

Review - Drug War Capitalism

Written by Richard W. Coughlin

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Drug War Capitalism
by Dawn Paley
AK Press, 2014

Dawn Paley's *Drug War Capitalism* (2014) examines the convergence between the war on drugs and neo-liberalization in Colombia, Central American and Mexico over the course of the past two decades. It is a book that scholars should take seriously, in part because of the way in which policy makers and journalists are celebrating drug war policies as success stories. Consider, for example, Nick Miroff's (of the *Washington Post*) assessment of Plan Colombia: "After 16 years and \$10 billion, the once-controversial security aid package is celebrated by many Republicans and Democrats in Congress as one of the top U.S. foreign policy achievements of the 21st century" (2016). Or contemplate Jonathan Tepperman's, managing editor of *Foreign Affairs*, appraisal of Pena Nieto's Pact for Mexico, which approved many of the proposals embedded in the Merida Initiative – essentially an extension of Plan Colombia to Mexico (2016). Pena Nieto, Tepperman proclaims, may well have rescued his country from chaos and political paralysis following six years of heightened narco-violence initiated by Nieto's predecessor, Ferdinand Calderon (2016).

To these positive assessments of the U.S. led war on drugs, Paley offers a powerful rebuke: the War on Drugs is a façade that obscures underlying processes of population displacement associated with the activities of transnational corporations. To the extent that the policies of drug war capitalism are successful, they represent the triumph of transnational interests over those of local populations.

Expulsion, Dispossession, Shock and Hybridity

In this regard, *Drug War Capitalism* can be read in conjunction with Saskia Sassen's *Expulsions: Brutality and Complexity in the Global Economy*, which details the emergence of a new systemic logic of corporate economic growth that has become untethered from any underlying conception of the public good. "Anybody or anything," Sassen observes, "whether a law or a civic project, that gets in the way of profit risks being pushed aside – expelled" (2014: 213). Sassen studies mass incarceration, corporate land grabs in Asia and Africa, and financial real estate speculation as prominent examples of this new systemic logic of expulsion, but not drug wars. On this point, Paley's book illustrates an important dimension of contemporary processes of population displacement.

Population displacement, Paley suggests, can be understood in relation to David Harvey's analysis of accumulation by dispossession. The central point Harvey makes in the formulation of this concept is that the production of surplus value under capitalism is not entirely endogenous to the capitalist exploitation of labor power, but rather that "some sort of 'outside' is necessary for the stabilization of capitalism" (2003: 141). These outside spaces have to somehow be produced – the outside that capitalism requires must be pried open and administered in order to become functional to capital accumulation. Structural adjustment policies proposed by international financial institutions and implemented by neo-liberalizing elites in the global south were tantamount to violent dispossession, but they were also limited in scope. After decades of structural adjustment, communities and governments in the region still controlled important economic assets. Paley's *Drug War Capitalism* shows how the War on Drugs became offered as a means for restarting accumulation by dispossession. As Paley writes: "The War on Drugs is a long term fix to

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capitalism's woes, combining terror with policy making in a seasoned neoliberal mix, cracking open social worlds and territories previously inaccessible to global capitalism" (2014: 16).

Another important thread of analysis that Paley follows in her analysis is Naomi Klein's *Shock Doctrine* (2007). Klein shows how the social, economic and political shocks – the results of regime change, natural disaster, debt crisis or hyper-inflation – have provided a means through which neo-liberalizing elites have disrupted the status quo in developed and developing countries alike by imposing radical free market policies, but it has not been enough. Some new shock was required in order to put new processes of neo-liberalization into effect.

The War on Drugs was, of course, the new shock. But the question is, how did it emerge? Obviously, the War on Drugs was not manufactured by a think tank in Washington and then exported to Latin America. The key idea here, formulated by geographer Jamie Peck and urban planner Nik Theodore is that neoliberalism has not been instituted as "a purposive ideational project" (2012: 176). Rather processes of neo-liberalization are hybrid in character, working with and through pre-existing social forms, such as, in the cases of both Mexico and Colombia, criminal groups in the service of the state. This is a point that Paley demonstrates with particular clarity with regard to both of these states.

Plan Colombia

The regeneration of neoliberalism through the War on Drugs unfolded first in Colombia where U.S. counter-narcotics policy shifted from sanctions to engagement. The sanctions regime was put into effect by the Reagan administration and imposed economic sanctions on countries that were certified by the U.S. Department of State as uncooperative in the U.S. war on drugs. The Clinton administration's interest in finding new investment opportunities for transnational corporations led the U.S. to waive the drug related sanctions it had imposed on Colombia in 1998. As Paley details, by 1996, the sanctions regime had cost U.S. businesses nearly \$1 billion in sales in Colombia (2014: 61).

As the U.S. moved away from sanctions, it crafted Plan Colombia, which provided military aid and training to Colombia in order to interdict cocaine. In terms of interdiction, Plan Colombia was an abject failure. But U.S. policy makers shifted the metrics of success from interdiction to state and investor security. Plan Colombia became a pretext for neo-liberalization marked by the fastest growth in foreign direct investment anywhere in Latin America.

Paramilitaries played a crucial role in Colombia's economic performance. Colombia has a long history of paramilitary mobilization, including the state's use of vigilante forces to destroy the FARC during the 1960s and to decimate members of the Patriotic Union – elements of the left who had laid down arms in order to participate in electoral politics – during the 1980s and 1990s. Over the course of Plan Colombia, paramilitaries were deployed as shock troops against communities that were in the way of transnational corporations and who were adjacent to drug related activities. Proximity was sufficient to establish culpability.

Plan Colombia has forged informal networks of social control, which the Colombian government has sought to portray as non-political in nature. As Paley observes, the Colombian government has dismantled its formal connection to the paramilitaries – namely the AUC (*Autodefensas Unidas de Colombia*) and has sought to re-brand the paramilitaries as criminal rather than political organizations (2014: 79). This is a crucial move as it aligns the state with law and order and the paramilitaries with organized crime. The activities of the paramilitaries, as Paley notes, become depoliticized as merely criminal activities. But the state does not prosecute the paramilitaries for their crimes and it does not suppress their activities.

This is also the case throughout the region. Narco-traffickers have become a part of the ruling elite in terms of the composition of both the landed oligarchy, the bourgeoisie, the political classes, the military and the security services, as Paley clearly illustrates in her chapters on both Guatemala and Honduras (2014: 169-218). Similar to Colombia, in both of these states paramilitary formations flourish under the penumbra of both the military and police. Indeed, the lines of demarcation separating paramilitary formations, criminal organizations, and police or military forces are, in each of these cases, indistinct, creating an uncertain and fluctuating border between criminality and law in the

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context of everyday life. But in the rhetoric of the War on Drugs, it is sharply delineated. For Colombia and other states in the region, the loudly proclaimed opposition between state and criminal organizations should be replaced by recognition of their interconnections. The target of military and paramilitary violence is not narco-trafficking (in which the paramilitaries are deeply engaged) but control over territory and society, often on behalf of transnational interests.

In this context, anyone who stands in the way of transnational interests can be readily eliminated. Because it is carried out by paramilitaries rather than personnel of the state, this political violence can be represented as criminal violence. Delegating the killing of adversaries to the paramilitaries also relieves states of the burden of having to politically mediate conflicts through patronage networks and other forms of political bargaining (Paley, 2014: 157). It is rather the case that the war on drugs allows the state to constitute large sectors of the population as internal enemies (see Paley, 2014: 114 and 176 for examples). The resulting terror leaves society in perpetual shock – to return to the theme of Klein’s book – and de-politicized, even as it endures a deepening of neo-liberalization.

Plan Mexico

This conclusion points to the central objective of the U.S. led war on drugs. It is to re-program states in the region so that they have a greater institutional capacity to uphold the neoliberal order. This is particularly evident with regard to the various components of the Merida Initiative, which was formulated by the Bush administration in 2008 and then greatly expanded under Obama.

Mexico is characterized by segmented modes of governmentality. The refurbished core institutions of the state funded by the Merida Initiative are increasingly able to process the neoliberal flows of trade and investment, which are anticipated to generate higher levels of economic growth over time. In the meantime, it will remain the case that state security is for the neoliberal economy, not for people. One particularly clear example of this is Pena Nieto’s rural gendarmerie, an elite force of 5,000 civil police which will have a special responsibility, according to *The Economist*, “for protecting Mexico’s economic assets – oil, mines, farms and so forth – from organized crime” (quoted in Paley, 2014: 138).

Security on the peripheries of the neoliberal economy is differently provisioned. The involvement of drug cartels in the provision of security is rooted in the fact that cartels have always been linked to the state in Mexico. The paramilitary formations that have emerged from Mexico’s drug cartels have become – as in Colombia – an informal extension of the security apparatus of the state. As in Colombia, paramilitaries inflict violence on communities occupying land that transnational corporations want to exploit. Criminal penetration of the state – at all levels of government – enables criminal organizations to establish spaces of social control administered by virtue of the political impunity they receive from the state. Writing about the Zetas – former elite members of the Mexican military who have founded their own criminal organization – Paley remarks that in the territories that they control, “...they create and maintain zones of total silence: journalists do not publish stories about them and on every street corner some on the Zeta’s payroll keeps an eye on the neighborhood” (2014: 146).

In summary, Paley’s *Drug War Capitalism* is of scholarly significance because she is able to characterize the new forms of paramilitary social control associated with the deepening of neoliberalism in Colombia, Mexico and Central America. Her account illustrates how contemporary processes of the expulsion and accumulation by disposition unfold in this region of the world. It characterizes the way in which political violence is deployed by states to shock and de-mobilize the popular classes. Finally, *Drug War Capitalism* captures the opportunistic capacity of neoliberals to advance their policy agendas through the War on Drugs. In all, Paley offers a significant revision of the War on Drugs which should certainly inform both our teaching and research on Latin American and transnational capitalism.

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