

Cocaine 'Cartels' and Colombian *Mafiosi*?

Social Organization and Impact of Drug Entrepreneurs in Colombia

Introduction

Criminal organizations, secret societies, transnational crime syndicates, drug networks, Latin American *mafiosi* and, of course, Colombian cocaine 'cartels'. These are the names and concepts widely used to describe both the Colombian cocaine industry and its many participants, from entrepreneurs to employees.

This article will analyse the nature of cocaine entrepreneurs and enterprises in Colombia, and their social and political impact on the country.¹ By tracing the social origins of business actors and showing the social, labour and organizational relationships developed by groups and people involved, I hope to highlight the heterogeneous and flexible nature of their arrangements. I will argue that although cocaine producers and exporters can be considered illegal entrepreneurs moving at times in rather oligopolist market sections, this does not allow us to uncritically accept that they have formed cocaine 'cartels'.

Next to this popular idea, it is often assumed that violence, secrecy and trust are central features in the cocaine business. Acknowledging their real or symbolic pivotal role, I will show however their paradoxical character for business performance.

The illegal nature of this business implies some particular relationships between these entrepreneurs and the Colombian society and institutions. I will finally analyse how this relationship is built and the sources of the social legitimation of illegal entrepreneurs. Is it possible to speak about a Colombian cocaine *mafia*, analogous to the Sicilian or Italian-American one? What is the social and political impact for Colombia, as these groups enter in collusion with the state or with guerrilla and paramilitary groups? In that sense, I want to explain not only what role violence and co-operation play within the business, but also to see how the business itself contri-

butes to the amplification of other sorts of violence as well as to the construction of new social bonds and alliances.

Social Origins of Illegal Entrepreneurs

A central question in understanding the dynamics of the cocaine business in Colombia and the relation of illegal entrepreneurs with broader social and political arrangements is understanding their social origins. Where do cocaine entrepreneurs come from? Is there any clear pattern to be found?

Opportunities to become a successful drug entrepreneur in Colombia have remained, indeed, unequally distributed. Except for the readiness to use personal violence and the ability to shield from it, other social or individual constrictions and qualities do not seem to differ that much from those encountered in successful legal businessmen: sex, age, personal or family contacts, entrepreneurial skills of all sorts, personal attributes such as creativity, alertness or charisma, skills to both exercise power and deal with existing power pressures, and luck.

However, entrance to the entrepreneurial levels of cocaine business has been remarkably open to a wide and heterogeneous range of people. The social origins of cocaine entrepreneurs can not be traced in one social, economic or ethnic specific group. Although some backgrounds and patterns can be pointed out according to regional differences and historical moments, they are far from constituting general trends.

Many of the first 'pioneer' cocaine entrepreneurs were old marihuana, emerald, textile or home appliance smugglers who moved on to the new profitable product. They usually had already some degree of social recognition and prestige, being either successful entrepreneurs with many contacts and accumulated experience, or powerful members in their home regions of Antioquia or the Atlantic Coast.

Verónica Rivera, the so-called 'queen of cocaine' of the seventies, began her career selling smuggled house appliances. She used her commercial networks to later export cocaine to New York and Miami. Another interesting example is Gonzalo Rodríguez-Gacha 'The Mexican', who had extensive experience in the illegal emerald business. Some well known *marimberos*² also entered the cocaine business. José 'Mono' Abello, son of one of the most respected families of Santa Marta, started in the seventies as a marihuana exporter and became later the most important cocaine entrepreneur of Santa Marta, also exporting to the American East Coast. Joaquín 'Mr. Big' Gallo, once marihuana distributor in Miami, was

extradited in 1990 to the United States for cocaine import activities (Krauthausen & Sarmiento 1991, 147-148).

It should be noticed that even amongst these old illegal entrepreneurs and smugglers, the variety of people is enormous. They range from rather urban upper-class individuals from Medellín or Santa Marta, to more rural and violent entrepreneurs from the region of the Magdalena Medio.

The younger generation of Medellín traffickers, which broke through around 1979, was again very heterogeneous. Most of them had some sort of criminal career background and were not that well established as the former group. But their background differed quite a lot. Pablo Escobar 'The Boss' was an urban lower-middle class youngster who started out by stealing headstones from local graveyards, scratching off the inscriptions and reselling them at bargain prices. He was later a car thief and an auxiliary helper in a small cocaine organization. Carlos Ledher, on the contrary, was a well educated middle-class migrant, fluent in English and German, who started in the United States as marijuana retailer and car thief and smuggler. Still different is the situation of the Ochoa brothers, the other main examples of that Medellín trafficking generation. They belonged to a well-off rural Antioquian family dedicated to cattle and horse raising, that also had a restaurant in Medellín. They started distributing cocaine in Miami setting up with their uncle an export-import firm. They enjoyed local protection and acceptance, which facilitated their legal economic activities and their relations with authorities.

Also in the southern region of the Cauca Valley, it is possible to find a variety of social origins amongst drug entrepreneurs. Usually from urban origins and even belonging to middle-class families, some had already a criminal background. Gilberto Rodríguez Orejuela 'The Chess Player' and José Santacruz Londoño 'The Student', both well-known cocaine entrepreneurs from Cali, had a kidnapping gang in the late seventies. Also some members of former guerrilla groups were converted into cocaine entrepreneurs. But many others did or do not have any past linked to illegal activities. Some were prosperous self-made local entrepreneurs linked to industrial or export activities, other were broken merchants in need of quick financial resources. It is also possible to find job-less young professionals, ex-policemen or local politicians. As Arango and Child pointed out, some interesting production and export strategies, favoured by cocaine entrepreneurs to strengthen relations with civil and political society,

opened the doors for professionals, politicians, bank robbers, military officials, fraud perpetrators, policemen, broken merchants, unemployed, prostitutes,

intellectuals, bankers, artists, cattle dealers, farmers, and so on (Arango & Child 1984, 185).

The heterogeneous origins of cocaine entrepreneurs can be explained by three characteristics of the cocaine business in Colombia. First of all, it is not possible to link it with a particular set of political actors, and it does not express a particular social conflict between clear social groups. It has been both an urban and rural phenomenon, and indeed a rather open and dynamic activity. Secondly, its huge prospects for quick social mobility raised expectations in all sorts of people, both excluded from and included in licit activities. In the third place, cocaine production and export in Colombia has had, for sure before 1995, rather low levels of negative social stigmas attached to it. Many law-abiding citizens would easily tolerate or even respect some drug entrepreneurs. They would become role models not only for the 'underdogs' but also for more or less successful and established individuals, sometimes even powerful, who would just wait for their opportunity to enter the business.

Cocaine Centres and Generational Change

This heterogeneity is also shown when Colombian cocaine enterprises are collectively analysed. Regional differences, with their own social dynamics, political environment and cultural markers, have shaped many cocaine 'centres' or focuses, each one with its own importance and momentum.

Partially following Betancourt et al. (1994), six different cocaine regions can be pointed out: Atlantic Coast, Antioquia, East, Central, Cauca Valley and Northern Cauca Valley. Although a categorization of different focuses has a socio-historical interest, it does not imply that they function as independent and homogeneous centres. The relation between them is sometimes complex and it has changed over time. There are for instance several organizations, located in specific regions, cities or towns, which were once linked and later became autonomous, and vice versa. Castillo describes in detail organizations and drug traffickers based in Bogotá, Cundinamarca, Armenia, Pereira, Ibagué, Villavicencio, Leticia, Ciénaga, Santa Marta, Córdoba, Valledupar and Cartagena (Castillo 1987, 41 and s.). Only in the Cauca Valley region, each town has many important drug entrepreneurs who operate more or less independently. The number of organizations is unknown. During the 'hot' year of 1989, the U.S. Senate reported that the Medellín organization consisted of 'approximately 200

individual trafficking groups'.³ In 1991, the U.S. Department of State claimed that there were between 150 and 200 organizations in total.⁴

Finally, another interesting difference between Colombian drug entrepreneurs is a generational one. Times are clearly over for the old generation of cocaine entrepreneurs, those that were successful and famous during the eighties and early nineties. They are either dead, imprisoned or retired, and their affairs and assets have been seized, washed or inherited. That generation, incarnated basically by the Medellín and to a certain extent the Cali groups, achieved some provisional central powers and managed to produce 'big names'. But the dynamics of both the international cocaine market and the policies to combat it showed in the beginning of the nineties that a new way to organize the business was necessary: flexibility, internationalization, management and risk reduction were all central to the success of a younger generation. In 1994, Rodríguez Orejuela himself explained this shift:

There is a generation change in narcotics trafficking today. Most of the new generation are under 30 (years) and have no criminal record. They are not known by Colombian authorities, much less by the DEA.⁵

This new generation incarnated by minor bosses and unknown names, which accumulated faster and safer than the old one, marks the end of the 'fordist' factory in the cocaine business. They have spread to new regions, even outside Colombia, relocating production processes, transport and distribution lines, and becoming the new small, flexible, anonymous and international cocaine entrepreneurs.

Flexible Co-operation: Entrepreneurs without 'Cartel'

Types of Enterprises

As it was the case with people and regions involved, cocaine enterprises are also heterogeneous. This illegal market in fact should be understood by the articulation of many kinds of legal and illegal enterprises, through the various market stages or sectors.

Regarding cocaine production, many sorts of enterprises can be found. Some could take the form of the so called *planteo* system,⁶ in which a single entrepreneur establishes close and client-based ties with coca producers. But most of the refiners produce cocaine just by buying the raw material, employing people, and selling it to the exporters. These units vary from small laboratories owned by one person - common until the early eighties but still surviving - to rather large refineries owned by many

business partners, who at the same time are also engaged in cocaine export.

Export enterprises, on the contrary, tend to be larger. Illegality makes cocaine export a very complex market operation. Successful exporters should combine economic, military and political resources (Krauthausen & Sarmiento 1991, 60). They need to have enough capital to afford costs and investments, subcontract services and pay-off law enforcers. They need at least a minimum security apparatus ready to use violence, to avoid theft, enforce agreements, neutralise law enforcement and discourage competitors. They finally need the proper connections, again to neutralize detection and to sell the product in the consumption markets. These requirements are hard to meet for independent, individual exporters. This market stage seems to be the most oligopolist of all. However, independent or individual exporters do exist. In fact, a proper combination of capital, violence and contacts is enough to enter the business, at least for some time or for smaller quantities of cocaine. There are many cases in which former employees, even bodyguards, of large exporters became, after the death or imprisonment of their employers, new independent exporters.

Large export enterprises do not imply 'large' in a literal sense. They are large regarding their availability of resources, the volumes exported and the profits made. As I shall further argue, illegality does not favour 'large', stable enterprises. Rodríguez Orejuela brother's group, for example, worked through a very complex system of contracting and subcontracting with many external actors, enterprises and organizations.

Many modalities of cocaine transportation enterprises have also been encountered. Some illegal exporters have their own means of transportation. This is the case of the rather small ones - by paying people to carry small quantities - or the first entrepreneurs who were using their own small planes. But as larger volumes and more distant markets appeared, specialized and separated transportation enterprises developed. Cocaine exporters usually contract their services, depending on the specific characteristics of each operation. Some are small, for example one or two pilots with a couple of special planes. There are also illegal shipping companies, with their own personnel and speed boats. Transportation has also been subcontracted to foreign organizations, as it is in the case of cocaine entering the United States via Mexico. Mexican organizations would receive the merchandise, pass it through the border, and deliver it to Colombian wholesale distributors. And of course, as it is in the case of large volume exports to the European market, legal enterprises are used to transport cocaine. From airlines and shipping companies to import-export firms, from carrier to

removal enterprises: all have been used to smuggle cocaine, either by paying-off some employees or by engaging more managerial staff.

There are also enterprises that specialize in money laundering. Although some exporter could have somebody to perform this task, for example when he owns also financial institutions, this - expensive - service seems to be more often subcontracted to special people: financiers, stockbrokers or investor experts. The more obstacles to clean their capital, the more they rely on the services of these companies.

Concerning military and security resources, most cocaine exporters do have permanent employees to perform some of these tasks - basically bodyguards and 'score settlers'. But again, cocaine exporters have relied very often on external apparatuses, such as private security firms, independent hired-killers, or paramilitary armed groups. Other peripheral companies offering their services to many cocaine entrepreneurs are also very common: law firms, real estate agents, architectural offices, etc. Almost all of them deal also with legal clients and enterprises.

It is clear that many kinds of enterprises are interconnected at this level of the cocaine business, performing multiple tasks, having different organizational forms, and offering diverse professional expertise. However, a strict and rigid labour division is not always the case. Small producers can export now and then, large exporters can also settle scores personally, bodyguards can be supervising transportation, or carriers can be also smuggling their own cocaine. Frequently, each entrepreneurial unit perform many tasks, changing and modifying them according to the dynamics imposed by illegality.

Finally, this flexibility is also reflected in the durability of cocaine enterprises. Some can last long, but in the cocaine market many sporadic enterprises are rather frequent. It is common that two or more traffickers become partners for a single operation. At the level of production, throw-away kitchens are not rare.

On Patrones⁷, Deputies and Labourers

The cocaine industry in Colombia offers precarious or stable occupation to a range of groups and individuals. A short list includes unskilled labourers, chemists, technicians, rural workers, peasants, carriers, boat and aircraft pilots, car and track chauffeurs, representatives, couriers, individual smugglers, bodyguards and escort personal, racketeers, hired-killers, lawyers, accountants, finance advisors and investors, custom and police officials, intellectuals, merchants, etc.

It should not be necessary to stress the heterogeneous nature of this labour force. It ranges from urban to rural, from unskilled to high-quali-

fied, from subsistence wages to well-paid salaries, from collective to individual, from part-time to full-time, from very risky and violent to rather safe and mundane. They include poor residents from urban slums as well as upper-class individuals.

Although this can change from one organization to the other, in large cocaine exporter enterprises four typically different roles or tasks can be identified: the *patrón* (leader or chief), the close assistants, the professionals and the mass unskilled workers. All cocaine enterprises have a *patrón* who co-ordinate all transactions. This role can be shared also by two or more people, usually when the entrepreneurs are close friends or relatives and equally active in the business: the Ochoa or Rodríguez Orejuela brothers, for example. Some, such as Pablo Escobar, would maintain personal control even on small details. Others would just delegate more.

The assistants or *lugartenientes*⁸ (deputies) are people close to the *patrón* to whom the practical development of operational matters is entrusted. They combine, in a rather eclectic way, the tasks conferred to private secretaries and managers in legal business. Close friends or relatives of the *patrón* are often in these positions. Next to them, some 'second line' *lugartenientes* can also exist in large organizations. They take more specific responsibilities, such as the acquisition of cocaine base, the transportation, the wholesale distribution or the co-ordination of military and security resources (Krauthausen & Sarmiento 1991, 45).

Individual professionals for specialized functions are employed by the entrepreneurs. Chemical engineers, experienced pilots, security experts - often retired policemen or military officials, economists, lawyers and a wide range of professionals for the administration of their legal businesses: hotel and business managers, etc. Except for the latter, they all receive higher salaries than the average they obtain in the legal market.

Finally, cocaine entrepreneurs employ many people with almost no labour qualifications. They are absolutely essential for the business development, and perform one or several tasks in a very flexible way: bodyguards, kitchen workers and watchmen, raw material and cocaine uploaders and downloaders, chauffeurs, couriers and *encaletadores* (load-keepers). Of course not all of them require the same skills and they do not have the same occupational prestige. This can vary, for example, from the low ranked *lavaperro*⁹ to the rather professional courier. However, it is interesting to point out that most of these flexible workers either perform more than one of those tasks at the same time, or have been 'promoted' from one to the other. Although some of them have high expectations to climb and become entrepreneurs, for the majority it means a regular, irregular or even an extra job.

Colombian 'Cartels'?

When analysing Colombia's drug organizations and entrepreneurs, the first, major obstacle is the enormous popularity and durability of the term 'cartel' in almost any account about these phenomena and groups. Since the DEA first applied it to the Medellín traffickers in the early eighties, this term, borrowed from economics, has been widely and uncritically used by policy-makers, politicians and journalists of all kinds. However, it is more than a semantic problem. Within the context of a war on cocaine, it has no doubt been and still is politically useful for many groups to call cocaine export organizations 'cartels'. As a convincing metaphor, it implies: a) a very powerful and highly organized enemy, easily identifiable, b) the image of a conspiracy against the consumers through secret agreements on prices and output, c) oligopolist raw market exploitation; d) a threat to the fair economy and entrepreneurs; and e) a legitimation for continuous requests for more resources and powers to fight it.

Academics and researchers have appreciated the concept variously. Most of the studies have rejected or criticized it,¹⁰ but the term resists being abandoned altogether. Some scholars, mostly from America and Europe, dedicate a footnote or a paragraph to explain their reservations, only to continue talking about 'cartels' without further notice.¹¹

In economic terms, a 'cartel' is a formal agreement between firms in an oligopolist market to co-operate with regard to agreed procedures on such variables as price and output. The result is diminished competition and increased co-operation over objectives as, for example, joint profit maximization or avoidance of new entry.¹²

Several problems appear when looking at the reality. The first surprise is that both media and official government sources continually make references to several cocaine 'cartels' - generally associated with some city or region - which by definition refutes the very existence of a 'cartel'. Secondly, cocaine business illegality makes the formation of a workable 'cartel' difficult. The risk minimizing strategies that must be followed to make an illegal operation successful encourage a loose structure, in which it is not possible to plan production levels, to achieve economic agreements and to give orders to be carried out through several layers of production and distribution (Thoumi 1995, 143). The groups have very little control over production volumes, including even coca production. On the other hand, prices at the retail end vary a great deal from place to place, depending on the access of each buyer and seller to distribution and marketing networks. Neither stability nor changes in prices are related at all with any kind of agreement between producers and exporters.

In organizational terms, relations between different actors - coca peasants, paste manufacturers, couriers, cocaine refiners, exporters, distributors, etc.- tend to be very fluid and flexible: cocaine business structure quickly adapts itself to changes in the business environment brought about by the activities of law enforcement agencies and other factors (Thoumi 1995, 143). Although things like, for example, transportation insurance mechanisms appear to be well-organized, many of these relations are short-lived, and participation in shipments or transactions mutates constantly. The fact that cocaine trafficking requires a range of interconnected and specialised personnel - buyers of paste or base, chemists, engineers, pilots, wholesalers, money launders, accountants, lawyers, professional assassins, etc. - does not imply *per se* a very highly organized structure.

There is empirical evidence against the popular view that drug trafficking is dominated by pyramidal structures with 'Mr. Big' at the top in control of everything. To reject the image of Colombian cocaine groups as powerful and centralized corporations with boards of directors and vice-presidents for every different branch, is not to deny that Colombian cocaine entrepreneurs do organize themselves in tasks such as co-insuring cocaine shipments, engaging in joint smuggling or production ventures, or exchanging loads. It does not mean either they have not reached specific agreements - hardly ever economic ones, and more often of political and military nature regarding assassinations, counter-intelligence, etc. Neither does it mean that they do not control in an oligopolist way some of the phases of the process - for example exportation to American and European markets - nor that they operate without economic rationality.

The cocaine business can best be seen as a complex articulation of very differentiated networks in which relational ties - basically dyadic ones - function under different rationalities. They range from typical peasant production relations, to face-to-face interactions characteristic of the dealer-consumer relation, to more business-like ties such as in big-scale production and exportation. Even within these entrepreneurial stages, one meets with a range of small independent exporters, varying from individual adventurers smuggling a few grams with high risk, to small groups controlling specific markets. The dyadic character of the relations has to do with the illegal nature of the business. In general, participants in the business only know about their own role and the immediate level below them, but they hardly know anything about the levels above, and they completely lack a general picture of the business (Thoumi 1995, 141-142).

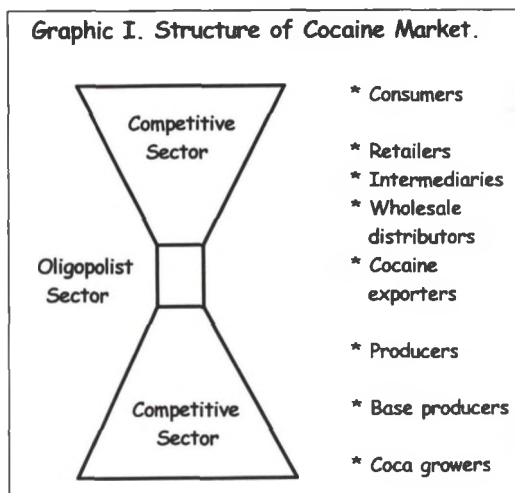
In fact, the relatively decentralized and amorphous nature of such groups and coalitions, and the frequent use of relatives, friends and neighbours for

different tasks and functions, has also been a key pattern for protection and success:

Every *capo* is the maximum authority of his organization. It is very difficult to destroy the organization simply because it does not exist. If somebody falls down or for any reason loses his markets, his position is immediately taken over by other or others (Arango & Child 1984, 186, translation DZ).

Furthermore, the institutional organization of cocaine entrepreneurs is rather precarious, and it precludes nothing resembling a bureaucracy in Weberian terms, especially one that would survive after the replacement of its leaders (Krauthausen & Sarmiento 1991, 36).

Far from decreased competition, as a cartel implies, frequent violent clashes seem to be common between various groups, which attests to the difficulty that any group has in exercising strict control over the business and over their organizations. Even successful vertical integration of processes - from coca leaf production to market distribution - by a certain group or individual has been precarious, variable and always subject to conflict and mutation. The cocaine business is in fact remarkably open to newcomers, including those who take the place of former entrepreneurs as well as those who exploit new markets and new routes. This dynamism, caused by the spread of persons who want to enter a business that offers great opportunities, virtually enables anyone with the money, the supplier and the ability to avoid being caught or ripped off, entrance at any level (Block & Chambliss 1981, 56).



Between Co-operation and Savage Competition

Summarizing, the cocaine market can be conceived as a sandglass (see Graphic I) regarding the number of participants, with the two extremes highly competitive and a central oligopolist sector (cocaine exporters). Although they have a strong negotiating capacity between coca producers and cocaine consumers, they do not constitute a 'cartel' since the dynamic of the upper competitive sector (e.g. with price formation or production volumes) prevails.

Illegality and risk minimizing strategies have a double impact on the oligopolist sector: they make any organizational arrangement or enterprise structure sporadic, flexible and changeable; and they create a *sui generis* link between small and large export enterprises based in a combination of co-operation and savage competition.

Co-operation between large enterprises hardly takes place in economic terms. Despite some ephemeral - supposed - agreements in the early eighties about territorial distribution of the American market (Castillo 1987, 114-115), co-ordinated actions have a military nature: assassinations, death squads, counter-intelligence, etc. usually against common enemies such as state officials or guerrilla groups. Business co-operation between large and small or individual entrepreneurs, on the contrary, does exist. There are three known systems created by large enterprises to allow and encourage independent or individual exporters to keep active in the market.

The first mechanism is called *apuntada* (join up) and consists of a joint export venture offered by large exporters to people outside their organizations. They participate, according to their own financial resources and their relation with the exporter, either with money or with cocaine. Since the total amounts of cocaine are large, they are sent in various shipments lowering overall risk. In fact not only small organizations can participate with their modest quantities, but any capital investor can become a cocaine exporter. This system is used not only to distribute risks but also to compensate favours from friends, politicians and civil servants, extending the business into society (Krauthausen & Sarmiento 1991, 32; Thoumi 1995, 145). It is also usual that large entrepreneurs allow smaller ones to send cocaine loads through their own networks, just charging for the service. A third way of co-operation is evidenced by the transportation insurance mechanisms also granted by large entrepreneurs. In this case, they offer to the small exporter not only the line, but 100% refund if the load is seized. If it is not, the insurer gets a percentage. Large entrepreneurs can offer this insurance service due to their ability to reduce risks.

But next to these co-operation mechanisms, savage competition - i.e. without rules - seems to be a principle within this oligopolist sector. Most

evident between large entrepreneurs, this competition has taken various forms: from direct open war (physical elimination, thefts, attacks, etc.) to collaboration with law enforcers tipping them off about other entrepreneur's movements and operations. In fact, a great deal of the cocaine seizures and big 'hits' by law enforcers rely on these tips. Savage competition is even visible within organizations themselves: many large entrepreneurs killed or imprisoned have been betrayed by people of their own organizations, who have used violence or have broken their silence.

The Ambiguity of Trust, Violence and Secrecy for Cocaine Entrepreneurs

When describing this or other illegal markets, almost all observers have highlighted the central role of violence, secrecy and trust in illegal enterprises or organizations (Arlacchi 1986; Gambetta 1993). In some cases, such as with secret societies or terrorist groups, many authors have stressed the symbolic nature of these aspects for their binding rituals, identity construction and social reproduction (Blok 1991a, 142; 1991b, 195). However, when focusing on drug entrepreneurs and organizations, a more instrumental approach has mainly prevailed in which violence, secrecy and trust are analysed as highly strategic resources subordinated to economic needs and considerations (Arlacchi 1986; Krauthausen & Sarmiento 1991; Thoumi 1995; Gambetta 1993). In following this path, I do not want to deny the symbolic dimension that violent behaviours have, for example, in the construction of identities or for subjective notions of honour and respect.

But cocaine entrepreneurs are essentially interested in making money. Their business being illegal, risk minimizing strategies are crucial for maximizing profits. They resort to violence in the absence of external regulating devices, they heavily rely on trust in the absence of written agreements, and they keep their activities secret to avoid detection. This seems reasonably and widely accepted.

I argue here, however, that these three resources have been used by cocaine entrepreneurs in ambiguous ways, and that they constitute at the same time both essential tools and serious obstacles for success.

Violence

Illegality turns real or potential violence into a resource with several purposes (Thoumi 1995, 134). First, it is used as a threat to enforce deals or as a conflict resolution system when business deals go wrong. From

prevention of being cheated to punishing misbehaviour or failure, from 'settling scores' to getting rid of creditors, cocaine entrepreneurs have very often resorted to threats or assassinations, both with business partners and with their own personnel. Second, violence can be used as a threat against competitors to prevent them from intruding in one's market or from reporting the business to the authorities. Good example of this are the Miami Cocaine Wars¹³ (1979-1981) or the many attacks and assassinations between Medellín and Cali traffickers. Third, violence protects the illegally obtained property or profits from theft and robbery, both from insiders and outsiders. Finally, it can be used against law enforcers to force policy changes or to avoid capture or seizures. Ministers, judges and thousands of policemen have been killed by large and small cocaine entrepreneurs.

Violence has indeed a permanent latent presence in the cocaine business. In contrast with more political organizations - e.g. *mafia* groups, guerrilla or paramilitary organizations, etc. - where it appears as a 'commodity' in itself, violence is for cocaine entrepreneurs one of the resources available. As 'meaningful' (Blok 1991b) and 'instrumental' means to prevent or solve conflicts, even in the cocaine market violence seems to be used as a last resort (Krauthausen & Sarmiento 1991, 195).

The nature of the cocaine business imposes on itself structural limitations to the excessive use of violence. In fact, cocaine transactions are based on agreed exchange rather than on violent extraction, as it is the case in parasitic activities. An ideal deal does not or should not have to include physical violence. In fact, more important than the exercise of violence is the 'threat' of violence. A violent reputation - i.e. the conviction that somebody is ready to use violence if necessary - can indeed be enough in many cases to neutralise retaliation or 'dirty play' and push forward a deal. Miguel, a professional courier, recalls from a Dutch prison:

A guy from our group thought that I had something with his girlfriend, which wasn't true. He said he was going to kill me, but the *patrón* told him that he would kill him, his children and the next five generations. The day after the guy apologized.

But too much violence can discourage potential business partners to deal with a reputed violent entrepreneur. The case of Griselda Blanco, 'The Black Widow', is well-known. A leading figure in the Miami Cocaine Wars, her cruelty endowed her with too many enemies. Tano, an employee working for a wholesale distributor in The Netherlands, explains:

(...) Tico was the guy for the job. Not like Horacio who is impulsive and you never know. Tico is perfect, he remains cool no matter what. He looks dangerous and you should have seen these Suris looking at him, they were scared. With Tico is much better, Horacio caused lots of problems.

Excessive violence can also attract the attention of authorities or can provoke an escalation that could damage market performance.

Entrepreneurs themselves use several other mechanisms to prevent or avoid the use of violence. Even when trust has failed there is still a gap before actual violence. For example, in cases of business failure or rip-off, entrepreneurs would try to get first a 'civil' compensation: money or a favour in return. In other cases, they would just forget about it or they would be satisfied with an explanation. In fact, it is amazing to see the amount of conflicts and problems faced by entrepreneurs that are solved in a non-violent way. Again Miguel, in a joking mood:

I had to stop in Venezuela for a couple of days, just two days, but I stayed for a month 'cause I met a beauty. Can you imagine? Yes, you pay with life if you rip-off the *patrón*. He was really worried, so he sent two men after me. They found me, but when I showed them that the merchandise was with me and it was all right, nothing happened. They just told me to move my ass...

Fear also neutralises violence. So does the threat of being denounced to the police. The frequent use of relatives and old friends also puts a limit to the use of violence, turning for example a killing into a denunciation. Almost every cocaine entrepreneur in Colombia knows that it is better to bribe a policeman or a politician than to kill him. They have killed a lot, but those using less violence against the state had more chances to survive or even keep in business.

Finally, violence affects their relation with civil society. Again, too much violence would deny them both the acceptance from the traditional elite and the tolerance from civil society which is essential to survive.

The clear success of *Valluno* cocaine entrepreneurs after the Medellín group started to collapse in 1991 was less the effect of the so called 'cartel wars' of 1990, than of the fact that they were, at the same time, investing in a legal business empire, cultivating political influence, and, even more important, adjusting and improving their business methods: reducing risk, achieving economies of scale, just-in-time supply, developing new products - heroin - and markets - Europe and Japan - and introducing new technologies.¹⁴

Secrecy

It is not difficult to imagine the centrality of secrecy for cocaine entrepreneurs. They have to minimize risks, avoid detection and neutralize competition. Secret measures or practices can be seen at any level: production, smuggling, etc. The spread of 'beepers', mobile telephones and even the use of secret words or codes show that secrecy is essential to close deals or pass information. Discretion is highly valued by business partners or employers, and therefore the people who 'keep their mouth shut'. They cover up their activities, and sometimes they even hide them from family and friends.

Again, for cocaine entrepreneurs, secrecy is a more or less useful resource and not some essential aim in itself, as in secret societies. They are 'forced' to do some things secretly, but only regarding operational matters. As I already explained, the flexible nature of their organizations disables any sort of permanent 'secret membership'. They do not move with some secret set of rules, but with very pragmatic and changing measures, which include secrecy.

In fact, cocaine entrepreneurs seem to hate secrecy. As Ernesto, who for a while was involved in the cocaine business in Cali, explains:

It is a hard life, all the time hiding from police or people who want to kill you. I used to walk all the time looking everywhere. I can range 180 degrees without moving my eyes. I know people like me who left the business because they were just very tired.

Secrecy is an important resource, but it also operates as an obstacle in two different ways. In the first place, regarding the business in itself. After all, they have a merchandise to sell, and in one way or another they have to advertise it: cocaine entrepreneurs need to let potential partners know that they have a good quality product, that they manage a good price, and that they are able to deliver it. As in any legal business, good public reputation counts. Of course they will try to limit the number of buyers for security reasons,¹⁵ but with too much secrecy they would not be able to operate. Besides, they can not rely on bureaucratized or standardized marketing methods as in legal business.¹⁶ For a single transaction, there are often many contacts made, a good number of meetings, and very long discussions about small operational details (Krauthausen & Sarmiento 1991, 196). In this way, it is not surprising that one of the most successful police methods against cocaine entrepreneurs has been telephone tapping.

For many business actors, their daily activities are a subject of conversation with friends or close people not involved. Feelings of pride, compas-

sion, regret, hate, fear or misery come up frequently with the job and are often a trigger to talk with outsiders. It is not rare to find people that behind a paranoid discourse on secrecy, in fact talk and share, openly and indiscreetly, their experiences within the cocaine business. Alcohol drinking, and the particular print of ludic activities and consumption patterns that surround the illegal business, contribute to the disclosure of sensitive information and codes.

Successful operations do not seem to rely that much on keeping shared information as a secret, but on ignorance. To know and exchange the strictly necessary information is often the case along the different levels of a cocaine operation. In this way, secrecy manifests itself as social fragmentation rather than as a bounding or integrative device.

Secondly, secrecy creates a clear difficulty for their social expectations and reconversion strategies. Illegal entrepreneurs want to be recognized as successful entrepreneurs and be accepted as such. They have invested a lot of money and efforts to become 'public' figures, in many cases without really hiding their obvious income source.

The more powerful they are, the more open and public they become. They use (and like very much) to show up in well-known restaurants, bars or discotheques. It is not rare that they even talk openly about business in these places. For an outsider, it is only a matter of minutes to recognize them. People will not know about their operations, but will usually be able to point out 'who is who'. In small towns, everybody knows the 'big shots' even by name.

Trust

Trust, as a risk minimizing strategy, is a very important feature for successful business performance. This seems to be true for any sort of transaction involving risks, whether it is legal or illegal. However, the huge profit margins and the absence of a formal juridical apparatus to order and regulate transactions, contribute to increase the chances of 'dirty play'. Agreements have a great chance of being transgressed or misinterpreted, and so there are temptations to cheat, steal, denounce or even kill counterparts. For example, expectations for a single successful theft of 100 kg cocaine (worth around US\$ 2 million) can prevail over the interest to continue business with some entrepreneur.

Next to violence, trust constitutes the other pole on which any illegal business seems to rely (Arlacchi 1986). To avoid rip-off or detection, it is essential to work with trustful people, both as employees and as business partners.

Cocaine entrepreneurs have many ways to construct trust. First and foremost, through the use of family members and close friends. It is extremely common, if not a rule, to find brothers, cousins, nephews, partners and old good friends constituting the core of cocaine enterprises. Bonds created around a common socialization or kinship are important guarantees for reciprocal loyalty. This is the case for all levels, from cocaine production to distribution, and for long distance relationships between different levels.

Again, it should be emphasized the mere instrumental nature that kinship has in the Colombian cocaine business. Organizations do not have any fixed labour, organizational or hierarchical division around kinship. Who owns the 'family business' is just a matter of skills, luck or other variables. Two brothers might be partners or one might be working for the other. Women might both participate or give orders to their sons or husbands. Many relatives might not be involved at all, and close friends might be, as it is often the case, more important than blood-related people. Colombian cocaine enterprises differ from other illegal organizations where 'clans' or 'families' are basic in their constitution and reproduction. In this sense, the 'collective spirit' that means to trust a relative or a friend has less to do with an abstract identification with 'equals' but more with shared aspirations and aims: to successfully make money and to remain uncaught (Krauthausen & Sarmiento 1991, 43).

Trust can also be pushed forward by the existence of a power relation. Reciprocal dependence of any sort can expand loyalty, even if it is a pragmatic one. People owing favours, people who have been given a 'second chance', people who can be potentially blackmailed ('he knows my family') or denounced ('he knows many things about me') have some chances to be trusted.

A past in common can also facilitate trust. From a shared criminal background to a common past in the police, some guerrilla group or university. But is not possible to work only with known people. Another way to build trust is through the intervention of a third trusted person who can introduce or recommend a newcomer. The closer and more powerful this third party is, the better the chances to gain trust.

Further, trust seems also to increase when everybody is happy about profit distribution or remuneration (Krauthausen & Sarmiento 1991, 202). If somebody feels exploited, badly paid or not earning what he or she should, there are strong possibilities that he would try to look for other partners or employers, including the police.

But above all, as in any legal branch, trust is only gained in doing business: sticking to agreements, achieving maximum labour efficiency,

bravely assuming the risks of illegality and protecting personal as well as others integrity. Good workers and partners are highly appreciated and carefully kept. On-the-job reliability can only be shown with experience. In some cases, for instance with the contract of hired-killers, after credentials have been accepted, a test or proof can be asked. Others will have to start from below and go through a trial period to gain know-how and see what the person is up to. There are also 'test-deals' to try the trustworthiness of a certain partner or line.

Despite all this, Tico, a Colombian dealer active in Cali and Amsterdam, reflects scepticism:

You can not trust anyone in this business. People will try to steal you if they can. Police is easier to recognize, but I trust no one.

An ideal trustworthy person would be a relative who is both responsible and economically satisfied. But such people hardly exist and only one of the variables mentioned before is too little to gain trust. In fact, in the cases when trust does exist, it seems to be transitory, fragile, always at the edge of falling down.

Betrayal and distrust are also essential resources to survive in the cocaine business. Betrayal between blood relatives is infrequent, though not rare. Betrayal between old friends is very common, even between people working together for many years. A power relation as a backup for trust marks in fact the somewhat blurred line between trust and violence. The intervention of a third person or the recommendation by known people, is a trust source that cocaine entrepreneurs often regret. As Riverito, a wholesale distributor, laments from prison:

My friend said that the guy was his friend, but in fact they saw each other two or three times before. I trusted the guy. He said he had good contacts and spoke with fluent Colombian accent. But he was a thief, and also working for the police. In fact, I even mistook in trusting my friend.

Trust as a result of 'job satisfaction' or agreed profit distribution is also fragile. If business goes well, usually people would think in more money, better tasks, or in becoming more independent. Even when a cocaine deal is successful for everybody, there is a strong tendency from each party to believe that it is 'smarter' than the other. Finally, trust constructed through work reliability - skills, efficiency, responsibility, etc. - seems to be stronger, and partly explains the international character of the people involved in the business.

Trust attached to particular groups can favour their inclusion or exclusion from business. Both *Paisas* and *Vallunos* have, for example, tended to distrust people from the Atlantic Coast, whom they felt closer to other Caribbean groups such as Antilleans or West Indians.

The Social Impact of Cocaine Entrepreneurs

This particular business social structure has had indeed a strong impact on Colombian society and institutions. The same social conditions that favoured for the last 25 years the development of the cocaine business in Colombia have been at the same time, in most cases, reinforced by business expansion. In social and political terms the existence of the cocaine industry has been a disaster for Colombia and one to be added to the already many existing problems in the country.

But the cocaine business is not the 'source of all evils', as it has often been portrayed. The impact of cocaine entrepreneurs has been heterogeneous and changing from place and time. The cocaine business has definitely contributed to state de-legitimation, growing corruption, increased feelings of impunity and to all sort of problems regarding Colombian foreign relations. It has also contributed to the increase of the long-suffered internal armed conflicts, and the amplification of other social violence. All these social phenomena were there long before the cocaine business appeared, and will probably survive if the business would disappear tomorrow. Some question marks about the political nature of cocaine organizations will also illustrate the readiness of many observers to find in drug enterprises and entrepreneurs omnipresent explanations for complex social problems.

Social Legitimation: Strategies and Encapsulation

Whatever their origin, cocaine entrepreneurs as *nouveaux riches* tend to develop medium or long run strategies for reducing the local opposition of traditional dominant groups. The possibility for these new entrepreneurs to gain recognition and acceptance varies with the socio-cultural and economic conditions of each region and depends on several other variables as well. These include the landowning situation; the local patterns of capital accumulation and the ways in which capital is laundered or reinvested; the presence or absence of guerrilla or paramilitary activity; the nature of political leadership and local community organization; the forms of state repression; the strength or weakness of local social organizations; etc. (Camacho Guizado 1994, 168).

Whether the entrepreneur has a rural or a urban background also influences their behaviour and acceptance. It is one thing to be an enriched peasant reproducing and reinforcing the values of the local community through philanthropic action and clientelist relations within the rural areas. Next to the development of patron-client relations, they would be primarily directed to consolidate themselves as new landowners. Their social acceptance has been rather weak, since they have resorted to extreme violence against the state, other competitors, old landowners and guerrilla organizations.

Not very different has been the case of cocaine entrepreneurs coming from poor urban strata. They encountered social resistance from traditional elites, and had to strive hard for social recognition. They combined open violence against state and competitors, social investments - from jobs to some infrastructure - to gain the support of popular groups and some attempts to support financiers, industrialists, merchants or politicians in need or decline with credits or capital investment. A paradigmatic case here is Pablo Escobar.

But other illegal entrepreneurs did better, those who already had good connections with middle and upper urban classes. *Valluno* cocaine entrepreneurs, for example, tended to combine very selective violence, local economic investments and the cultivation of local and national loyalties through massive corruption. With a lower profile, their social investments were not direct but mediated through political and social institutions: churches, municipalities, football clubs, existing political parties, etc. But not all of them managed to be accepted. Many middle-class professionals or other quickly enriched individuals did not enjoy local recognition. However, clashes with local elites were avoided and their pretensions for social acceptance were reduced to ensure the future acceptance of their children as members of the intellectual or economic local establishment.

Colombian Mafia?

Not that much as economic agents, Colombian cocaine entrepreneurs have also been seen as powerful political and social actors. Large social power accumulated through illegal activities, interweave and conflict with state and local agencies through corruption or violence, clientelist relations and family business, all things that quickly allow many observers to portray drug entrepreneurs as true *mafiosi*. Again and again, media and law enforcers around the world have been tempted to use the word *mafia*¹⁷ as a synonym for Colombian cocaine organizations.

Even respected Colombian researchers as Betancourt et al. (1994) or Arango (1988) apply and elaborate on the concept to adapt it to the

Colombian context.¹⁸ The information they provide, however, is good enough to avoid easy analogies with the Italian case.

For Krauthausen (1994), Colombian drug organizations and the Italian *mafia* are two different forms of what has been broadly defined as organized crime. Their point of departure follows a different logic and even their everyday activities diverge to a certain extent. They differ very much concerning historical origins, organizational models and their relations with civil society.

In the first place, Colombian drug entrepreneurs are primarily guided by a 'logic of market', opposed to the 'logic of power' that primarily characterises *mafiosi* groups (Krauthausen 1994, 119). What is important for *mafia* groups is the exercise of social, political and especially economic control, through protection, extortion, etc., within certain territorial limits (Gambetta, 1993). Since territorial control is a primary feature, the creation of monopolistic niches and the diversification in several legal and illegal activities often occurs. Blok (1974) has also highlighted this dimension of local power brokers:

Mafiosi depend very much on personal relations with a local clientele - their 'home farm' so to speak - whose growth takes time. Their power domains are locally phrased, and it is precisely their control over a distinct locality that enables them to influence higher levels of society as power brokers (Blok 1974, 225-226).

The evolution from a 'traditional' to a more modern 'entrepreneurial' or 'financial' *mafia* (Arlacchi 1986) does not contradict this centrality of the 'logic of power'. There is no reason to believe that these groups will limit themselves to the field of protection and extortion, if other classical legal and illegal economic activities would in the end be even more beneficial. They will definitively profit, as economic agents, from their advantaged position - networks, loyalties, political control, etc. - over other actors: power becomes for them a bridgehead for market.

For Colombian drug organizations, on the contrary, territorial control only plays a secondary role. They have grown and live from and for a market which is international. Although Colombia in general and some of its regions in particular - because of social, economic or geographic competitive advantages - constitute something like a 'home farm', it only derives meaning from the dynamics of the drug market. Their monopolistic ambitions - which, as I mentioned before, are more a dream than a reality - have to do with the several phases of the international cocaine market. Their influence in higher levels of society (or even politics) is not based

in their capacity to negotiate or mediate the collective interests of others. Very few have engaged in politics, and even when they had the power to appoint local authorities their only concern has been to protect their business and integrity.

In Colombia, where the state has been weak and never actually achieved a legitimate claim on the monopoly of violence, there are of course many local - violent - powers that either 'parallel' the state or act as mediators between clients and power holders. But in general, these local powers do not mainly coincide with the Colombian drug organizations. Again, as in the case of *mafiosi* groups, one logic does not exclude the other. The logic of power also plays a role amongst drug organizations, that also exercise protection, extortion, grant favours to friends, etc. But the considerable social, economic, political and military control that some traffickers exercise within their zones of residence, is a direct result of their success as illegal entrepreneurs. In part, this control is essential to protect an illegal business. On the other hand, this control is a consequence of capital accumulation in the drug market, and their strategies - through many forms of philanthropy, sponsorship, social investment, etc. - to become accepted as new local dominant classes (Camacho Guizado 1994, 163). The market becomes, in this case, an excellent bridgehead for power.

Moreover, *mafiosi* groups and Colombian drug organizations have different historical origins. The emergence of Italian organizations, going all the way back to the second half of the XIX century, runs rather parallel to and is interconnected with the process of state formation.¹⁹ Since their very coming into existence, state and *mafiosi* groups have competed and co-operated with regard to shared properties such as territorial control, protection, extortion, violence and power.²⁰ Colombian drug organizations, on the other hand, have emerged and developed, in the short period of 25 years, from the exploitation of one specific economic illegal activity. Competition or co-operation with state institutions - and their functions - has been more of an outcome of business success or failure than an original attribute. From an historical point of view, Italian *mafiosi* organizations are better comparable with the diverse local factions clashing during the so called period of *La Violencia* (The Violence) (1946-1966), with the groups controlling the emerald mines in the centre of the country, or indeed with paramilitary and guerrilla groups.

Contrary to the secret and family-oriented character of *mafiosi* groups, Colombian cocaine organizations are well known for their public and open nature. Networks of family and friends, although rather common within the cocaine business, are always subordinated to economic considerations - i.e. risk minimizing. They function with a very loose, changing internal sets

of rules. Their pragmatic practices contrast with stricter codes of conduct of *mafiosi* organizations. The lesser tendency for the hierarchical imposition of authority is also a distinctive feature in Colombian drug organizations.

Finally, these differences also imply divergent relations with civil society. Even being illegal entrepreneurs, *mafiosi* will primarily be seen by other social groups as more or less legitimate power brokers. Their intrinsic 'para-intra-state' nature remains the key feature in their relation with society. Colombian drug traffickers, on the contrary, will be judged by surrounding social groups primarily as more or less legitimate entrepreneurs. Even when they exercise violence or provide protection, they will tend to be accepted or opposed as economic actors.

Cocaine Entrepreneurs and the State

The cocaine business has had a wide impact on the political and administrative system in Colombia, accelerating the de-legitimation processes, already ongoing before the rise of cocaine industry. This de-legitimation regards several institutions such as the police, the judicial and legal system, state bureaucracies in general, etc. The process has taken place through different means.

A first resource has been corruption. The widespread use of different forms of 'contributions' - regular or special payments, donations, favours, etc. - from the very local level to the top, has ranged across institutions connected or not with the state: political parties, judiciary, public ministry, police, military, parliament, city councils, universities, enterprises, etc. Although the illicit drug industry amplified corruption, already existing traditional clientelist and closed political relations were a very good soil for collusion. Some state institutions have suffered more than others: police, judicial system and the legislative power have lost, both in reality and under the eyes of public opinion, more credibility than, for example, local or national executive power. Buying off journalists has also damaged information rights.

A second way of weakening the state has been the open use of violence and intimidation. In cases such as Escobar's war in the late eighties, it included assassinations, car or other bomb attacks, kidnapping, systematic killing of police forces and judges, the spread of intimidation and threats, etc. Although the state has reacted in some cases, also with violence and spectacular operations, most of this violence has remained unpunished and has helped to normalize societal feelings about impunity, injustice and powerlessness.

Illegal entrepreneurs have also entered in competition with the state. Although they do not primarily seek territorial control through various forms of political and social control, they have in fact profited from state deficit. Social programmes sponsored by Medellín traffickers in urban slums clearly indicated that local and national authorities were unconcerned about these social groups and problems. Successful paramilitary actions against guerrillas, also sponsored by drug entrepreneurs, have shown the powerlessness of the regular army. Private security boom or social cleansing groups supported by Cali traffickers have also exposed a deep crisis in public law and order.

Another threat for democratic state performance has come from abroad. The existence of the cocaine business allowed the international community, led by American foreign policy with regard to Colombia, to strongly interfere in domestic politics, through diplomatic pressure, economic and political sanctions, and all sort of conditioning for help and co-operation, weakening national sovereignty and transforming international relations into an undesirable 'narco-diplomacy' (Tokatlián 1995).

Finally, the illegal drug industry has been pervasive in amplifying the 'dishonesty trap' into more general relations within civil society and with the state (Thoumi 1995, 236). Arango (1988) claims that *paisa*²¹ mentality is based on entrepreneurial values, with good skills for business, but with a strong tendency to measure social worth by personal material wealth, regardless the means to achieve it.²²

The real or imaginary individual success of illegal entrepreneurs has had a negative impact upon the democratization of society. As moral entrepreneurs, they do not stress values around solidarity, but often those on individualism, materialism, violent solution of conflicts, respect for the hierarchies, etc., enforcing widespread disrespect for any laws and the rights of other citizens, and the idea that state institutions are almost an obstacle for personal success. Widespread impunity has also contributed to such a situation.

Cocaine Entrepreneurs, Guerrilla and Paramilitary Groups

Twenty five years of the cocaine business in Colombia has also introduced new developments within the military conflict between the state and guerrilla groups, with an outcome of increased violence, principally para-state and private violence.

The guerrilla groups, in particular the *FARC*,²³ have found in coca and opium growers a social base, who reciprocally have found in them some protection - not always agreed - against state repression. This relationship took the form of a compulsory taxation (*gramaje*) for defending the illegal

crops, the kitchens and the air-strips against state repression. Beyond any doubt this has been, next to kidnapping and the 'revolutionary' taxation on landowners and legal enterprises (*vacuna*), a very important income source for the *FARC*. This has not only limited government's opportunities for building alliances with coca peasants but has turned them into priority targets of their military actions against guerrilla groups. The repression of coca peasants and coca fields, without any alternative help for rural employment or crop substitution, has only reinforced the military power and the social legitimation of guerrilla organizations (Vargas 1998, 32).

In the early eighties, guerrilla groups also found a provisional alliance with large cocaine producers, providing protection of large cocaine refineries. A *narco-guerrilla* connection was politically used by United States, linking its anti-drug policies with anti-Communist policies in the region²⁴ (Thoumi 1995, 159). This 'two birds with one stone' policy has been recently resurrected by the Colombian military, since they got involved in anti-drug policies and both coca cultivation and guerrilla activity expanded.²⁵

But as early as 1982 guerrilla organizations and cocaine entrepreneurs clearly started going down opposite roads, since guerrilla organizations such as the M-19 tried to demand the *vacunas* imposed on traditional landowners, and targeted them as a source of financing, mainly through kidnapping and extortion. As a result, drug entrepreneurs organized themselves to defend their property and people, supporting and arming paramilitary groups to fight off guerrillas and anyone who sympathized with social reform. The social alliance between drug entrepreneurs and paramilitary groups has been particularly strong in the Magdalena Medio Valley and more recently in the Urabá and Córdoba regions, all areas where drug entrepreneurs have become the new landowners.²⁶ Cali witnessed in 1985 social cleansing illegal executions not only against M-19 members but homosexuals, prostitutes, drug addicts, homeless people and other so called *desechables* (disposables). These actions were supported by cocaine entrepreneurs. Also in the Northern Cauca Valley region many of these drug-financed death squads conducted massacres against people accused of sympathizing with guerrilla groups.

Paramilitary groups were not invented by cocaine entrepreneurs, but drug money improved equipment, training and resources. By supporting such paramilitary activities, cocaine entrepreneurs cemented their ties with two established groups in Colombian society: land-owning classes and right-wing military factions.

Cocaine Entrepreneurs and Social Violence

The cocaine business has also contributed to the amplification of other diffused and social violent conflicts in Colombia. However, it should be pointed out that both Colombian government and the international opinion have tended to overemphasize the centrality of cocaine business in the overall amount of violence and conflicts in Colombia.

In the case of Colombian authorities, this was to clearly underplay state and para-state related violence, and to shape social chaos into delimited conflicts with clear 'enemies'. In the case of the international community, it was to fairly support the American war on drugs in Colombia. Violence in Colombia is a very complex phenomenon, but it has shown particular continuities and discontinuities, with different historical and social roots.²⁷

During the eighties, the drug business was directly responsible for approximately 16 of the 100 homicides committed per day in Colombia.²⁸ The other 84% were both political and social violent deaths with no connection with the cocaine business. Those 'drug related deaths' included scores settled between drug traffickers, social cleansing sponsored by drug organizations, massacres of indigenous and rural community leaders by paramilitary groups financed by drug traffickers acting as new landowners, and private ways of justice by individuals, *sicarios* or other people paid by drug entrepreneurs. To this number, many deaths related to the drug business, such as 'cooks' or couriers killed in 'labour accidents', should be added.

Next to the already mentioned paramilitary violence, the cocaine business promoted the development of the *sicario* (hired-killer) industry by generating a demand for individuals willing to use violence. For these young *sicarios* from poor urban slums, the cocaine entrepreneurs represented clear role models and the chance for upward mobility. Again, the widespread use of hired killers has gone far beyond the cocaine business, expanding into political or interpersonal conflicts.²⁹

It can be argued that cocaine business development also fomented fire arm possession, accounting indirectly for many more deaths. However, the spread of fire arms in urban areas is more related with broader feelings of fear and insecurity in a very vague sense. The explosion of private security industry has partly been prompted by the illegal entrepreneur's needs for protection.

The existence of cocaine business has clearly worsened the crisis of human rights in Colombia. Many Colombians and their families, mainly from low strata, have suffered the social costs of being double losers in front of successful drug entrepreneurs and the criminal justice system. Many had to emigrate to the cities escaping rural violence by landowners.

Finally, it should be stressed that the most feared and resisted feature of the drug industry by Colombian society has been indeed its resort to violence. This was clear during the 'narco-terrorist' period of Pablo Escobar in the late eighties. Before and after, people tended to see violence as restricted to the drug business, and cases of external violence such as violence used to buy land, massacres by landowners, or social cleansing in urban slums, were regarded as isolated events. People in Colombia do not primarily link violence with the cocaine business, but with other phenomena such as urban criminality, political war, or personal conflicts.

Conclusion

Cocaine entrepreneurs and enterprises are far from being homogeneous. They vary very much regarding social origins (urban and rural, lower and upper-class, multi-ethnic). Some reasons can be pointed out for such heterogeneity: the rather 'open' nature of the cocaine business, the fact that it is not linked to a particular set of political actors or social conflicts between specific groups, the prospects for quick upward mobility for all, both included and excluded from legal activities, and the relative wide range of social acceptance, toleration and legitimacy attached to this activity.

They also differ regarding regions, although the existence of these focuses does not mean that they are the only places where cocaine enterprises are active, nor that each focus functions as an unified and homogeneous group.

A further difference refers to a generational one. After the death, imprisonment or retirement of older and better known entrepreneurs, a younger generation has taken over. Many with no criminal record, they have invigorated the illegal business by further flexibilisation, internationalization, re-localization, and risk management.

Cocaine enterprises in themselves are heterogeneous and the mutating product of fragile agreements between people and flexible articulation between legal and illegal enterprises. Some exporters have achieved a remarkable vertical integration, but normally cocaine production and transportation are separated economic units, subcontracted by exporters. Powerful organizations using many resources and performing many tasks, can be in fact subcontracting most of them (transport, military and security resources, professional expertise, money laundering services, labour force, etc.) whereas they do not have a strict and rigid labour division. Typically, a division can be made between bosses, assistants, professionals and

unskilled, flexible mass labourers. Illegality disables 'large', stable and bureaucratic structures. Tasks, modalities and enterprises change according to the dynamics imposed by illegality, which allows for independent and sporadic entrepreneurs to survive next to the larger ones.

I have shown how the concept of the 'cartel' is totally inappropriate to refer to cocaine enterprises, even to those moving in a relatively oligopolist market sector. They are more often decentralized, amorphous and fragmented networks - basically dyadic ones - articulated by precarious and variable transactions. They move from co-operation, by developing systems to integrate smaller investors to the illegal business and to co-ordinate military actions, to savage competition, by killing, stealing or denouncing competitors or own people.

Although violence, secrecy and trust seem to have a pivotal role in the reproduction and functioning of these illegal enterprises, resort to these resources is often problematic. I have argued that they can be at the same time essential tools and serious obstacles for business success.

Finally, I have analysed the social and political impact of cocaine entrepreneurs in Colombia. They have indeed used social and political resources to protect their activities, and have tried to gain social recognition by a number of reconversion strategies. Since some have transformed accumulated money into social power - founding politicians or expanding local loyalties and support - many authors have used the notion of *mafia* to portray these drug entrepreneurs. By contrasting my case with the Italian one, I have opposed quick analogies and explained the differences between Italian *mafiosi* and Colombian drug organizations. No *mafia*, but the social and political impact of cocaine entrepreneurs is enormous. The existence of the illegal business has definitively contributed to further state delegitimation - by growing corruption, use of violence and in some cases task competition -, it has spread feelings of impunity, while reinforced models of individual success 'at any cost'. It has turned foreign policies and international relations with Colombia a matter of 'narco-diplomacy'. Long-suffered internal armed conflicts have been worsened by the cocaine business collusion with guerrilla and paramilitary activity. Especially the link between traffickers and paramilitary groups have deteriorated the human rights situation in Colombia. Further, although the cocaine business has often been too simply associated with all sorts of violence in Colombia, it has undeniably amplified many social violent conflicts.

Noten

1. The material used for this article has been collected during two fieldwork periods of two months in 1996 and 1997, within the frame of the PhD research I am conducting at the Amsterdam School for Social Science Research, Universiteit van Amsterdam. Mainly based in Bogotá and Cali, I gathered next to the relevant literature in Spanish, a number of official documents and newspaper articles on the issue - including the archives of the *Universidad del Valle* (Cali), *Universidad Externado de Colombia* (Bogotá) and *ILSA* (Bogotá). I also interviewed key informants (Dutch and Colombian police officers, drug experts from various disciplines, social workers, lawyers and of course, drug entrepreneurs and employees of all sort - some already contacted in Holland and some others met there by chance, luck or contacts) and visited key settings all around. I want to thank Johan Heilbron, Valerie Jones, Anton Blok and Frank Bovenkerk for their support and critical commentaries.

2. *Marimberos* (from *marimba*, marihuana) were the marihuana producers and exporters during the *bonanza* (prosperity boom) experienced during the seventies especially in the Atlantic Coast.

3. U.S. Senate, Permanent Subcommittee on Investigations, Structure of International Drug Cartels. Hearings: Staff Statement, p. 19.

4. United States Department of State (1991), Bureau of International Narcotics Matters. INCSR (International Narcotics Control Strategy Report). March 1991.

5. 'A Drug Deal?', *Time*, November 7, 1994, p. 14-15.

6. This system developed around the illegal emerald exploitation in the Central region: the *plantero* (trader) supplied some miners with the basic mining e-

quipment, arms for their own protection, house and food for their families. The miners, in return, were compelled to sell to them any emerald they could mine. Breaking the agreement resulted in dead. The *planteo* system was suitable to apply to cocaine production, but only in the early stages of coca cultivation and cocaine refining.

7. *Patrón* (boss, chief) is the usual name used by employees when they refer to the cocaine entrepreneur. Despite the fact that it derives from the same root as *padre* (father), the word means in Spanish both 'protector' and labour employer (boss), the later stressing more a factual (not moral) 'authority' over the labourer. This second meaning is the one implied by cocaine employees.

8. This word, of a clearly military and administrative nature, is not so often used by cocaine actors themselves. It implies a bureaucratic institutionalization that these enterprises do not have.

9. Literally 'dog cleaner', this is the common pejorative word for those engaged in the more unskilled jobs in the cocaine business, for example teenagers who clean the car of the *patrón*.

10. Most notably Thoumi (1995); Lee III (1989, 1991); del Olmo (1992, 1996); Camacho Guizado (1988, 1994); Betancourt *et al.* (1994); Krauthausen *et al.* (1991); Krauthausen (1994); Tovar Pinzón (1994) and Uprimny (1994). Others like Arango & Child (1984); Arango (1988); Arrieta *et al.* (1990); Salazar *et al.* (1992); Castillo (1987, 1991, 1996) or Gugliotta & Leen (1990), vary in a rather eclectic way between terms such as 'cartel', '*mafia*' and 'narco-traffic'.

11. See as examples Labrousse (1993); Smith (1992); Santino & La Fiura

(1990); Clawson & Lee (1996); Bovenkerk (1995) and Van Duyn (1995).

12. The MIT Dictionary of Modern Economics, 4th ed, 1992. Cambridge, Mass.: MIT Press.

13. Portrayed in cinematographic versions like *Scarface* or *Miami Vice*, these 'wars' meant the end of the long standing alliance between Colombian and Cuban networks in Florida and reached their climax in 1981, with 101 drug related homicides reported (Bagley 1990, 183). They also meant the reduction and concentration of the control on supply and distribution to few Colombian organizations, a new generation displacing Cubans and the old pioneers.

14. 'Colombia's Drug Business. The wages of prohibition', *The Economist*. 24 Dec. 1994 - 6 Jan. 1995.

15. For exporters and wholesale distributors, the ideal would be to sell large quantities to very few people, maybe two or three. However, this is sometimes difficult for smaller entrepreneurs. For retail dealers secrecy is even a bigger problem, since they have to compete much more for new and better customers.

16. Allowing for quite 'impersonal' and standardized exchanges, and displacing secrecy to the powerful realm of 'institutional' frames.

17. Despite differences and changes, with *mafia* I refer to the specific Italian phenomenon, particularly the Sicilian *Mafia*, the Calabrian *Ndrangheta* and the Campanian *Camorra*.

18. In their well-researched book, maybe one of the best and more serious works in this field, Betancourt *et al.* (1994) devote many efforts to reconstruct and present several typologies of *mafia* organizations (Sicilian, Italo-American, European) to apply later the models to the many regional centres identified in Colombia. However, this attempt is not at all convincing. They face a vast range of

organizational features and socio-political arrangements that in a rather a-historical way are forced under the umbrella-concept of *mafia*. As a result, they end up with vague conceptualizations such as '(...)' for the Colombian case, we understand '*mafia*' as those groups identified with economic, political, social or cultural interests which assume an illegal attitude to the state and its juridical norms. They do not resort to judges or the state agencies to solve their conflicts, but on the contrary they use their own hired-killer organizations, created with the aim of appearing themselves as local agents able to impose respect and acceptance.' Betancourt *et al.* (1994, 139; translation and italics, DZ). Beside the fact that, as local agents, the most respected and accepted groups are in no way those using high levels of violence, this definition oppose '*mafia*' to the 'state' in open contradiction with the historical typologies presented and all sources quoted. Moreover, when they do frame *mafia* in more precise terms (power interweave with state, mediation between clients and power holders, migration enclaves, family organizations, etc.) they simplify reality, overstate some aspects, and clearly neglect others.

19. '(...) the rise and development of Sicilian *mafia* must be understood as an aspect of the long-term processes of centralisation and national integration of Italian society.' Blok (1974, 213).

20. C. Tilly (1985) has shown how protection and extortion have been basic in the formation of modern European states.

21. *Paisas* are the people from the Antioquia region, with Medellín as capital city. Descending from old Spanish colonists, they mixed to a certain extent with indigenous population but hardly with black communities. They were later colonists themselves in other Colombian regions. They are depicted as the 'white',

- 'entrepreneurial' Colombia. *Vallunos* are the inhabitants of the *Valle del Cauca* region (Cauca Valley), with Cali as capital.
22. Arango (1988) seems to confer them, in Weberian terms, a capitalist spirit without a protestant ethic.
23. Revolutionary Armed Forces of Colombia (FARC). Appearing in the mid-sixties and linked to the Communist Party, it is one of the oldest guerrilla groups in Latin America. For the relation between coca producers and guerrilla movements, see Jaramillo *et al.* (1986) and Vargas (1998).
24. In the same way that they have done with other illegal drug producing countries such as Burma and Afghanistan.
25. See the official version of the 'narco-guerrilla' connection in Villamarín (1996).
26. For the relation between cocaine entrepreneurs and paramilitary groups see Palacio *ed.* (1990); Reyes Posada (1990, 1994, 1997); Romero (1995), Martín (1996) and Medina Gallego (1990).
27. Literature on violence in Colombia is impressive. See among other Bergquist *et al.* (1992), Camacho Guizado *et al.* (1990), Deas *et al.* (1995), González *et al.* (1994), Martín (1996), Palacio (1990), Pecaut (1987, 1996), Reyes Posada (1990), Romero (1995), Salazar (1990), Sánchez *et al.* (1986) and Uprimny (1994).
28. See also for the relationship between cocaine business, violence and human rights the excellent research of Uprimny (1994).
29. See for the development of *sicario* violence in Colombia: Salazar (1990) and Ortiz Sarmiento (1991).

Literatuur

- Arango, M. (1988) *Impacto del Narcotráfico en Antioquia*. Medellín: Editorial J.M. Arango.
- Arango, M. & J. Child Vélez (1984) *Narcotráfico: imperio de la cocaína*. Medellín: Editorial Percepción.
- Arlacchi, P. (1986) *Mafia Business*. London: Verso.
- Arrieta, C. *et al.* (1990), *Narcotráfico en Colombia: dimensiones políticas, económicas, jurídicas e internacionales*. Bogotá: Tercer Mundo Editores.
- Bagley, B. (1990) 'Colombia y la Guerra contra las Drogas'. In: J. Tokatlián & B. Bagley (eds.) *Economía y política del narcotráfico*. Bogotá: CEI Cerec.
- Bergquist, Ch. *et al.* (eds.) (1992) *Violence in Colombia. The Contemporary Crisis in Historical Perspective*. Wilmington: Scholarly Resources Inc.
- Betancourt, D. & M. Luz García (1994) *Contrabandistas, marimberos y mafiosos: historia social de la mafia colombiana*. Bogotá: Tercer Mundo Editores.
- Block, A. & W. Chambliss (1981) *Organizing Crime*. New York: Elsevier.
- Blok, A. (1974) *The Mafia of a Sicilian Village, 1860-1960*. Illinois: Waveland Press, Inc.
- Blok, A. (1991a) *De Bokkerijders*. Amsterdam: Prometheus.
- Blok, A. (1991b) 'Zinloos en zinvol geweld'. In: H. Franke *et al.* (1991) *Alledaags en ongewoon geweld*. Groningen: *Amsterdam Sociologisch Tijdschrift*.
- Bovenkerk, F. (1995) *La Bella Bettien*. Amsterdam: Meulenhoff.

- Camacho Guizado, A. (1988) *Droga y sociedad en Colombia: el poder y el estigma*. Cali: CIDSE.
- Camacho Guizado, A. (1994) 'Empresarios Ilegales y Región. La gestación de clases dominantes locales', *Delito y Sociedad*, 4/5, 163-182, Buenos Aires.
- Camacho Guizado, A. and A. Guzmán (1990) *Colombia, ciudad y violencia*. Bogotá: Ediciones Foro Nacional.
- Castillo, F. (1987) *Los Jinetes de la Cocaína*. Bogotá: Editorial Documentos Periodísticos.
- Castillo, F. (1991) *La Coca Nostra*. Bogotá: Editorial Documentos Periodísticos.
- Castillo, F. (1996) *Los Nuevos Jinetes de la Cocaína*. Bogotá: Editorial Oveja Negra.
- Clawson, P. & R. Lee, III (1996) *The Andean Cocaine Industry*. London: McMillan.
- Deas, M. et al. (1995) *Dos ensayos especulativos sobre la violencia en Colombia*. Bogotá: Tercer Mundo Editores.
- Del Olmo, R. (1992) *¿Prohibir o Domesticar? Políticas de Drogas en América Latina*. Caracas: Editorial Nueva Sociedad.
- Del Olmo, R. (1996) 'Drogas: Discursos, Percepciones y Políticas'. In: X. Arana & R. Del Olmo (eds.). *Normas y Culturas en la Construcción de la 'Cuestión Droga'*. Barcelona: Editorial Hacer.
- Duyne, P.C. van (1995) *Het Spook en de Dreiging van de Georganiseerde Misdaad*. Den Haag: Sdu.
- Gambetta, D. (1993) *The Sicilian Mafia: the business of private protection*. Harvard University Press.
- González, F. et al. (1994) *Violencia en la Región Andina. El caso Colombia*. Bogotá: CINEP-APEP.
- Gugliotta, G. & J. Leen (1990) *Kings of Cocaine*. New York: Harper.
- Jaramillo, J. et al (1986) *Colonización, Coca y Guerrilla*. Bogotá: Universidad Nacional de Colombia.
- Krauthausen, C. (1994) 'Poder y mercado. El narcotráfico colombiano y la mafia italiana', *Revista Nueva Sociedad*, 130, 112-125, Caracas.
- Krauthausen, C. & L.F. Sarmiento (1991) *Cocaína & Co*. Bogotá: Coediciones Tercer Mundo - Instituto de Estudios Políticos de la Universidad Nacional de Colombia.
- Labrousse, A. (1993) *La droga, el dinero y las armas*. México: Siglo Veintiuno Editores.
- Lee III, R.W. (1989) *The White Labyrinth: Cocaine and Political Power*. New Brunswick: Transaction Publishers.
- Lee III, R.W. (1991) 'Colombia's cocaine syndicates', *Crime, Law and Social Change* 16 (1): 3-39.
- Martin, G. (1996) 'Violences stratégiques et violences désorganisées dans la région d'Urabá (Colombie)'. In: G. Bataillon (ed.), *Survivre. Reflexions sur l'action en situation de chaos*. Paris: L'Harmattan.
- Medina Gallego, C. (1990) *Autodefensas, Paramilitares y Narcotráfico en Colombia*. Bogotá: Editorial Documentos Periodísticos.
- Ortiz Sarmiento, C.M. (1991) 'El Sicariato en Medellín: Entre la violencia política y el crimen organizado', *Análisis Político*, nr. 14, sep-dec.
- Palacio, G. ed. (1990) *La Irrupción del Paraestado. Ensayos sobre la crisis colombiana*. Bogotá: ILSA-CEREC.

- Pecaut, D. (1987) *L'ordre et la violence: evolution socio-politique de la Colombie entre 1930 et 1953*. Paris: Editions de l'Ecole des hautes etudes en sciences sociales.
- Pecaut, D. (1996) 'Pasado, Presente y Futuro de la Violencia en Colombia', *Desarrollo Económico* 36 (144).
- Reyes Posada, A. (1990) 'La Violencia y la Expansión Territorial del Narcotráfico'. In: J. Tokatlián & B. Bagley (eds.) *Economía y política del narcotráfico*. Bogotá: CEI Cerec.
- Reyes Posada, A (1994) 'Drug Trafficking and the Guerrilla Movement in Colombia'. In: B. Bagley & W.O. Walker III (eds.) *Drug Trafficking in the Americas*. New Brunswick: Transaction Publishers.
- Reyes Posada, A. (1997) 'Compra de tierras por narcotraficantes'. In: F. Thoumi *et al.*, *Drogas ilícitas en Colombia. Su impacto económico, político y social*. Bogotá: Ariel - UNDP - DNE.
- Romero, M. (1995) 'Transformación rural, violencia política y narcotráfico en Córdoba 1953-1991', *Controversia*, Nr. 167. Oct-Nov, CINEP, Bogotá.
- Salazar, A. (1990) *No Nacimos Pa' Semilla*. Bogotá: Cinep.
- Salazar, A. & A.M. Jaramillo (1992) *Medellín. Las subculturas del narcotráfico*. Bogotá: Cinep.
- Sánchez, G. & R. Peñaranda (eds.) (1986) *Pasado y presente de la violencia en Colombia*. Bogotá: CEREK.
- Santino, U. & G. La Fiura (1990) *L'Impresa mafiosa*. Milano: F. Angeli.
- Smith, P. (1992) *Drug Policy in the Americas*. Oxford: Westview Press.
- Thoumi, F. (1995) *Political Economy & Illegal Drugs in Colombia*. London: Lynne Rienner Publishers.
- Tilly, Ch. (1985) 'War Making and State Making as Organized Crime'. In: P. Evans *et al.* (eds.), *Bringing the State Back in*. Cambridge: Cambridge University Press.
- Tokatlián, J.G. (1995) *Drogas, Dilemas y Dogmas. Estados Unidos y la narcocriminalidad organizada en Colombia*. Bogotá: Tercer Mundo Editores.
- Tovar Pinzón, H. (1994) 'La economía de la coca en América Latina. El paradigma colombiano', *Revista Nueva Sociedad*. 130: 86-111, Caracas.
- Uprimny, R. (1994) 'Narcotráfico, régimen político, violencias y derechos humanos en Colombia'. In: R. Vargas (ed.) *Drogas, Poder y Región en Colombia*, 1. Bogotá: Cinep.
- Vargas, R. (1998) *Colombia: Usos y Abusos de 'la Guerra de las Drogas'*, mimeo. Amsterdam: Transnational Institute.
- Villamarin Pulido, L.A. (1996) *El Cartel de las Farc*. Bogotá: El Faraón.