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Bolivia: The Cocaine Industry

Any Bolivian government would have difficulty suppressing the country's illicit narcotics trade—even if it wanted to—because of the pervasiveness of the drug industry. Cocaine exports are approximately \$1.3 billion annually, and profits trickle down to all levels of society. Drug control efforts are hampered by the power and efficiency of the traffickers, corruption at most levels of government, the growing involvement of military officers, and Bolivia's chronic political instability.

A committed regime—bolstered by outside financial and technical assistance—probably could cut illegal cocaine exports over the long term by holding production in traditional growing areas to the levels required to meet domestic consumption. Few Bolivian administrations have been willing to participate in such a program, however, claiming instead that controlling the drug industry is the major responsibility of consuming countries.

Background

The coca plant has been grown on the Andean slopes of Bolivia for thousands of years. Chewing the leaf mitigates feelings of cold and hunger and supplies energy to the body. Coca chewing is legal and common in the high plains and mining districts; the habit is ingrained among Indian laborers, and coca tea is consumed by all social classes.

The surge in the popularity of cocaine in the United States during the 1970s, however, spurred Bolivia's major drug merchants to develop a thriving industry built on the traditional coca infrastructure. Increased demand for the drug in its more refined stages resulted in a proliferation of local cocaine factories, altering Bolivia's traditional role as a supplier of cocaine paste to networks in neighboring countries. The leaf now is often processed directly into its more valuable extracts—cocaine base and cocaine hydrochloride—before export.

Colombia is the most important transit route for shipments to the United States and Europe. Approximately 40 percent of Bolivia's cocaine goes to Colombia via light aircraft using clandestine landing fields in Beni and Santa Cruz departments. The remainder leaves via Brazil (20 percent), Paraguay (20 percent), Peru (10 percent), and Chile and Argentina (10 percent).

The traffickers capitalize on their flexible networks to weather periodic government crackdowns.

Similarly, the traffickers use financial manipulation to stay ahead of the law. Some, for example, demand payment in gold, jewels, or manufactured goods, which they then resell for further profit. Others launder profits through dummy corporations. They also are able to affect the operations of banks in which they are major depositors. Such banks not only close their records to outsiders, but also use numbered Swiss-style accounts.

The traffickers also reinvest part of their profits in legitimate enterprises. Many own—either outright or through fronts—large ranches in Beni and Santa Cruz departments. Besides providing a source of legitimate income, these estates also serve as sites for clandestine airstrips and cocaine-processing plants.

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Traffickers in Society

Drug traffickers have become an integral part of Bolivian society. They are so well protected by local police and government officials in their home base in Santa Cruz that prosecution is nearly impossible. Key traffickers operate with relative impunity; lesser figures, when apprehended, usually can bribe officials to influence their cases. [REDACTED]

Major traffickers in Bolivia are not social pariahs. On the contrary, they often belong to some of the country's most influential organizations. [REDACTED]

Despite their social position, however, the traffickers do not hesitate to use force when crossed. High-level police officials who try to turn down bribes often cooperate after their families are threatened. Ranchers who refuse to grow coca find their cattle killed. In general, little rivalry occurs among various trafficking groups because of the huge amounts of coca available and the steady customer demand for the product. Traffickers reportedly even help one another fill rush orders for large shipments. [REDACTED]

Civilian Participation

In addition to the drug merchants' efficiency and power, the success of the cocaine trade results from the active cooperation of large segments of Bolivian society that share in the profits. [REDACTED]

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Bolivia's peasants are the backbone of the narcotics industry. The majority have been poverty stricken for centuries, eking out their existence on small plots of land. The peasants were quick to accept the coca bonanza as a way to break the cycle of economic hardship. The bush is easy to cultivate and can be harvested up to four times a year, which not only provides a year-round cash supply but also allows the purchase of such luxuries as appliances, motorcycles, trucks, stereos, and concrete houses. ■

Other peasants are drawn from legal agricultural pursuits to work in cocaine factories, where an eight-hour shift can bring them as much as eight times the pay for a day's work on a farm. They are employed primarily to stamp on coca leaves mixed with kerosene in large pits—the first stage in producing cocaine paste. ■

Unlike the campesinos, who are paid for their crop, civil officials—at even the highest levels of government—often supplement their income with bribes. One common device involves the sale of coca-marketing licenses, a program initiated in 1978 to reduce the number of persons involved in coca marketing and bring coca sales under tight control. But by 1980, it had become merely a means of enriching civilian politicians, who obtained payoffs in return for recommending issuance of the permits—even in some cases for known traffickers. ■

Other officials become more directly involved. Some deliver bribery payments for major traffickers. Others sell protection to facilitate moving coca leaves from the growing to the processing areas. ■

Judges, too, are corrupt. They take bribes to free indicted drug merchants, and the practice extends to lower court officials, public prosecutors, and prison officers. ■

The net result has been to nullify the efforts of police and drug enforcement authorities. Honest officials are not only stymied by the pervasiveness of coca cultivation and corruption, but also by political pressure to avoid investigations. ■

Military Involvement

Although some members of the Bolivian military were involved in the narcotics trade during the 1970s, most officers were preoccupied with domestic political developments. With the advent of the regime of General Garcia Meza in July 1980, however, the situation changed dramatically, and rampant corruption at the highest levels became the norm. ■

The major traffickers not only financed Garcia Meza's coup, they funded many of his regime's activities. One week after his takeover, drug merchants reportedly offered him \$100 million in exchange for noninterference in the cocaine industry in Santa Cruz. ■

Although most key unit commanders received large sums of money, Col. Luis Arce Gomez became the symbol of military corruption. He was appointed Minister of Interior despite longtime involvement with drug traffickers and a record of hindering narcotics investigations. While in office, Arce not only ran his own cocaine network, but forced other traffickers to hand over part of their profits. He reportedly deposited \$2 million in cash at a local bank during the course of one day. ■

The corruption at the top infected the lower ranks as well. Army troops ran cocaine laboratories. ■

Naval personnel transported coca along Bolivia's rivers, while Air Force transports reportedly flew it to processing plants in Beni department. ■

Although Garcia Meza was ousted in August 1981, the effects of his rule remain. The Bolivian armed forces are the only power in the country strong enough to confront the drug mafia, but their complicity in the trade is likely to preclude any action. Moreover, many officers would be vulnerable to blackmail by the traffickers if an incumbent government launched a major antinarcotics crackdown. ■

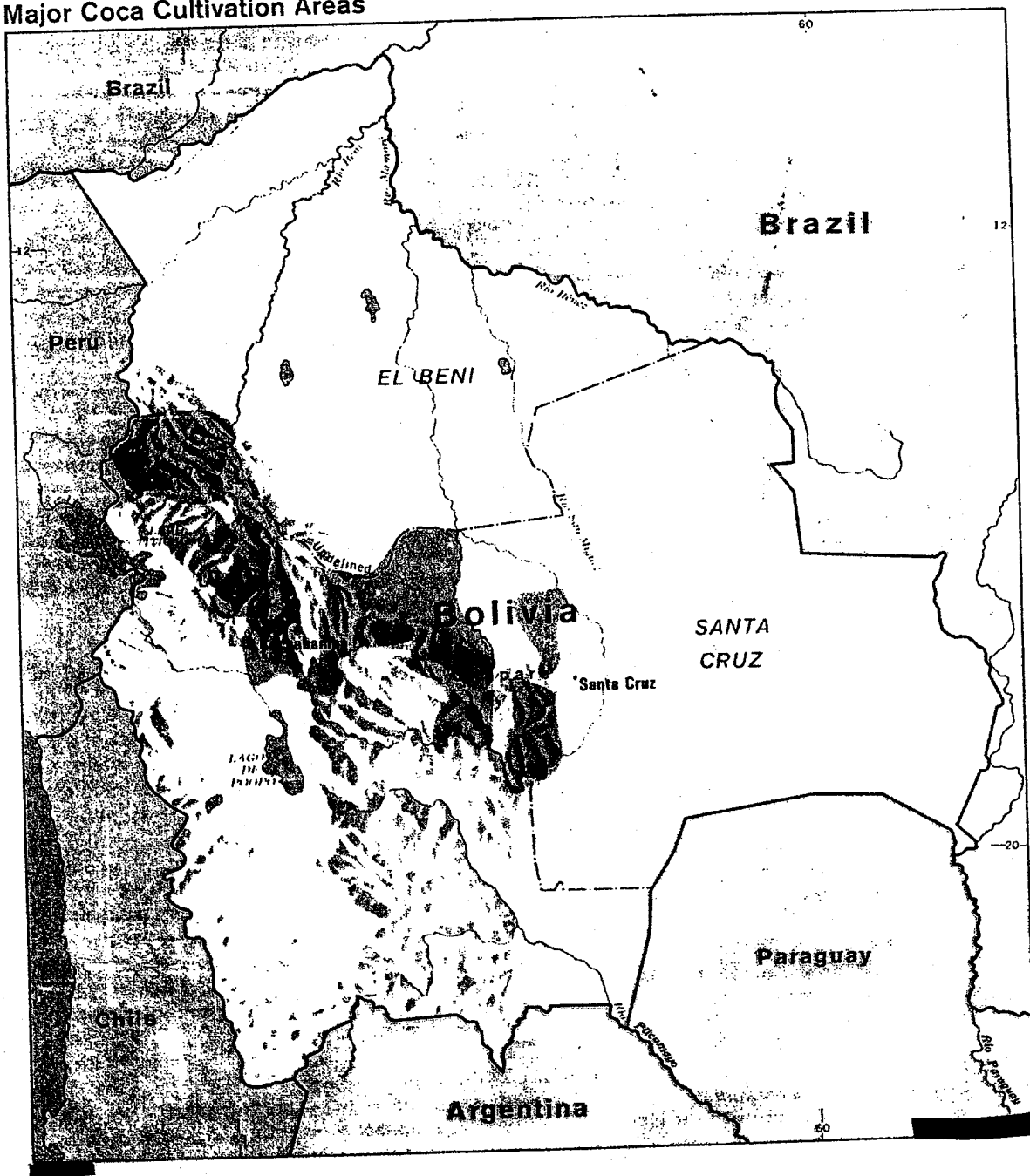
Blocks to Enforcement

Although the biggest stumbling block is corruption, the large number of peasants who grow coca also tends to discourage most regimes in La Paz from challenging them. Campesinos in both the Yungas

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Major Coca Cultivation Areas



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and the Chapare—the two major coca-producing regions—are fiercely independent and oppose government efforts to take away their most lucrative cash crop. [REDACTED]

Other factors deterring an effective antinarcotics program include the country's political instability, its strong regional traditions, and its geography. Bolivia has had more than 190 changes of government during its 156 years of independence; since 1978 alone, it has had nine different presidents. As a result, incumbent regimes are generally too concerned with self-preservation to worry about controlling trafficking even if they wanted to. [REDACTED]

Regional politics also block controls. The political muscle of Santa Cruz has long been respected by authorities in La Paz. [REDACTED]

More recently, Garcia Meza halted even a token antinarcotics crackdown in the face of a threatened uprising by enraged local officials. [REDACTED]

Bolivia's geography also inhibits enforcement activities. The major coca-growing areas—as well as a number of new processing centers—are virtually inaccessible to government investigators. Few paved roads exist in either the Yungas or the Chapare, and the general isolation provides excellent cover. [REDACTED]

The United States and Control Efforts

Starting in the early 1970s, Bolivian governments have made sporadic attempts to suppress the drug trade. Since 1973, the United States has had agreements with these regimes to provide assistance for narcotics control and coca-crop reduction, but all such programs were terminated when Garcia Meza seized power. [REDACTED]

The current regime of General Torrelio apparently recognizes that narcotics trafficking is not just a problem for consuming countries, but for Bolivia as well. But Torrelio is in a very weak position and is reluctant to confront narcotics corruption for fear of losing his support within the military. So far, his

principal achievement has been to appoint apparently honest and capable officers to key narcotics control positions. [REDACTED]

Despite Torrelio's shaky political base, his government probably represents the best opportunity in several years to at least begin to attack the illicit narcotics industry though progress will be painstakingly slow. His successor could well be a more hard-line officer who espouses the traditional philosophy that solving the narcotics problem is a job for the consuming countries. [REDACTED]

Prospects

Completely stopping illegal cocaine exports from Bolivia is unlikely. Given the will on the part of a Bolivian government, however, traffickers could be denied the raw material by restricting production to traditional growing areas for legal domestic consumption and medicinal exports. [REDACTED]

Bolivia's present military leaders are highly sensitive to Washington's concerns, and any future threat to reduce US aid—as occurred during the Garcia Meza regime—probably would cause them to make at least token efforts to suppress the cocaine industry. The best long-term hope, however, probably rests with junior officers, many of whom are not involved in trafficking and appear disgusted with the tainted image caused by those of the senior officers who are. They are not now in command positions, but they may eventually gain enough support to give their views some weight. [REDACTED]

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