional means (trucks, trains, ships, aeroplanes) (see Labrousse 2010).

Two key aspects should be highlighted here. First, a paradox arises from the logistics of evading the authorities, which justifies the onerous price structure. As a consequence, every obstacle that must be drawn along the distribution chain, like those associated with the TWOD, end up being an advantage for traffickers (Labrousse 2010). Second, strategies of corruption emerge when drug trafficking enters legal spaces, either through simple bribes (especially for the transport of cocaine cargos), or more sophisticated processes, such as the co-optation of elites and traditional institutions when it comes to the incorporation into the legal economy; the latter is the case that brings us together.

A critical point is money laundering, a business that deals with such huge sums of money that it has become a problem in itself. In fact, in the US, where it is calculated that 'approximately half of the world's laundering occurs', there has been a negative effect on the balance of payments, leading to government actions (TNI 2009; Machado 1996). In the 1980s, the US government led a G7 initiative to fight this criminal scheme, creating a Financial Action Task Force (FATF) that formalised an international anti-money laundering (AML) regime (TNI 2009). Lia Machado (1996) cites a survey conducted in the 1990s by Lyman & Porter (1991), according to which of the 20 percent of the money generated by drug trafficking in the US returned to the producing and intermediary countries, only one third was in banknotes, 'the rest was transferred by electronic means through the North American banking system' (p. 9).

The AML regime is based on a 'follow the money' approach, as can be seen in three of its objectives: 'detecting crime by following the money trail'; 'targeting third-party or professional launderers, who through their services allow criminals to retain the proceeds of crime'; and, 'targeting the upper echelons of the criminal organization whose only "visible" connection to the crime is the money trail' (TNI 2009: 7). The other two objectives – 'removing profit out of crime through confiscation' and 'protecting the integrity of the financial system against abuse by criminals'– are highly questionable, both because it is assumed that the financial system is itself unpolluted, and because they fail to acknowledge that one of the main causes of drugs' profitability is the condition of illegality, which we believe is the root of the problem.

The institutional framework promotes a taxonomy of financial crimes and, according to Machado (1996: 3), is built on three controversial assumptions: 'the conceptual assumption, according to which it would be possible to keep a "certificate of origin" of money after it enters the banking and financial system (...); the assumption of a single and monolithic condition of legality of banking and financial practices, regardless of their social, geographical and political context'; and an assumption pertaining to the ethics of the financial system, which claims to derive a sense of public morality from private behaviour.

The last assumption is widely accepted, despite evidence that, as Charles Ferguson (2010) argues, Wall Street brokers and other financial actors have a narcissistic psychological profile and act moved primarily by opportunism. Thus, financial power has become a ubiquitous and unquestionable entity, capable of transferring its scale of values to society as a whole, and pretends to differentiate money according to its origin (‘dirty’ or ‘black’ money, when associated with illegal activities, ‘hot’ money when it is speculative, etc.). The truth is that once money enters the banking system it turns into digits (a bit of information), and the only attribute that matters is the profit that can be generated (Machado 1996).

The taxonomy of financial crimes reflects the power relations within the state system, which is why practices such as capital flight and tax evasion are barely prosecuted or not penalised at all, despite their adverse consequences on the economies of the Global South (Machado 1996; TNI 2009). This asymmetry also manifests itself in the structure and composition of the global AML institutions. ‘Back in 1989, the G7 members, a coalition of convenience, all with their own specific reasons, decided to keep tax issues out of the AML regime’. Even though the FATF has grown from the seven original countries to 35 member jurisdictions and two regional organisations, a ‘“club”-oriented process’ still prevails. As Tom Blickman concludes, ‘[...] a bolder initiative is required at the UN level, moving from recommendations to obligations, and fully engaging developing nations, at present left out ...’ (TNI 2009: 12, 3).

Money laundering is usually considered a practice exclusive to ‘corrupt Global South societies’. Cases reported in the Global North tend to be minimised and portrayed as a few ‘rotten apples’. It is not surprising that ‘only in 2001 did France and the UK agree to criminalize transnational bribery used to “sweeten” overseas contract bids, and the former’s political “slush funds” that were used for domestic clientilist purposes’ (TNI 2009:13). Somehow, corruption looks different on each side of the coin. In addition, ‘Swiss banks were often identified in money laundering cases, but they also handled the overwhelming majority of the world’s lucrative offshore wealth management – not infrequently accumulated by tax evasion and avoidance, and capital flight’ (TNI 2009: 12).

From time to time, scandals arise concerning names like BCCI (the only one on this list to declare bankruptcy after being linked to the laundering of drug-trafficking money), American Express, Citigroup or HSBC. Such cases also apply the double standard of financial justice, suggesting that there are no jails big enough to lock up such corporate giants. This (intentional) negligence cannot be understood outside the practice of revolving doors, which points to the generalised and systemic nature of these criminal schemes (Gibney 2018; Ferguson 2010). More recently, the case of the *Panama Papers* demonstrated the scope of financial crimes, the list of clients of the legal consulting firm Mossack-Fonseca including not only drug traffickers, but also mainstream figures (politicians, athletes, artists, etc.).

The epicentre of this debate should be the *off-shore havens* and related juridical forms, which by definition are centres that facilitate any type of transactions, owing to legal laxity and the condition of anonymity that shields the owners of the companies. However, the game remains unjudged, since it is a key piece for global finance; only occasionally are the less skilled (less powerful) players sacrificed. To understand the participation of the financial system in money-laundering processes, we must go beyond entrenched stereotypes: criminals are not only coordinating the shipment of cocaine from intricate rainforests, or receiving bribes in an island surrounded by warm, turquoise Caribbean waters, they are also elegantly dressed in faultless Swiss banks or in the skyscrapers of Wall Street.

The AML regime relies on the mechanism of Suspicious Activity Reports (SARs) or Suspicious Transaction Reports (STRs), which 'result not from an objectively determined threshold but from something in the transaction or transactor, which raises suspicion in the minds of bank personnel'. Serious questions emerge, since 'the system puts a premium on rumour, bias and stereotyping ...' (TNI 2009: 8). There are also certain conflicts of interest. 'Excessive reporting fails to identify what is truly important by diluting the information value of reports. There are also serious doubts about private sector institutions taking on (unpaid) an important and unconventional law enforcement role, for which their customers and shareholders pay, as well as serious privacy implications' (ibid.).

The complex processes of laundering and recirculating money follow a two-step strategy: the first is to place the dirty money into the banking system – through what is usually called the placement-layering-integration scheme, which requires the institutions' complicity (or at least their negligence). In that sense, thanks to the ambitions of the financial system, traffickers have even managed to evade the most stereotyped off-shore havens, since the operating rates depend on the jurisdiction in which the transaction is made (the more rigorous, the higher the percentage charged to the traffickers) (Machado 1996); as a consequence, the most powerful mafias are those that can afford to open accounts in prestigious banks, a paradox to which we will return.

Machado explains the classic tactics to allow money from drug trafficking to lose its criminal birthmark. Since banks are required to disclose the origin of the money when deposits exceed a certain limit (an AML measure), figureheads are used to avoid the authorities by carrying out below-threshold banking operations. The practice is known as smurfing; it is important to underline that these figureheads – smurfs – may have no connection with the traffickers, since they are usually contacted by an intermediary who pays them for depositing cash or buying bank cheques. On a larger scale, tactics include alliances with currency-exchange offices, over- and under-invoicing of imports and exports, façade companies, letters of credit and precious minerals trafficking.

According to Machado (1996), money-laundering methods differ geographically, meaning that different strategies, with varying degrees of sophistication, are applied in different places. In addition, the sophistication of money laundering is constantly increasing in response to control measures, which in turn must be updated to address the latest criminal schemes, thus beginning a new cycle of mutual feedback (TNI 2009). However, there is one thing that all money-laundering methods have in common: 'the instruments [of control] that are available to States and international organizations can only function in the first stage, when the deposit of money in the bank occurs'. Therefore, the criteria for tracking flows of dirty money should not be rigid or stereotyped (Machado 1996: 3).

As we all know, financialisation has flourished under the auspices of neoliberalism. This has not led to the death of the nation-state, but rather to its schizophrenia, since transnational networks – which include both the financial system and drug trafficking – need to cross national borders, but at the same time benefit from state prerogatives, since the games of speculation depend on divergencies between exchange and interest rates, which are supported by legal, political and economic differences among countries. Machado (1996) warns that deregulation has not only facilitated the laundering but also the transformation of drugs money into capital, which is the second step that seals the symbiosis between cocaine trafficking and the financial system.

The deregulation of finance can be traced in the post-war period from the emergence of so-called off-shore dollars, but reached a turning point in the 1970s with the abandonment of the gold standard and the liberalisation of the credit market, which led to voracious competition between banks and financial operators, and to risk-transfer schemes (swaps, forwards, futures and options), in a scenario of supreme volatility (Machado 1996; TNI 2018). 'Looking for the best interest rates, profit on stock exchanges or on fluctuating exchange rates (national variables) stimulated the cross-border mobility of capital, and mainly led to the value of any national currency depended more of the financial flows driven by the mood of international capital markets than of the trade balance of the real economy of each country' (Machado 1996: 16).

This is how deregulation strengthens the symbiosis between drug trafficking and the financial system: 'the relaxation and ultimately abandonment of exchange controls and the liberalization of financial services [facilitates] money laundering' (TNI 2009: 6), it also eases the infiltration of cocaine money into legal circuits of accumulation and hinders its tracking, due to the multiplication of new actors and financial practices. Both financial speculation and cocaine trafficking are oriented by unstable parameters – short-term rates and overcoming obstacles in the context of TWOD, making them comparable with an 'open system', characterised by constantly fleeing equilibrium (Machado 1996; TNI 2018).

An associated aspect is computing and telecommunication technologies, which made it possible to transform money into something as anonymous and volatile as a bit of information. The advances in data processing are the scaffolding of financial operations, but the sector is managed and (eventually) regulated mainly by private enterprises (like the Society for Worldwide Interbank Financial Telecommunications, SWIFT) (Machado1996; TNI 2018). The financial system depends on a transnational and virtual scenario, which not only threatens state sovereignty but also obscures its link with the real economy – hence the importance of case studies that help to clarify this link. We are saying nothing new in characterising financial speculation as a game based on the monopoly of information and bargaining power, which in recent years has tied up strategies such as derivation and securitisation with the dispossession of the working class (Ferguson 2010; Harvey 2003).

The symbiosis metaphor indicates a two-way relationship, so when we argue that drug trafficking acts within a capitalist logic we mean that its main purpose is not just laundering its illegal incomes, but also transforming that money into capital. And so, not to break the golden law of capitalism, valorising capital in order to differentiate it from money under the mattress (or in *caletas*, the *narco* version of a safe box), there is an urge to incorporate it into legal circuits of accumulation, investing in all sectors of the economy. In this step, the multiplicity of institutions that shape the financial system – driven by opportunism and ambition – become an accomplice to cocaine trafficking, performing the alchemy that will transform money resulting from illegal activities into capital suitable for accumulation in lawful circuits.

## Turning lead bullets into gold: the financial system as a modern alchemist

A consequence of the entry of drug trafficking into the processes of capital accumulation is the transition from a drug-trafficking logic, specialised in the illegal drug trade, to a mafia logic, centred on the capture of power, combining various economic activities and diluting the borders between legality and illegality. This model found its most complete version in Colombia, through the phenomenon of *narco-paramilitarism*, which emerged as an alliance between traditional elites and cocaine lords that constituted armies to protect the large estate property, and evolved into an autonomous project, which systematically co-opted power at every level, as well as the legal economy, especially in businesses such as agrofuels, cattle raising, gambling, money exchange, soccer clubs and speculation on the stock exchange (Medina 2012).

Technological and technocratic innovations deepen this vicious circle, in which capital and cocaine flows feed each other, especially because mafia capital is not invested only in legal sectors of the economy, but also in illegal sectors, such as arms trafficking and prostitution, increasing its virulence (Labrousse 2010). In addition, since its illegality contributes to making it such a lucrative business, the tendency to over-accumulation – a constant threat of crisis for capitalists in the era of financialisation – is exacerbated, and, as they transfer that risk to the entire economy, social vulnerability increases (Harvey 2003).

The alliance between traditional and cocaine-emerging elites can be seen in many ways. One of the most striking examples is that while the other Latin American countries were submerged in the debt crisis (referred to in developmentalist historiography as 'the lost decade of Latin America'), Colombia was able to fulfil its obligations with multilateral organisations. It does not require a very keen mind to relate this phenomenon to the laundering of money from cocaine, since the central bank – *Banco de la República* –bought huge amounts of dollars during the1980s, with few restrictions and many fiscal benefits for those selling the currency. Local journalists even had a name for it: *'ventanilla siniestra'* (sinister window), which operated until June 1991.

With deregulation, it is even simpler for the legal economy to absorb narco-dollars. 'Financialisation has seen the emergence of new types of financial institutions (such as the shadow banking system, or SBS) and practices … that are not subject to the same regulations as traditional commercial banks. Shadow banking broadly accounts for $160 trillion assets worldwide, almost half the $340 trillion of total financial assets globally' (TNI 2018: 4). Due to deregulation, not only SBS, but even traditional institutions such as the stock market, can easily become key players in placing this permanent flow of drug-trafficking money.

In short, the financial system works like a hinge, making it possible to overcome crises in the mafia circuits of capital, laying the foundations for processes of accumulation by dispossession (Harvey 2003), which combine high finance and armed violence, especially against ethnic and peasant communities in Colombia, as we will see below. We can therefore see that cocaine trafficking is not a local phenomenon that threatens the world, but a global phenomenon with serious repercussions for local people, first in the Andean countries and later going up through Central America to Mexico. After all, cocaine was synthesised in Europe, transformed into a lucrative business due to the growing demand in the Global North, and has been the cause of countless violent conflicts within the TWOD framework (Labrousse 2010).

## Colombia and Latin America in the nets of drug trafficking and capital accumulation

The *Legión del Afecto*, a Colombian social movement that has worked for 15 years in creating alternatives to save the lives of the millions who have been displaced by the war, both in the cities – where the drug-trafficking chains are alive – and in the rural territories where the war took place – describes a linear connection between drug trafficking, free trade and neoliberalism:

*[Drug trafficking] is a chain of social degradation that goes from the cultivation that deforests sanctuaries of fauna and flora, the chemical processing of previously sacred plants for indigenous cultures, the sale and consumption of illegal psychoactive substances on a global scale … and the consequent lucrative, violent and risky business that goes to desire as vital motivation*. (Legión del Afecto 2015: 26)

Drug trafficking is one of the most successful transnational economies. It quickly generates jobs for millions of dispossessed victims of state policy in Latin America, and for refugees, migrants, and for so-called 'minorities', who face discrimination in the US or Europe. Political and economic powerhouses around the world believe that the solution is more police and military power. Mingorance et al. (2008) refer to TWOD as a megaproject, along with authors such as Petras and Chomsky, who view this policy as a geopolitical weapon of the Global North – especially the US – to justify its control over the Global South (and its resources). But this discussion goes beyond the scope of this essay.

Medina (2012) and Arango (1988) refer to the internal factors that led to the drug-trafficking megaproject being located in Colombia (crisis of agricultural production and the textile industry, previous experiences of smuggling, political violence and the opportunism of some Colombian entrepreneurs). Nonetheless, both authors identify the dynamics of the global illicit drug market as the main cause for placing this nefarious megaproject in Colombia. It is also emphasised that '… the fundamental requirement for the emergence of drug trafficking as a prosperous economic sector, is the declaration of illegality of the use of narcotics' (Medina 2012: 145).

The effects of drug-trafficking on Latin America since the 1970s, increasing the armed conflict in Colombia, the control of private paramilitary armies in big cities and rural areas in countries like Bolivia, Brazil, El Salvador, Guatemala, Mexico and Peru, created a matrix of violence and corruption in which the power of money supports a macabre version of practical democracy. According to Pablo Escobar, the first visible global actor in the history of cocaine trafficking, this new order is based on a rational *homo economicus* principle, 'everyone has a price, the important thing is to find out what it is', and, in an historical political truth, 'all empires are created of blood and fire' (Goodreads, n.d).

Drug trafficking is a perfect symbol of a neoliberal economy, as this private industry controls security, law, and social rules. In an honest perspective of the world and the global system of cocaine trafficking, we admit that we too became accustomed to the damage caused by TWOD, which in few short decades took more than 200,000 lives in Mexico (*El País* 2006), provoked displacement in Central America, and the degradation of society as a whole. On the other side of the coin, in 2015, there were over 50,000 drug overdose deaths in the US, and nearly 70,000 in Asia (UNODC 2017). Thus, Latin America remains one of the most abundant larders for capital accumulation; no longer the colonial *El Dorado*, but as banana, soybean or cocaine republics, for transnational megaprojects (irrespective of their legality).

# There is no pain that lasts 100 years or a body that can resist it

Colombia is the world's largest producer of cocaine. In the last 40 years, drug trafficking has permeated politics, the military, the economy, and affected thousands of families (Casey 2018; Medina 2012). With almost 8 million displaced in the last 30 years and 300,000 deaths, the impact of drug trafficking is a dark chapter in the country's recent history. Because of this nationwide trauma, a section entitled, 'Solution to the illicit Drug Problem' was included in the 2016 Peace Agreement.

*The internal conflict in Colombia has a long history spanning a number of decades, which predates and has causes other than the appearance of crops used for illicit purposes on a large scale and the production and sale of illicit drug across the country's territories. The persistence of the crops is in part linked to the existence of conditions of poverty, marginalization, weak presence of institutions, as well as the existence of criminal organizations dedicated to drug trafficking (...) the production and sale of illicit drugs and criminal economies have had serious effects on the Colombian people, in both rural and urban areas, impairing their enjoyment and exercise of their rights and liberties.* (Final Agreement 2016: 104)

The guerilla group FARC-EP, the government of Juan Manuel Santos, and the organizations of victims and agricultural communities that worked in the peace talks, offered a simple answer to a big problem: bring real opportunities to communities, substitute coca crops, start a programme of public health, and work on an international network to understand that the problem is global. In other words, TWOD was lost and defocused:

*(...) it is necessary to plan a new vision that deals with the causes and consequences of this phenomenon, especially by presenting alternatives that lead to improving the well-being and quality of life of communities (...) that tackles drug use with a public health focus and that intensifies the fight against criminal organizations dedicated to drug trafficking, including activities related to illicit finances, money laundering, trafficking of chemical precursors and the fight against corruption, dismantling the entire value chain of drug trafficking. (...) These policies must be governed by the exercise of the principles of sovereign equality and non-intervention in the internal affairs of other states and must ensure coordinated action within the framework of international cooperation, insofar as the solution to the problem of illicit drugs is the collective responsibility of all states.* (Final Agreement 2016: 105)

The focus must be changed to understand the roots of this problem. Where are the criminals? As Jorge Moreno points out, *'the government thinks we coca farmers are drug traffickers, that we're rolling in money, but no, it's not like that' (...) We cultivate coca because it's the only way to survive'* (see Brown 2017). The Peace Agreement also opened the door to understanding that ***coca is not a drug***; one must recognise the uses and customs of indigenous and ethnic nations in South America. In the words of Luz Mery Panche Chocue, an indigenous Nasa from Amazonas and leader in the implementation of the Peace Agreement, *'Coca is the sacred plant to sweeten the word, coca is food, nature, is happiness. Cocaine is drug trafficking, illegal economy, death, poison, easy economy, cocaine is disorder'* (see Panche 2018).

After two years of distrust and fear due to the weak implementation of the Peace Agreement, local communities still want to substitute coca crops. They are deeply troubled by the murders of the social leaders who are participating in the process. Héctor Marino Carabalí denounced:

*… the social leaders who fight for peace with social justice and for the defense of the countryside are an obstacle for those who have historically lived off the war and who do not want the Peace Agreements to be implemented. In other words, the crime that we social leaders commit is to defend the lives of all Colombians.* (PARES 2018)

The Coordinating Growers of Coca, Marihuana and Poppy (COCCAM) have created their own national organisation. They understand that solving the problem is not easy but not impossible, their only request is the political will of the government of Colombia and a social and economic environment in which to create new opportunities for legality and good living:

*We are willing to make these changes. But if they do not attack the real drug traffickers, if they do not set up a circuit to market the products, if the government does not implement the Peace Agreements, the farmers will start sowing [Coca] again. Nothing can replace Coca for the moment, but we will still try … we will learn along the way, even if it is by losses and noise*. (Briceida Lemo Rivera, member of COCCAM, cited in Gaymard 2018).

## The Case for Legalisation and The War on Drugs

Could there be a solution to ending the violence caused by the trafficking of narcotics? The legalisation of drugs is a possible solution that could very well dissolve the world's drug cartels, reduce international crime, allow governments to regulate the use and purchase of drugs, and generate huge tax revenues to fund public schools, law enforcement, public health services, local government and so on (Crombie 2017). The problem began in the 1970s with TWOD, the very institution that incited much of the violence affecting countries like Colombia for decades.

Initially, TWOD was a response to expanding drug use by 'fringe' groups (hippies and other alternative lifestyles), and suspected to be racially motivated, at that time associating heroin with blacks (see Editors 2017; Hart 2013). No thought was given to the international violence it would soon foster in the illegal drug trade, particularly across Latin America. In the past 40 years, the US has spent $1 trillion to combat drug use. We now know that TWOD is a lost war that will never be won.

In 2012, some US states began to legalise the recreational use of marijuana. Since then, studies have shown crime rates dropping,  and a decline in the demand for drugs from Latin America (Crombie 2017). Could complete legalisation of all illicit drugs be a potential solution to help end violence and deaths associated with the illegal drug trade? Based on the fall in crime rates in states where marijuana is legal, it seems that by legalising, and thus regulating, other drugs such as cocaine and heroin, crime rates, cartel violence, and drug trafficking would plummet. It would also allow for governments to regulate their distribution and purchase. Cocaine legalisation won't be as easy as cannabis regulation, but it is worth trying.

Millions of Latin Americans are losing their lives or otherwise suffering as a direct effect of the demand for illicit drugs in wealthy nations like the US. The world has already started to see the positive change that the legalisation and regulation of drugs can bring. It is time to stop investing our resources and energy in a model that has already failed, and start investing in a less violent future. And talking about investments, since drug trafficking could not exist without the mediation of the financial system, the current AML regime should be reviewed. The criminals are not the agricultural communities looking for alternatives through the Peace Agreements in Colombia or the adolescents pushed by marginalisation into the micro-trafficking of drugs, but those who profit from their sweat and blood, and are shielded by deregulation in Wall Street skyscrapers.

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# Notes

1. Strategic routes are geographic and political, taking advantage of physical (e.g. mountains, rivers, forests.) and other obstacles (political, demographic, etc.), to restrict access and create rules of action in a particular territory. They are used mainly by the illicit economies to evade the authorities (Labrousse 2010).

2. The War On Drugs (TWOD) was initiated in the US by Richard Nixon and expanded throughout the 1980s under the Reagan administration. The doctrine is part of the US security policy since Nixon declared drugs as 'public enemy number one', initiating a policy of militarisation that led to the formation of anti-drug elites in the armed forces of Latin American countries, such as Bolivia, Colombia, Mexico and Peru (Labrousse 2010).

3. Lyman, M. & Porter, G. (1991). *Drugs in Society.* Cincinnati, OH: Anderson Publishing Co.

4. Off-shore Havens, tax havens and off-shore financial centres are countries or special jurisdictions 'where the internal regulations of a country are weakened and modified ...; they operate in the spatial interstices created by the sovereignty of national states, in the context of the global financial system integration" (Machado 1996: 14). Machado makes an interesting spatial analysis on why these centres are longitudinally arranged in relation to the main financial centres worldwide, with the purpose of knowing simultaneously about the opening and closing status of different markets. Let´s take, for instance the Isle of Man, Jersey and Guernsey (English jurisdictions) in relation to London. In this sense, this category not only includes countries such as Panama or the Bahamas, but also Global North economies like Switzerland or the UK.

5. Refers to placing the dirty money into the banking system, then layering it into legal bank accounts, in order to allow it to lose its criminal brand, and finally, integrating the money into the economy as laundered money.

6. See footnote 4.

7. Narco-paramilitarism can be defined as 'the adoption by the lords of the mafia of a common practice among Colombian elites: the use of violence to obtain and maintain their rights of ownership and privilege systems, through the formation of private armies'. The extreme right in Colombia usually defends this as a project to contain the guerrillas, an argument which, is not just questionable but downright false, since it has been shown that the anti-insurgent component was only a means to the end of territorial control for the exploitation of natural resources. To delve into this concept, its connections with the Colombian armed conflict and the geopolitics of drug trafficking, see Peña, Diana. (2016) *Desterritorialização, Economia Camponesa e Agrobiodiversidade: Geopolítica do Narcotráfico e Projetos Turísticos no Occidente Cercano de Antioquia –Colômbia (1990-2011*). (Master´s Thesis). Rio Grande: Federal University of Rio Grande (FURG). https://sistemas.furg.br/sistemas/sab/arquivos/bdtd/0000011247.pdf

8. See, Petras, J. (2000) 'Geo-Politics of Plan Colombia'. *Economic and Political Weekly*, 35(52/53) (30 Dec. 2000 – 5 Jan. 2001); Chomsky, N. (2000) 'Plan Colombia'. *INNOVAR, revista de ciencias administrativas y sociales*. 16 (Jul-Dec.).

9. In Colombia, due to economic diversification and alliances with traditional elites, narco-paramilitarism reached a national scale, through the infamous project of the United Self-Defense Groups of Colombia (AUC), accused of the forced displacement of ethnic and peasant communities, and systematic theft of their lands (see CNMH). As argued by Harvey, dispossession is in itself a strategy of temporal and spatial reallocation of surplus capitals, which are constantly generated within mafia economies. This criminal programme emerged to face the permanent crisis of over-accumulation, which caused money-laundering schemes, as well as strategies to clean up AUC image, through a parody of armistice (Law 975 of 2005), which ignored the violation of human rights and consolidated their territorial control (Medina 2012; CNMH). Despite this evidence, drug trafficking has been linked only to the guerrillas, using this argument in favour of TWOD.

10. Latin American proverb

11. In California, there was a 15% reduction in violent crime; burglary fell by 19%, murder by 10%, and drug-related murders fell by an astonishing 41% (Doward 2018). Crimes related to marijuana (usually possession) fell by 90% in the 18 months following the legalisation of recreational use in the State of Washington: from 1,217 first-time offenders, to 145 (Jenkins 2018). Other states with similar laws have seen similar changes.

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