

TRANSATLANTIC DRUG TRADE

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STRENGTHEN ANTI-NARCOTICS COOPERATION

Mikael Wigell & Mauricio Romero

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EUROPE, LATIN AMERICA AND THE NEED TO STRENGTHEN ANTI-NARCOTICS COOPERATION



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- The cocaine business has changed significantly in recent years. Once concentrated in Colombia, it has now expanded to the entire Latin American region with Brazil, Mexico, Central America, and Venezuela having become central corridors for the illegal traffic.
- As the market for cocaine has been contracting in North America, Latin American drug networks have switched their attention to Europe, which is now the world's fastest growing market for cocaine.
- The cocaine enters Europe mainly by exploiting the legitimate container trade. Most shipments continue to be directed to Western Europe, but recently the illicit trade has been expanding eastward with new entry points opening up in the Black Sea and Balkan area. There are also indications of a possible new entry point in the Eastern Baltic Sea area.
- Not only are Latin American criminal organizations expanding their activities on the European drug market, but they are also exploiting the European financial crisis to launder their profits and move into other branches of the economy.
- The growing transatlantic cocaine trade calls for improving inter-regional counter-narcotics cooperation. Concrete steps should be taken to promote stronger links between anti-drugs programmes, development cooperation and public security policies on both sides of the Atlantic.

Global Security research programme
The Finnish Institute of International Affairs

The illicit drugs business has undergone significant changes in the last decade. One major change relates to the nature of the cocaine market. A significant proportion of the global cocaine output is now being smuggled to Europe. From 1998 to 2009, cocaine consumption in Europe doubled from 63 to 124 tonnes, while in the United States during the same period it dropped from 267 to 157 tonnes. Clearly, problems related to the trafficking and consumption of cocaine are no longer of American concern only, but are being keenly felt in Europe as well.

This paper begins by surveying recent changes in the cocaine business and how those changes are directly related to the misguided “war on drugs” in Latin America. A major change relates to the geographical expansion of the illicit traffic. Once concentrated in Colombia, today the narco industry has expanded throughout the entire Latin American region and the traffic to Europe is growing. The second section of this paper analyzes data on recent trends in the transatlantic drug trade, which show how the dramatic increase in European cocaine consumption has led to increasingly diverse trafficking routes from Latin America.

While cocaine importation and distribution continue to be mainly concentrated in West European countries, particularly the Iberian Peninsula, according to the latest seizure data, trafficking has expanded eastwards with new entry points in the Black Sea and Balkan area, as well as the Eastern Baltic Sea area. As a consequence, the links between criminal groups in Latin America and Europe are also intensifying. Mexican drug cartels have joined forces with Italian and Spanish criminal organizations to distribute cocaine and cannabis throughout Europe. The more fragmented nature of Colombian organized crime has increased the number of groups interested in new partnerships. These partnerships now also include Argentinian, Brazilian, Bolivian, Peruvian and Venezuelan groups. Importantly, not only are these criminal networks expanding their activities in the drug business, but they are also increasingly making use of the financial crisis in Europe to move into other branches of the economy, both licit and illicit.

The increasing influence of these organized criminal networks represents a growing threat to Europe. The corruptive effects of drug trafficking and organized crime on the broader political and socio-economic

environment are well known not only in Latin America, but also in places like Southern Italy where criminal influences permeate political and civic life. Another major cause for concern is the confirmed ties between Latin American drug traffickers and terrorist networks in the European neighbourhood, such as al-Qaeda in the Maghreb, whereby drug revenues are increasingly being used to finance international terrorism.

This paper argues that in light of this growing Latin America-Europe narco nexus, there is a need to strengthen inter-regional anti-narcotics cooperation. Security issues have so far received scant attention on the EU-Latin American agenda. The penultimate section of this paper gives a general overview of the main tools in current anti-narcotics cooperation between the two continents. It argues that in order to effectively combat the illicit drug flows, fight corruption and break up the transatlantic criminal networks, inter-regional intelligence sharing and collaboration between port authorities and judicial systems needs to be strengthened. More EU funding is also required, as current funding for projects to prevent transatlantic drug trafficking and other illegal flows remains feeble. The paper concludes with more specific recommendations on how to strengthen anti-narcotics cooperation between the EU and Latin America.

The ‘war on drugs’ and its discontents

The fact that the global “war on drugs” has been a gigantic failure is widely recognized today. Ever since President Nixon launched the US government’s drug war forty years ago, the illegal drug market – largely controlled by organized crime – has grown exponentially and become the most significant illegal global economic industry, worth around \$320 billion per year, according to figures issued by the UN Office on Drugs and Crime (UNODC). Consumption has continued to grow and we are currently further than ever from the “drug-free world” envisioned when the United Nations Single Convention of Narcotic Drugs was adopted fifty years ago.

Efforts to rein in this market through the use of harsh law enforcement action have been largely counterproductive. According to two prominent experts, “[the] narrow focus on crop eradication and criminalization of consumption and low-level

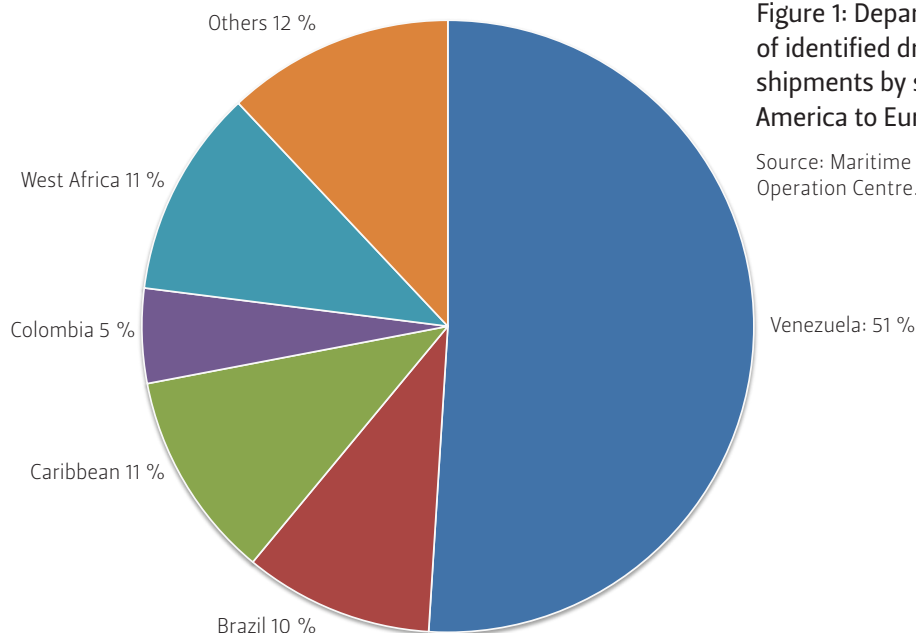


Figure 1: Departure locations of identified drug trafficking shipments by sea from South America to Europe, 2006–2008.

Source: Maritime Analysis Operation Centre.

drug dealing has meant that policy has failed to take into account wider socio-economic and health factors, inadvertently decreasing security”.¹ This view is increasingly shared by both experts and policymakers around the world. Even the UNODC now acknowledges that the enforcement-based approach driven by the United States together with the UNODC has had a range of negative “unintended consequences”. These include the creation of a vast illegal drug economy, the expansion of the illicit traffic to new areas with attendant increases in corruption, criminality and violence, and the diversion of resources from more productive use.

Latin America has borne the brunt of the collateral damage incurred by the “war on drugs”. In Mexico, more than 60,000 people have been killed in the past six years in drug-related violence after President Calderón, with the active backing of the United States via the Mérida initiative, started waging a military campaign against local drug cartels. While unsuccessful in eliminating Mexico’s drug trafficking organizations, the militarized strategy put pressure on these cartels and some have now begun to make new inroads into Central America, exploiting the already weak state structures in countries such as Guatemala and Honduras to conduct their

trafficking operations and make use of local gangs as foot soldiers.²

As a result, the region has emerged as the most violent in the world with a homicide rate three times the global average. Even countries such as Costa Rica, long associated with peaceful development, have been affected by rising criminal violence. Central America now faces the real risk of sliding into ungovernability as it emerges as a hub of drug trafficking and criminality.

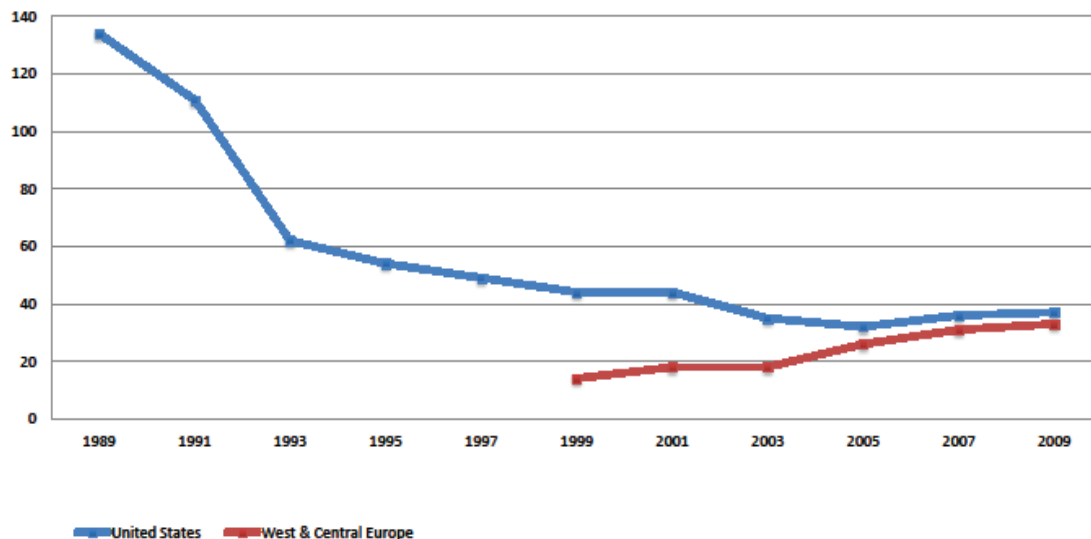
In South America, the unintended consequences of the “war on drugs” are also readily visible. In terms of cocaine production, the partially successful eradication efforts in Colombia have pushed the main locus of drug cultivation back into Peru and Bolivia. Also worth noting is the way in which coca cultivation is not exclusively restricted to the traditional growing areas in the Andes – there exists a tropical variety of coca that could migrate to Brazil and elsewhere in the Amazonas, even if ongoing or renewed eradication efforts proved successful in Bolivia, Colombia, and Peru. In any case, overall coca cultivation and cocaine production remains roughly at the same level as in 2000 and well above the level of 1990 before all-out eradication efforts

1 Claire York and Benoît Gomis (2012), “The 50-year war against drugs has failed and a new approach is needed”, *The World Today* 68 (7): 8 – 12.

2 Bruce Bagley (2012), “Drug Trafficking and Organized Crime in the Americas: Major Trends in the Twenty-First Century”, Woodrow Wilson Center Update on the Americas, Washington, DC: Woodrow Wilson Center for Scholars.

Figure 2: Value of United States and West and Central European Cocaine Markets 1989–2009 (constant US\$ billions).

Source: UNODC.



got underway in Colombia. This displacement of coca production is often called the “balloon effect”, using the analogy of a balloon filled with water or air which, when squeezed on one side only, causes the air or water to reappear somewhere else.

The balloon effect not only concerns production sites, but also trafficking routes. As counter-narcotics operations were stepped up, first in Colombia, then in Mexico, making these traditional smuggling routes more problematic, fresh routes have appeared, sucking new countries and territories into the global drug trade. Honduras and Guatemala were already mentioned as new transit corridors for the movement of cocaine. The drugs are shipped in containers transporting legal goods or by go-fast boats and home-made semi-submarines from the Pacific Coast of Colombia to Central America.

In South America, Venezuela has become a major new transit hub for the trafficking of cocaine both to the United States as well as to Europe. Anti-drugs officials estimate that around a fourth of all cocaine shipped out of South America in 2010, about 250 tons (a five-fold increase from 2004), passed through Venezuela, with much of it ending up in Europe. The US Treasury Department’s Office of Foreign Assets Control has sanctioned several senior commanders in Venezuela’s security forces for allegedly profiting from the trade and helping the smugglers by, for instance, allowing them to use military airfields. A shadowy faction inside Venezuela’s military, known as the Cartel of the

Suns (Cartel de los Soles), is believed to have links to Colombian trafficking organizations, including the guerrilla group the Revolutionary Armed Forces of Colombia (FARC), with whom cocaine shipments are swapped for arms. The guerrillas’ traditional enemies, Colombia’s paramilitary and its heirs, also have a strong presence on the Venezuelan side in the area bordering Colombia and are involved in the trafficking of drugs.

Brazil has also become a major new bridge for the transatlantic drug trade. About fifteen per cent of all cocaine shipped out of South America passes through Brazil. Much of the traffic goes via West Africa, where weak states unable to control their territories efficiently provide an ideal transshipment point for drugs destined for Europe. The expanding links between Latin American criminal groups and their counterparts in West Africa suggest that the use of this route is expanding. As early as 2006, the UNODC Executive Director Antonio Maria Costa characterized the region as “under attack” by these trafficking networks.

Indeed, the increasing political instability and violence in the region has been directly linked to this growing drug trade, including riots in Côte d’Ivoire, and coups d’état in Guinea and Guinea-Bissau. Drug trafficking has also been a key driver of the conflict in Mali, where Islamic militants use the profits to purchase weapons and fund radical activities. The fears that drug revenues could finance international terrorism in Africa are thus being realized. Several

investigations have revealed how Latin American traffickers are collaborating with al-Qaeda in the Maghreb and Hezbollah in smuggling cocaine to Europe.

The unintended consequences of the “war on drugs” are thus spilling over the Atlantic and starting to affect Europe in very concrete ways as well. As the market is contracting in North America, the cocaine business has switched its attention to Europe, where a kilo of cocaine can sell for more than twice the price it sells for in the US. Europe is now the world’s fastest growing market for cocaine with the number of cocaine users having doubled since the late 1990s and now comprising 4.75 million users. The prevalence of cocaine users is particularly high in Spain, the UK, Italy, Ireland and Denmark. These five countries alone account for 62 per cent of the estimated total number of users. In France, Germany and Portugal cocaine use has also been rapidly increasing in recent years.

Trends in the transatlantic drug trade

The cocaine enters Europe from South America by both air and sea routes. Maritime shipments are particularly problematic as they enable large quantities to be transported, while detection is difficult. Of all the 500 million maritime containers shipped around the world each year, only two per cent are inspected. Exploiting this legitimate container trade has thus become the principal avenue to ship the drugs across the Atlantic for Latin American networks. According to Europol, traffickers make use of three principal sea routes: the northern route, which passes through the Caribbean and the Azores to Portugal and Spain; the central route, which departs from South America and goes via Cape Verde or Madeira and the Canary Islands to Europe; and the African route from South America to West Africa and then onwards to mainly Spain and Portugal.

While the majority of shipments continue to be directed towards Western Europe via these well-established routes, the trafficking of cocaine through the Black Sea and the Balkans has been growing lately, suggesting a diversification of smuggling routes and landing points. Large seizures of cocaine have been made in the past few years in Bulgarian, Greek, Romanian and Ukrainian ports on the Black Sea.

There are also indications of the Baltic Sea being used by some cocaine traffickers. The number of cocaine interceptions has been growing in Estonia, Latvia and Lithuania. Nationals from these three Baltic countries are also increasingly being used as cocaine couriers elsewhere, based on the number of arrests and convictions on cocaine smuggling charges in Europe and the Americas.³ According to the recent EU Drug Markets Report, existing criminal networks such as outlaw motorcycle gangs presently involved in the smuggling of synthetic drugs to the Nordic countries “could find it both convenient and feasible to diversify into larger-scale cocaine trafficking in the future”.⁴

In sum, developments in recent years suggest that Europe has a growing problem with cocaine trafficking. Latin American cartels are strengthening their presence in Europe, opening up new entry points for the shipment of cocaine also to the countries located on the Eastern border of Europe. A common method for these Latin American drug trafficking organizations is to cooperate with European-based criminal networks, utilizing pre-established criminal infrastructure or sometimes the cover of legal commercial routes. The economic crisis in Europe has opened up new opportunities for these criminal organizations. Analysis by the UNODC suggests that vast sums of money from this cocaine trade have been invested in the legal economy.⁵

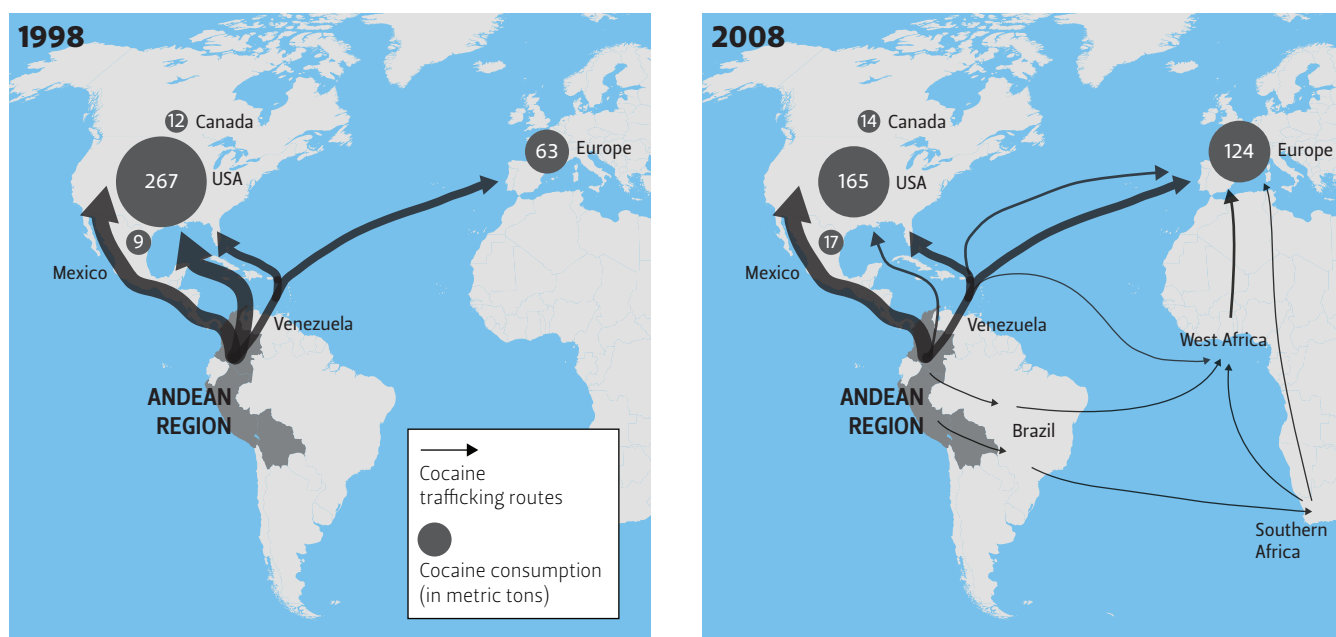
The turmoil in the banking industry created an opening for drug traffickers to launder their profits. In fact, as the United States has cracked down on terrorist financing after the 9/11 attacks, much money laundering has simply shifted to Europe, where the debt crisis has continued to offer laundering opportunities. Particularly in Southern Europe, where legal economic opportunities have

3 European Monitoring Centre for Drugs and Drug Addiction & Europol (2013), *EU Drug Markets Report: A Strategic Analysis*, accessed February 20, 2013, <https://www.europol.europa.eu/sites/default/files/publications/att-194336-entd3112366enc-final2.pdf>.

4 Ibid.

5 UNODC (2011), *Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Organized Crime*, accessed May 23, 2013, http://www.unodc.org/documents/data-and-analysis/Studies/Illicit_financial_flows_2011_web.pdf.

Figure 3: Changes in global cocaine flows. Source: UNODC.



been shrinking as a result of the crisis, there is the risk that the criminal networks associated with the transatlantic drug trade are increasingly able to infiltrate business and politics.⁶

EU–Latin American cooperation needs strengthening

Strengthening cooperation between Latin America and the EU in combating drug trafficking is needed before the problem gets any worse and the drug-related violence starts spilling over into Europe. Since the 1990s, joint action has largely focused on promoting so-called “alternative development” projects in the Andean region to incentivize the replacement of coca cultivation with other agricultural products. Yet this approach has been limited and unable to significantly reduce the supply of illicit drugs. Meanwhile, too little attention has been paid to combating trafficking, fighting corruption and breaking up the transatlantic criminal networks.

The main instrument for inter-regional cooperation on anti-narcotics work has been the Coordination and Cooperation Mechanism on Drugs between the EU and Latin America and the Caribbean, established in 1998. The limits of this instrument were

acknowledged by both sides in 2009.⁷ The same year, the Cooperation Programme on Drug Policies between Latin America and the European Union (COPOLAD) was launched to complement the EU–LAC mechanism. It aims to step up information sharing and inter-regional coordination in matters of money laundering as well as increase cooperation in the judicial, police, customs and maritime areas. Another project started in 2009 was the Prevention of the Diversion of Drugs Precursors in the Latin American and Caribbean Region (PRELAC), which aims to prevent the diversion of chemical precursors used to manufacture illicit drugs.

Both COPOLAD and PRELAC are welcome additions to developing a more coordinated approach, but more work needs to be done as evidenced by the increase in trafficking in recent years. The resources assigned to these two programmes are limited (only EUR 6 million for COPOLAD and EUR 3 million for PRELAC) and would need to be scaled up to effectively enable institutional capacity-building. In the Action Plan agreed at the VII EU–LAC Summit/I EU–CELAC Summit held in Santiago de Chile on 26–27 January 2013, the parties agreed to develop and strengthen the EU–LAC Coordination and Cooperation Mechanism on Drugs and intensify their

⁶ Roberto Saviano, “Where the Mob Keeps Its Money”, *The New York Times*, 25 August 2012.

⁷ Quito Declaration, XI Meeting of the EU–LAC Coordination and Cooperation Mechanism on Drugs, Andean Community, 27 May 2009.

cooperation in the framework of the UN, enhance cooperation against drug-related money laundering and the illicit trafficking of chemical precursors, as well as enhance regional security cooperation structures.⁸ As for the last issue, launching a dialogue with the South American Defence Council would make for a concrete step forward. Clearly, there is also a need to increase inter-regional intelligence sharing and projects aimed at strengthening collaboration between customs and judicial systems. Given that one major cocaine route into Europe goes from Latin America via West Africa, the EU and Latin America would also be advised to step up triangular cooperation with Africa to ensure better control of this transit route.

As shown above, Brazil and Venezuela have become major stepping stones for the transatlantic drug trade. Yet the EU's cooperation on drug trafficking with these two countries remains feeble. The EU has financially supported Venezuela's national plan to combat drugs. But collaboration among authorities within the judicial, police, customs and maritime control areas remains weak. Changes in the Venezuelan political leadership may now open up opportunities to strengthen precisely this kind of collaboration.

As for the EU-Brazil Strategic Partnership, it has put little emphasis on combating drug trafficking. In the 2012-2014 Joint Action Plan, the parties committed themselves to establishing a dialogue on drug-related matters. Preparations for the first meeting of the EU-Brazil Sector Dialogue on Drugs should now be advanced. Concrete issues should be incorporated as to the development of information sharing and cooperation in combating drug trafficking. The meeting should also explore the possibilities of triangular cooperation with interested third countries in Africa.

Given that the work on new international drug control standards has now been launched by the UN Commission on Narcotic Drugs, the talks should also include the sharing of views on the upcoming high-level review of the implementation of the Political Declaration and Plan of Action on International

Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem in 2014, which will be followed by a Special Session of the UN General Assembly on the drug problem in 2016.

Conclusions

As a major market for the consumption of cocaine, Europe shares responsibility for the current situation in Latin America, where the illicit drug trade undermines the rule of law and threatens to hollow out democracy in a number of countries. The EU is a major donor to development projects in Latin America. Yet few of these projects have traditionally been concentrated in the area of public security, arguably the biggest challenge for most Latin American countries today. Reducing their vulnerability to drug-related crime, violence and corruption should be a priority for EU development assistance. That includes assistance to promote social and rural development as well as urban renewal. But it also requires technical assistance to strengthen law enforcement and justice systems.

At present, the Colombian National Police are giving support and training on drug trafficking control to several other South and Central American police bodies. The process of South American integration through UNASUR (the Union of South American Nations) has been useful for this purpose and the EU could support these efforts. Regional cooperation on "best practices", like the city-level exchange between Sao Paulo in Brazil and Medellín in Colombia, through which officials from both cities have been analyzing each other's experiences, can be replicated and the EU, building on its own vast experience with such cooperation, can provide valuable support for such efforts.

Above all, as suggested by one prominent expert, the EU should consider using its "security-development" doctrine, currently only implemented in Africa, also in the Latin American context.⁹ A pilot programme could be the funding of peace-building initiatives in the framework of the Colombian peace process. The US promoted and funded a National

8 EU-CELAC Action Plan, Council of the European Union, EU-LAC Summit/EU-CELAC Summit, Santiago de Chile, 27 January 2013, Brussels.

9 Susanne Grätius (2010), "The EU and the vicious circle between poverty and insecurity in Latin America", Working Paper 98, FRIDE, May 2010.

Plan for Territorial Consolidation in Colombia between 2007 and 2012, albeit tied to the counterinsurgent strategy of the Plan Colombia, linking security and development with positive results. A similar programme would now be needed, but tied to the framework of the possible peace agreement between the Colombian government and the FARC. The EU could use the experience with so-called “peace laboratories”, which have been funded by the EU Commission since 2002, seeking to bring together local authorities and civil society representatives, including armed groups, in a peace dialogue in cocaine production areas. The results have been positive, but so far the initiative has been confined to very limited areas and should be extended.

A recent report commissioned by the European Parliament makes a number of recommendations for improving the anti-drugs cooperation between Europe and Latin America, including using their political dialogue on drugs to adopt joint positions in international forums, strengthening trilateral cooperation with Africa, promoting stronger links between anti-drugs programmes, projects and public security policies, increasing the number of capacity-building projects and conducting a review of the alternative development projects with a view to improvement.¹⁰ The EU would be well-advised to heed those recommendations.

10 Susanne Grätius (2012), “Europe and Latin America: Combating drugs and drug trafficking”, European Parliament, AFET Committee, March 2012.

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