

External Examiner's Report on the Dissertation of Tomas Kristlik
"Impact of Narcoterrorism on the Security Environment in the Americas"
Submitted in 2019 at the Centre of Ibero-American Studies, Faculty of Arts,
Charles University

I. Brief summary of the dissertation

Focusing on Colombia and Mexico, the dissertation argues that the drug trade should be seen essentially as a commercial activity, as opposed to a law enforcement problem. In describing the production and export of cocaine, it considers smugglers as "entrepreneurs," and analyzes their activities in terms of illicit "business models" and networks. Regarding the latter, academic works on network theory are brought to bear to give a new perspective on drug smuggling. The dissertation describes the evolution of narco-terrorism and examines the factors accounting for the extreme violence that characterizes drug wars in Mexico. It concludes with an assessment of existing counternarcotics strategies and proposes solutions keyed to demand for the product and the economic incentives.

II. Brief overall evaluation of the dissertation

The dissertation provides an impressive contribution to counternarcotics studies by presenting an innovative and intellectually challenging thesis — that drug traffickers should be viewed primarily as (illicit) businessmen. According to this approach, key objectives of an effective counternarcotics strategy should be to reduce demand for the product and diminish its profitability. The dissertation's examination of the convergence of terrorism, insurgency and criminal drug trafficking is particularly useful, especially the discussion of a territorial profit-seeking illicit network (PSIN), and the similarities and differences with politically-motivated groups. Although the dissertation did not use the term "narco-insurgency," it addressed that controversial issue in a cogent manner. The presentation of the concepts of "coercive bargaining" and "violent lobbying" are thought-provoking, have widespread relevance, and should become part of the lexicon of counternarcotics studies. By questioning long-held assumptions and

truisms, the dissertation constitutes a work that should be read by analysts and operations officers alike.

III. Detailed evaluation of the dissertation and its individual aspects

1. Structure of the argument:

In making the argument that drug trafficking should be seen primarily as an economic or commercial activity, the dissertation argues that solutions should be economic as well, rather than strictly law-enforcement. I agree with this approach, but would like to point out the following nuances:

(a) “Trickle down” theory applied to drug production/trafficking areas:

The dissertation makes convincing arguments against “trickle down” economic gains in coca-producing regions. It quotes the 2010 United Nations Office of Drugs and Crime *World Drug Report*: “Compared to some other natural commodities such as oil, coca has not been able to spur regional development or improve economic status of indigenous populations. The Huallaga Valley remains very poor, despite millions of USD earned from the area’s crops...The portion of the narcodollars returning to Peru and Bolivia is too small for this money to create spin-off effects in the economy. Some estimates suggest that for every USD earned in the drug trade, 10 to 20 cents return to wholesalers and traffickers in transit countries, about 1 percent returns to coca growers in the Andes.” (p.16)

Although it is indisputable that peasant coca growers receive only a tiny fraction of the profits from the drug trade, that amount may be significant in an impoverished local economy. Anecdotal evidence suggests that peasants living in coca-growing areas are more likely to purchase motorcycles and other small luxuries as opposed to those living in areas that do not participate in that illegal commerce. It has been observed that many highland (*altiplano*) Indians in Bolivia and Peru migrate from their traditional homelands to the lowlands to grow coca to sell to drug trafficking networks. The cash payments they receive may be considered virtually worthless by the World Bank, but locally they are considered valuable enough to foment a voluntary displacement of population.

The dissertation itself provides evidence of trickle-down economic benefits. In Colombia, “the ability to generate enormous profits sufficient enough to bribe the authorities

provided smugglers with an aura of invincibility...Authorities in their own part were willing to participate because smugglers provided them with alternate sources of income. Economic power and social recognition gave Colombian smugglers a unique status within the rigid class system in which they operated. They had the ability to create jobs and provide otherwise unavailable goods at acceptable prices while undermining the government's import tariffs. Ultimately making the profitability of their trade publicly visible, smugglers provided an avenue for upward mobility to many poor Colombians like Pablo Escobar." (p.36)

Both of these contrasting views of trickle down in a drug producing/trafficking environment are accurate. It is often the case in analysis that compelling evidence can be marshalled for contradictory hypotheses. Because of the dissertation's economic emphasis, this issue should be scrutinized. It could make a difference whether local people benefit or not from illicit commerce, or at least perceive they benefit.

(b) Crop substitution:

In its discussion on potential solutions to the drug trafficking problem, the dissertation states that "it might prove to be financially more beneficial to the Andean governments to subsidize their farmers to motivate them to grow tomatoes instead of coca, not to mention the funds saved on destruction of coca fields by force later on." (p.100) This is a good suggestion, but it needs more development. Crop substitution is a standard aspect of South American counternarcotics strategies. Although there are some success stories, most independent assessments of the results tend to be negative.

Crop substitution entails much more than inducing local peasants to plant other crops. Transportation of those new crops to markets is a key issue that defies facile solutions. Unlike coca leaves, many of the lucrative crops suggested as alternatives can bruise easily and require careful handling. They do not stand up to long hauls in trucks on bumpy roads and some require refrigeration to stay fresh for consumers in distant markets. In contrast, once the coca leaves have been processed locally into a hard paste that looks like a rubber ball, they can resist the roughest trip to the next phase of processing, regardless of the tropical heat. New crops also require fertilizer and an initial period of investment of time and money that many peasants cannot afford, absent effective government support. Coca leaves on the other hand are indigenous plants that grow like weeds. Moreover, peasants all over the world tend to be

conservative in risk-taking and would rather plant crops they know from experience will grow well and give good results, rather than take a chance on something unknown. The phenomenon of “parallel development” has been observed in South America, in which peasants take advantage of government incentives to grow legal crops, while maintaining secretly the illegal coca fields.

The 1993 Office of National Drug Control Policy report, *Crop Substitution in the Andes*, concluded: “More than a decade of crop substitution programs in cocaine-source countries has had little impact on the dynamics of Andean coca cultivation. There has been little actual crop substitution. In the most important coca-growing regions, the Upper Huallaga Valley, the Chaparral, and the Colombian Llanos, coca continues to supply the lion's share of farm income and to employ the vast majority of inhabitants. Furthermore, coca trends are headed in the wrong direction: from 1988 to 1992— despite extensive transfers of economic, law enforcement, and military assistance from Washington —coca cultivation increased approximately 10 percent and potential coca leaf output increased by 13 percent.”

(c) Right wing paramilitary and leftist guerrilla involvement in the drug trade:

The dissertation offers compelling evidence of right-wing paramilitary collaboration with drug traffickers or outright involvement in drug trafficking themselves. For example, the *Muerte a Secuestradores* (MAS) group protected drug dealers from local guerrilla groups. (p.24) and “Apart from fighting governments, traffickers have also fought the left in Latin America. In Peru and Colombia drug traffickers fought with local guerrilla groups in rural regions. Smugglers formed alliances with landowners, the military and other regional powers to assist in the suppression of left-wing groups...Particularly during the latter stages of the Cold War, the drug traffickers contributed to the U.S. foreign policy of containment by attacking guerrilla movements at their roots.: (p.32)

Conversely, the dissertation also notes left wing involvement: “On the production level some of the Mexican traffickers established alliances with entities like the FARC to provide security, regulate prices for coca growers in Colombia and ship cocaine to Mexico.” (p.50) It also mentions that the “drug trade represents the most common criminal activity for

terrorist organizations.” (p.72) I would have given more emphasis to the role of the Colombian FARC and the Peruvian Sendero Luminoso in the drug trade. Both of these insurgent organizations increased their level of participation to the point that they became major players. Without mentioning them by name, the dissertation should be credited for providing an insightful summation of their evolution from ideologically motivated revolutionaries to common criminals. “Similarly, conflicts may also evolve over time and what began as a revolutionary insurgency, with both sides truly fighting for control of the state, can degrade into criminal war with rebels hiding in the jungle while subsisting on drug profits for decades with no clear ambition to capture the center or secede from the state.” (p.81)

(d) Commodity-driven insurgencies:

In its perceptive effort to provide a conceptual framework for addressing the convergence of terrorism, insurgency and criminal drug trafficking, the dissertation accurately notes that “from an analytic perspective, there is a popular narrative in current conflict studies which promotes greed as one of the key motives for rebels, sometimes it even perceives insurgency as organized crime.” (p.73) I would add that there is a growing body of literature regarding extractive, commodity-driven insurgencies in which a guerrilla uprising against the government is over control of local resources. Often, this economic motive is part of a deeper conflict in which the guerrillas belong to an ethnic or tribal minority already resentful of the national government controlled by a rival ethnic group. Notable case studies include conflicts over oil drilling in the Niger River Delta and in Ecuador, and mining in Papua New Guinea. See Collier, Paul and Anke Hoeffler, “Greed and Grievance in Civil War,” Policy and Research Working Paper 2355, *The World Bank Development Research Group*, May 2000 at https://openknowledge.worldbank.org/bitstream/handle/10986/18853/multi_page.pdf?sequence: Wasserstrom, Robert and Susan M. Reider, “Anthropologists, Corporate Responsibility and Oil in Ecuador and Nigeria,” *International Journal of Business Anthropology*, vol. 4(1), 20013, at http://www.na-businesspress.com/ijba/wasserstromr_web4_1_.pdf; Montlake, Simon, “Cave In: Freeport-McMoran Digs A Heap Of Trouble In Indonesia,” *Forbes*, 26 January 2012, at <http://www.forbes.com/sites/simonmontlake/2012/01/26/cave-in-freeport-mcmoran/>; and Obi,

Cyril and Siri Aas Rustad, eds., *Oil and Insurgency in the Niger Delta: Managing the Complex Politics of Petro-Violence* (New York: Zed Books, 2011), 1-82, 167-199.

(e) Criminal impunity and counternarcotics effectiveness:

The dissertation convincingly presents a grim picture of drug trafficker impunity throughout Latin America. “At this point, Latin American internal profit-seeking illicit networks such as the Sinaloa cartel are beyond effective reach of any single government in the Americas with their operations corrupting government efforts to such an extent the nation states are rendered strategically helpless. Such a status has never been achieved by any other enterprise.” (p.9) This observation is reiterated at various other points in the text: “Illicit trafficking on a strategic level is beyond the reach of national governments in Latin America and transnational organizations such as the United Nations or the Organization of American States which...have no jurisdiction in addressing the issue effectively. (p.11) Moreover, “nation states have allocated substantial resources in their efforts to suppress and dismantle “drug trafficking networks, “to limited effect thus far.” (p.57) In Colombia, the “top tier traffickers have infiltrated and corrupted Colombian Supreme Court justices” and powerful drug lords “operate freely within their own country.” (p.32) Referring to the tremendous wealth and power accumulated by Pablo Escobar, the dissertation comments that “he could order the murder of anyone, anywhere, anytime.” (p.39) Having been involved in counternarcotics programs in South America myself, I can attest to the frustration that officials feel in contemplating the apparent impunity of drug lords in the face of government impotence.

However, it is important to set aside frustrations, step back, and look at the big picture over time. Seen from that perspective, the governments of the major countries are not so impotent. Colombian policemen shot to death the all-powerful Escobar on a rooftop as he attempted to evade capture. The dissertation provides various examples of government effectiveness that should attenuate the impression of drug lord invincibility. For example, the “increased political, military and law-enforcement effort brought upon Medellin and Cali cartels forced these organizations into gradual decline that culminated with Escobar’s death in December 1993 and numerous arrests of Cali cartel top leaders in 1995.” (p.42) In this respect, it would have been useful to mention the impact of the US-funded and assisted “Plan

Colombia” that helped Colombian security services deal serious blows to drug traffickers and their FARC collaborators.

In summarizing the careers of key Colombian drug lords (pp.37-39), it would have been useful for the dissertation to mention how their careers ended. Like Escobar, José Gonzalo Rodríguez Gacha was killed by Colombian policemen in a shoot-out. Carlos Lehder Rivas, Gilberto Rodríguez Orejuela, and his brother Miguel were extradited to the United States, prosecuted and sentenced to long prison terms. Likewise, the three Ochoa brothers, Jorge, Juan David and Fabio, were jailed, with the latter still behind bars. These cases can be seen collectively both as a law enforcement success and also a weakness. The United States traditionally has emphasized targeting “drug kingpins” in Latin America, as opposed to focusing on their networks, which often reorganize under new leaders and continue functioning. Although it does not mention the individualistic “kingpin” strategy, the dissertation examines thoroughly how drug trafficking networks function and makes a compelling case that counternarcotics programs should give more emphasis to them.

In Mexico, the murder of DEA agent Enrique Camarena “triggered a powerful response. That reaction resulted in the dismantlement of the Guadalajara Cartel, or the loose federation that had dominated Mexican trafficking.” (p.67) In other words, when a nation state is determined to take action, it usually has the means to stop individual drug traffickers and damage or destroy their organizations, even though the drug trade in general will continue (because of the economic imperatives described in the dissertation.)

2. Formal aspects of the dissertation:

The author’s use of abbreviations, syntax of bibliographical references, and transcription of foreign terms is coherent and in keeping with academic standards. The footnotes are correctly formatted, and the text is grammatically correct. The graphic charts greatly enhance the text and help the reader better comprehend the complex material being presented. On a very minor note, the reviewer noticed four typos: “intorduced” p.27, “retrireved” p.28, “strengthened” p.45, and “Mexiko.” p.54. Also in the realm of nit-picking, the dissertation has four references to the FARC, but does not spell out the first time what that acronym stands for. In contrast, the AUC and MAS are defined.

3. Use of sources and/or material:

In the introduction, the author provides a good exposition of the strengths and weaknesses of the sources utilized. “Access to primary resources — that is narcotraffickers themselves — is scarce and limited, especially to those who are still active in their chosen entrepreneurial field. Equally complicated is obtaining information from law enforcement and generally government entities tasked to disrupt illicit trafficking. Their up-to-date information, knowledge and assessments are mostly confidential and rightfully so, since operational security is vital prerequisite of success on both sides.” (p.13) However, there is a way around this problem that is not sufficiently emphasized in the text: transcripts of trials of drug traffickers. For example, the 2018 trial in the United States of extradited Mexican drug lord, “El Chapo,” yielded considerable, detailed information on his criminal activities, as well as his personal life. See Asman, Parker, “4 Takeaways So Far From the US Trial Against ‘El Chapo’,” 28 December 2018 at <https://www.insightcrime.org/news/analysis/4-takeaways-el-chapo-trial/>; and “Joaquín ‘El Chapo’ Guzmán’s trial: From shocking to bizarre,” at <https://www.bbc.com/news/world-us-canada-46282173>. Along these lines, the dissertation provides fruitful references to the findings of an academic researcher who interviewed jailed drug traffickers. In general, the author employs his sources in a methodologically correct manner and the steps taken in data analysis are logical and well-executed. This is especially apparent in the progressive development of the analysis of drug trafficking networks. The dissertation’s conclusions flow logically from the empirical research.

4. Personal contribution to the subject:

The dissertation succeeds in presenting an original, organically formulated contribution to the field. The author makes excellent use of diverse sources to develop his arguments and make the case for an economic approach to counternarcotics strategizing.

IV. Questions for the author:

- (a) Do you have specific evidence of reduced drug smuggling to a consumer country because of the effect of programs in that country to reduce demand through education, rehabilitation and other measures targeting potential consumers?

- (b) Given the overriding importance of economic incentives, do you have specific evidence of voluntary crop substitution programs in coca-producing countries that have been successful in reducing coca production by inducing local farmers to focus on legal crops?
- (c) In your conclusion you mention the need to unburden governments to relieve them “from pursuing crimes that are extremely difficult to deal with” and focus “on what is important.” Do you consider that legalizing drugs and dealing with them as a public health issue, as opposed to a criminal issue, would help achieve this objective?

V. Conclusion:

I recommend the submitted the dissertation with the tentative grade of pass.

Date: 14 May 2019

Signature:

Arturo G. Muñoz, Ph.D.