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Recommendations for a New Administration: Move beyond the Drug Focus in the Andes

By Phillip McLean | January 3, 2012

For 25 years the U.S. government has had an “Andean policy,” focused primarily on keeping drugs produced in South America from arriving in the United States. Perhaps it is time for a change. On all sides, there has been growing skepticism, and in two cases rejection, of a one-note approach to the region. Instead, the United States should

- tone down the rhetoric and emphasize partnerships;
- exchange unilateral actions for capacity building;
- continue to support programs for better governance and food security; and
- keep the door open to free trade.

The five nations covered by that policy—Bolivia, Peru, Ecuador, Colombia, and Venezuela—are in many ways dramatically different now from what were called “troubled” countries a quarter century ago. Then, all of them had just a tenuous grip on democracy, and suffered from dependence on loans and feeble international markets. The burgeoning trade in illicit narcotics fueled an upsurge of violence and corruption that baffled them all. In retrospect “troubled” hardly describes the state they were in.

Bolivia, perennially unstable in a 200-year-old social order, started coming apart.¹ Low prices for mineral and gas exports led to massive unemployment, made worse in the short run by steps its governments took

¹ For much of the twentieth century it was said—with only slight exaggeration—that Bolivia had as many governments as years of independence. In fact, it has had 80 presidents in 187 years of nationhood.

to make the country more competitive. The first task was to halt 2,000-plus percent inflation. The country had also become the world's largest producer of coca, the primary raw material for cocaine. In 1986, the United States promised economic aid and helped with a debt bailout. Well-intended anti-drug programs and emergency economic reforms pushed poor farmers from the countryside into shantytowns at the edges of the major cities, feeding discontent.

Twenty-five years ago, Peru had already experienced a destabilizing movement of people from the land to the city. And it too suffered from the collapse of world commodity prices, pushing farmers into large-scale coca growing. Hyperinflation set in, as it had in Bolivia. Mines closed and the army of the underemployed and unemployed grew. The government adopted "heterodox" economic policies and toyed with declaring a moratorium on its international debt obligations. Out of this social and economic chaos emerged one of the bloodiest insurgencies in Latin American history, the Shining Path. Some 40,000 innocents died in the ensuing internal conflict.

Ecuador initially escaped the worst of drug criminality. But attempts to manage its weakening export economy with free-market reforms contributed to social tensions. A country known for its political instability became more agitated and less cohesive, as differences between tropical coast and indigenous uplands sharpened. Eventually the corrupting effects of the narcotics trade in neighboring Colombia began to spill over the border.

Colombia was a "model developing country" in the 1980s, but it soon became the hub of drug trafficking in the Western Hemisphere. Newly rich narcotics traffickers fought with one another, fought with left-wing guerrillas, and challenged the right of the democratic government to govern. Based in Medellín and Cali, their influence spread to the countryside. Violence reached record levels: homicides at 70 per 100,000 people; high-profile assassinations (police commanders, journalists, and four presidential candidates); kidnappings (averaging 2,500 per year); and major atrocities like burning the supreme court build-

ing resulting in the death of half the justices, or blowing a Boeing 727 and its 102 passengers out of the sky. Many Colombians feared their country was a failed state.

Wide swings in the international price of petroleum have meant that Venezuela has never had good government. Cycles of boom and bust bred mismanagement and corruption. Twenty-five years ago oil prices were at record lows, a tenth of current levels. Efforts to revive the economy with domestic liberal reforms only produced public unhappiness, discredited the political parties, and helped delegitimize the political system. Out of these depressed times emerged Lieutenant Colonel Hugo Chávez Frias, a kind of "man on the balcony," well known in Venezuelan history but armed this time with a military version of Marxism that has turned into a movement.

Over the last quarter century much has improved in the individual lives of the Andean people. Yet while bread baskets may be fuller, citizen safety and personal rights are less secure. Although the murder rate has dropped sharply in the most violent countries—Peru and Colombia—the Andean countries as a group stand out as among the most violent and crime-infested regions in the world. This has not been helped by the rise of populist authoritarians, who weakened institutions by their arbitrary rule: Peru (Alberto Fujimori, 1990–2000), Venezuela (Hugo Chávez, 1999–2013), Bolivia (Evo Morales, 2006), and Ecuador (Rafael Correa, 2007). All were voted into office by citizens fed up with the inability of more democratic politicians to resolve the mess. The three who have managed to hold on to office the longest benefited from historically high world commodity prices, and from having tapped into local resentment of the United States' high-profile pressure to adopt counternarcotics and pro-market policies.

While complaints are still heard from some Andean politicians and U.S. and European activists, it is fair to say that, on balance, the U.S. government helped improve the state of Andean affairs. Without downplaying the importance of swings in the global economy, U.S. actions made a difference. In four countries—Bolivia, Colom-

bia, Ecuador, and Peru—the United States kept support at relatively high levels despite their classification as “middle-income developing countries.” Recognizing trade diversification as key to economic growth, the United States extended highly beneficial one-way tariff preferences to those four countries and then offered them free-trade negotiations. For more than a decade, the commitment helped all the South American countries to ease out of enormous commercial debt burdens. Despite the nationalistic impulses, neither side has—at least so far—let investment disputes become major obstacles to normal relations. In that sense, they have never had such close relations.

Yet, the number-one focus of U.S. Andean policy—that is, halting the flow of illicit drugs to the United States—remains a distance goal. There are some indications of progress. Over the last decade, total cultivation of coca leaves is down (perhaps by a third) and resulting cocaine production is down (though estimated by only 15 percent). Colombian production of cocaine has dropped 72 percent in that period. Peru and Bolivia production rose significantly, but contrary to the “balloon” analogy, not as much as Colombia declined. After years of heavy U.S. investment in the Colombian program, that country’s police have now taken on the major burden of cocaine suppression, just as they did two decades ago when they began interdicting marijuana exports. By way of contrast, Bolivia, whose president rose in politics as a defender of coca growers, has only an ineffective drug-control program. The biggest part of Bolivia’s production now goes east to Brazil and Europe, instead of north to the United States.

What would a new policy look like, and what can be done differently?

The narcotics problem is not going away. Some ideologues have concluded that there was a simple solution—to legalize narcotics—but that approach would make sense only if the United States were to agree to drop all drug prohibitions, which it won’t. Some U.S. states have adopted forms of marijuana legalization. Yet, those mari-

juana laws would do nothing to relieve the challenge of trafficking of hard drugs from the Andes. Little public attention at home or abroad is given to U.S. efforts to do more to address its addiction problem (budget increases for education, greater treatment availability, drug courts instead of prisons). A 30 percent drop in cocaine consumption is one success that could have an impact in the Andes.

The key to a new Andean policy is getting the people and leaders in the Andes and the United States on the same page:

- During the past four years, the U.S. government has thrown out the overused “drug war” label and has quietly accepted responsibility for the demand side of the drug business. However, the current U.S. government, no more than did its predecessors, has not invested much effort in ensuring foreign publics and leaders have a clear picture of what the United States is doing to cut drug usage. Colombia’s president Juan Manuel Santos wondered aloud why his country was making sacrifices if the United States is about to legalize marijuana use.
- The United States can also continue to give economic support to the region and make clear that these efforts are related to our joint alliance, not just against drugs but toward building better societies. There is not much more that can be done at this point on the big initiatives of the past (debt work outs, free trade, major aid increases, resolution of major investment disputes). However, there should be opportunities to spotlight two-way trade successes, using the carrot of renewed trade preferences to lure Bolivia back to policies good for both countries—to the degree budgets provide economic aid aimed not only at drug-related targets but also at programs to overcome the region’s significant poverty.

In sum, it is time to return to the idea that the United States’ Andean initiatives are intended to build local capacity to overcome local problems. Too often the United States sits behind the high walls of its embassies and ignores host institutions, concentrating only on military

and police matters of its own direct concern. The United States is not going to stop drugs without local cooperation. It is probably past time to stop the extraditions that weakened the Colombian judicial system. Unilateral U.S. actions contributed to the resentments that propelled Chávez, Morales, and Correa to power. The top leadership of the U.S. government needs to find the right moment to show up the antics of these petty caudillos, but at the same time demonstrate its desire for a community of mutual improvement.

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