ABSTRACT: This article positions the prohibition of psychoactive substances as a material means of strengthening States and State power. We argue that the militarized enforcement of prohibition has known outcomes beyond the control of substances, including the creation of cash economies that, firstly, support the smooth flowing of modern global capitalism, and secondly, finance US allied (reactionary) armed groups internationally. Various national contexts are considered, with a special focus on how these trends are developing in the ongoing “war on drugs” in Mexico.

KEY WORDS: Global Capitalism, War on Drugs, State Power, Prohibition.

RESUMEN: En este artículo se postula la prohibición de las sustancias psicoactivas como un medio material para fortalecer a los Estados y al poder estatal. Sugerimos entonces que la aplicación militarizada de la prohibición ha tenido resultados más allá del control de las sustancias, incluyendo la creación de economías en efectivo que, en primer lugar, apoyan la fluidez del capitalismo global moderno y, en segundo lugar, financian a los grupos armados aliados (reaccionarios) de los Estados Unidos a nivel internacional. Se consideran diversos contextos nacionales, con especial énfasis en cómo se desarrollan estas tendencias en la guerra contra el narcotráfico en curso México.

PALABRAS CLAVE: capitalismo global, guerra contra el narcotráfico, poder estatal, prohibición de sustancias psicoactivas.

TABLE OF CONTENTS

I. INTRODUCTION ................................................................. 4
II. THE POLITICS OF PROHIBITION ........................................... 5

* PhD student, Sociology Department, Autonomous University of Puebla, Mexico.
I. INTRODUCTION

On February 4, 2016, Mexican President Enrique Peña Nieto met with US Secretary of Homeland Security Jeh Johnson and Secretary of Commerce Penny Pritzker to inaugurate the new Guadalupe-Tornillo border bridge between Chihuahua and Texas. “We have a privileged location and a historic opportunity we must seize to consolidate ourselves as allies and create prosperity and wealth,” said Peña Nieto.1 What US and Mexican officials ignored was that over the same time period as the bridge was constructed, the Mexican side of the border had been transformed into a war zone. Over 300 people in the town of 10,000 have been killed since 2008, and many thousands displaced. Today, Guadalupe is essentially a ghost town.

In the mainstream media, the violence in the Juárez Valley, of which Guadalupe is part, was portrayed as the result of a war between the Mexican State and drug traffickers. But as time passes, competing narratives are beginning to emerge. Mexican journalist Ignacio Alvarado wrote the following events in town of Guadalupe in late 2015: “In the abandoned and burned-out remains of Guadalupe, former residents see a scorched-earth policy: The State colluded with capitalists and criminals, they say, to empty the area of both residents and industry so that large binational groups could swoop in and develop huge infrastructure projects on valuable borderlands rich in natural resources.”2 Less than a week after the Guadalupe-Tornillo port of entry was inaugurated, a clandestine grave containing four bodies was discovered “very close” to the bridge.3

Official narratives of the drug wars in Mexico, Central and South America maintain a strong separation between violence linked to the drug war and global capitalism. This article builds on existing work connecting the violence of the drug war to capital accumulation in Latin America, particularly the enforcement of prohibition in the form of comprehensive drug wars, which is how we refer to multi-year, multi-agency funding packages like Plan Colombia

and the Merida Initiative that propose armed combat against drug trafficking while at the same time shoring up the rule of law in host nations. We argue that the enforcement of prohibition strengthens States and smooths the functioning of capitalism in four ways: through policy changes introduced to support prohibition, through formal militarization, by creating cash economies to ensure the smooth operation of capitalism, and by outsourcing the costs of war, which has long been an essential part of State development within a capitalist world economy. As Giovanni Arrighi has written, “the secret of capitalist success is to have one’s wars fought by others, if feasible costlessly, and, if not, at the least possible cost.”

Among other things, this article is intended to encourage further exploration of how the management of prohibited substances and the militarized enforcement of prohibition interact with global capitalism and State making in the 21st Century. This area remains undertheorized, even as it becomes increasingly clear that States and capitalism have come to depend on the cash economies generated through the enforcement of prohibition, as well as on narratives of criminality linked to prohibited substances as ways to shape national imaginations and notions of citizenship.

II. The Politics of Prohibition

We begin by setting out that prohibition refers to the action of forbidding something, especially by law, or “as a government decree against the exchange of a good or service.” We consider prohibition “an extreme form of government intervention,” a management of illicit substances, rather than a hands off policy. As Abraham and van Schendel point out, “Both law and crime emerge from historical and ongoing struggles over legitimacy, in the course of which powerful groups succeed in delegitimizing and criminalizing certain practices […] Students of illicitness must start from the assumptions that states cannot simply be equated with law and order, and that illicit practices are necessarily part of any state.”

The prohibition of narcotics and psychoactive substances began as laws that made certain substances illegal were passed internationally in the early twentieth century, through efforts spearheaded by the United States. From the outset, drug control was a mechanism through which racialized populations were criminalized, and also through which the US government and corporations could increase their power around the world. After the World War II, “The influence of the pharmaceutical industry and the drug control

6 Id., at 83.
apparatus that traveled with it persisted as critical components of the projection of US economic and political power on a global scale.”

Prohibitionist logics got a boost in the 1960s and 1970s as they were deployed by States across the Cold War political spectrum in order to criminalize youth and social movements worldwide. Hinton calls attention to an apparatus of surveillance that overlapped with social programs—for instance, antideviance measures framed as equal opportunity initiatives—to effectively suffuse crime-control strategies into the everyday lives of Americans in segregated and impoverished communities. Johnson “laid the foundations for the carceral state,” which he passed off to his successor Richard Nixon, who proceeded to launch the War on Drugs. In a 1994 interview released last year, John Ehrlichman, who was a policy advisor to Nixon when he was president, said the following:

The Nixon campaign in 1968, and the Nixon White House after that, had two enemies: the antiwar left and black people. You understand what I’m saying? We knew we couldn’t make it illegal to be either against the war or black, but by getting the public to associate the hippies with marijuana and blacks with heroin, and then criminalizing both heavily, we could disrupt those communities. We could arrest their leaders, raid their homes, break up their meetings, and vilify them night after night on the evening news. Did we know we were lying about the drugs? Of course we did.

The words of Ehrlichman ring true when we think through how the logics of prohibition are taken up via ideological State apparatuses to criminalize and dehumanize communities inside and outside the United States, while also strengthening the repressive State apparatus (police, courts, prisons, army). In the United States, for example, prohibition has been a key contributing factor to the realization of what Angela Davis calls the “prison industrial complex” and what Mumia Abu-Jamal has deemed “mass incarceration and [the] racialized prison state”. Critical Resistance, a national group that fights

7 Suzanna Reiss, We Sell Drugs: The Alchemy of US Empire 52 (University of California 2014).
10 Id., at 102.
13 Alexander, Michelle, The New Jim Crow” Author Michelle Alexander Talks Race and
for prison abolition, describes the prison industrial complex as “overlapping interests of government and industry that use surveillance, policing, and imprisonment as solutions to economic, social and political problems.”

Prohibition enforcement in the US also creates new revenue streams, through which police can recoup part of the cost of policing through the seizure and sale of property and assets believed to be owned or used by someone active in the drug trade. The prison industrial complex, which has reached epic proportions in the United States, is but one example of how the hard and soft power mobilized through the enforcement of prohibition are jointly manifested.

The enforcement of prohibition has generally been accompanied by a right wing, reactionary agenda in the US and elsewhere. “The War on Drugs has been adopted to serve important political ends while ushering in what deputy drug czar, John Walters (1989–93), characterized as a ‘conservative cultural revolution.’” Kuzmarov argues the US war in Vietnam and surrounding nations, as well as the return of veterans to the United States, were key elements in shaping President Richard Nixon’s war on drugs. “Its primary aim, besides bolstering the public reputation of the U.S. Armed Forces and easing public anxieties about the return of addicted vets, was to improve the image of the South Vietnamese government so as to allow for its political sustainability.”

Over time, institutions created to enforce prohibition have become established parts of the US State, threading a dependence on maintaining prohibition in the fabric of the State. “In order to enforce Prohibition, the American State created new law enforcement agencies that over time have become politically and financially invested in the continuation of prohibitionist drug policies (as well as the continuation of those activities they are ostensibly designed to prohibit), despite their demonstrable failure.”

Indeed, these policies must be viewed as a failure if we measure their impact on people and communities in terms of individual and collective rights, or if we evaluate them in terms of their efficacy in controlling or reducing the use of narcotic drugs. But arguments about the failure of these policies obscure the fact that they have been successful means of justifying ongoing criminalization, militarization and social control on behalf of elites and the dominant political class in Washington and elsewhere. The racist and highly political roots and impact of prohibition and the war on drugs within the


16 Id., at 356.

United States is but one system of repression operating within a broader context of capitalism, and while the focus of this article is specifically on the consequences of prohibition, a singular focus prohibition can be short-sighted. Marie Gottschalk points out that “Legislators are making troubling compromises in which they are decreasing penalties in one area —such as drug crimes— in order to increase them in another area —such as expanding the use of life sentences.” It goes without saying that a war on drugs is not the only fuel for militarization and criminalization in the United States and internationally, and ending prohibition is but one terrain of struggle for those working towards social justice.

Having briefly discussed how the enforcement of narcotics prohibition is an active and politicized means by which States seek to exercise control over people and project State military and economic power at home and abroad, we shall now turn to how narcotics prohibition can facilitate the expansion and maintenance of capitalism, and how the militarized enforcement of prohibition can provide an off-the-books source of funding for reactionary and paramilitary groups involved in strengthening State repression of community networks and popular resistance.

### III. Prohibition Enforcement and Cash Returns

For prohibition to be enacted, it has to be enforced, and this enforcement is carried out in large part by State repressive apparatus. Huge sums of money have been spent by the US in order to uphold and enforce prohibition inside the United States and around the world. In 2010, Washington spent $15 billion on the drug war, while state and local governments spent another $25 billion. Total US spending on the war on drugs since Nixon declared the War on Drugs in 1971 is estimated at over a trillion dollars.

Today, funding to uphold prohibition is spread across nearly the entire US federal government, with 13 of the 15 Executive Departments that make up the federal cabinet slated to receive a segment of the $31.1 billion in funding to support the National Drug Control Strategy for fiscal year 2017. In fact, the only cabinet level departments that do not receive drug war monies

---


19 Every year since 2003, federal funding for demand reduction (treatment and prevention) spending has been lower than for supply reduction (including domestic, interdiction, and international supply control strategies), with the vast majority of supply reduction going to police forces nationwide (Drug War Facts, 2015). That balance is slated to shift in 2017.


from Washington are the Department of Commerce and the Department of Energy. Of particular interest for the purposes of this article are the funds for international supply control, which for 2015, 2016, and 2017 (requested) total $1.6 billion annually. International supply control is by far the most expensive form of prohibition enforcement for the US government. A 1994 estimate pegs the cost of reducing cocaine consumption in the US by one percent at $788 million annually if realized via international supply control, $366 million per year via interdiction, $246 million per year via domestic policing, and $34 million per year via treatment. If reducing drug use in the United States were the primary political motivation behind these programs, it would be an obvious choice as to which kinds of policies would be put in place. But as we have seen domestically and internationally, there are political implications to prohibition enforcement which cannot be calculated using the metrics of the availability of narcotics and/or their use. In the words of Alex Wodak, former director of Alcohol and Drug Service, at St. Vincent’s Hospital, in Sydney, Australia, and current President of the Australian Drug Law Reform Foundation, “Conventional drug policy has survived for so long despite compelling evidence of abject failure because dysfunctional policy has been good politics.” Spending on domestic and global prohibition enforcement has become an essential thread in the fabric of US State-making.

International supply funds are used by US agencies to attempt to “disrupt” and “disband” trafficking organizations, carry out investigations and gather intelligence, carry out monitoring and interdictions, and to enact policy changes and development programs in target nations. In Mexico, the US government has provided $1.5 billion “worth of training, equipment, and technical assistance” between fiscal year 2008 and November 2015. It is estimated that Mexico spent $79 billion over the same time period on security and public safety. The aim of these programs is to increase the personal risk
to those involved in the production, transport and distribution of narcotics, driving up the cost of labor, with the aim of raising the price of illicit narcotics to consumers as a means of deterrence.\footnote{28} Many involved in the drug trade or narcotics trafficking are not involved by their own free choice, though in regions where salaries (this ranges from salaries for police and soldiers to salaries for agricultural workers) are depressed as a consequence of global capitalism, as in Mexico, Colombia, and Central America, the higher wages of the criminal economy may be considered worth the risk.

We cannot forget that prohibition “produces profit opportunities that previously did not exist.”\footnote{29} These forms of profit tend to benefit the US government and the functioning of global capitalism: it has been established that the cash economies generated through regimes of prohibition have kept the entire world economy afloat. In 2009, Antonio Maria Costa, then head of the UN Office on Drugs and Crime (UNODC) stated that the proceeds generated by criminal groups involved in drug trafficking was the only source of cash some banks had access to during the financial crisis that began in 2008. “In many instances, the money from drugs was the only liquid investment capital. In the second half of 2008, liquidity was the banking system’s main problem and hence liquid capital became an important factor,” Costa told The Guardian newspaper (Syal 2009). Without a nearly globally enforced regime of narcotics prohibition, this cash-only economy would not exist.

It is difficult to estimate the amount of money generated worldwide because of narcotics prohibition, which serves to increase the price of narcotics and leads the creation of a cash economy around them. In 2003, the United Nations Office on Drugs and Crime (UNODC) published the most recent of the size of the illicit drug market, according to which the world market is worth $320 billion (0.9 per cent of world GDP), $151 billion of which is generated in North, Central, and South America. But lumping North, Central and South America together is misleading because the vast majority of drug proceeds are generated in the United States, as warehouses sell to mid-level warehouses, who sell to street level dealers and finally to consumers. A 2010 estimate by the UNODC found that 85 percent of the proceeds of the cocaine trade in the Americas remained in the United States.\footnote{30} (In looking at the cocaine market in the Americas, an estimated 1 percent of proceeds stay in Andean countries, and 9 percent of the proceeds remain in transit countries, like Mexico and Central American nations.\footnote{31}}
Estimates for the proceeds from the sale of illegal narcotics from Mexico to the United States range from $9.73 billion to $22.18 billion per year. In either scenario, the cash revenues generated through the sale of narcotics to the United States are significant. This cash economy behaves differently in different jurisdictions. In the United States, Canada, and the European Union it has buoyed the economy as a whole, and in particular the financial and real estate sectors. Keeping in mind that “one of the state’s most important functions […] has to do with organizing the monetary system, regulating the money-names and keeping the monetary system effective and stable” requires us to consider the management of the illicit/non-legal cash economies connected to regimes of prohibition as of integral importance to States in the capitalist system. The drug war is foremost a police project, and policing is a key part of what produces and reproduces the capitalist social order. But the injection of government funds into policing prohibition also creates a cash economy that provides an additional stabilizer to the global financial system. In the words of Michael Hudson, as far back as the late 1960s, “the U.S. Government went to Chase and other banks and asked them to be good American citizens and make America safe for the criminals of the world, to safeguard their money to support the dollar in the process.”

IV. REACTIONARY ARMED GROUPS AND DRUG MONEY

Outside the United States, in addition to providing a (much smaller) cash infusion to the economy, the money generated through prohibition has been used at least in part to fund the arming of paramilitary groups. If we consider the enforcement of prohibition part of a broader political project not limited to narcotics, we can understand the far-reaching state intervention necessary for the enforcement of prohibition not only as a means to grow the state repressive apparatus, but also as an effective way of generating significant cash economies. These cash economies have, as we have seen, smooth the functioning of the capitalist system in the age of financialization (as in the US, Canada, the EU). But in other jurisdictions, these cash economies can find paramilitary groups which support the State repressive apparatus, including in countries that are apparently democratic (such as Mexico and Colombia).

33 The estimates quoted do not include domestic sales, which are much less significant (Ferragut 2012: 6).
34 David Harvey, A Companion to Marx’s Capital 58 (Verso 2010).
In what follows we trace a brief history of how cash economies created by prohibition function to fund right wing paramilitary groups, whose activities are generally aligned with the hegemonic fraction of capital and with the interests of Washington and leaders of client States in Latin America and elsewhere.

In his classic book *The Politics of Heroin*, Alfred McCoy documented in detail how the US Central Intelligence Agency collaborated with the Corsican and Sicilian mafia, flush with drug money, to undermine communist organizing in Europe after WWII, and how heroin was used strategically to fund client States and destroy resistance. In the Americas, it is known that the CIA collaborated with Cuban drug runners as part of the US fight against the Cuban Revolution in the late 1950s and into the 1960s.

But perhaps the most well-known case of a right wing group arming itself with the proceeds from cocaine is that of the Contras in Nicaragua. The Contras (short for counter-revolutionaries) were a CIA-supported group active in Nicaragua in the 1980s that President Ronald Reagan referred to as the “moral equals of the Founding Fathers.” The Contras were tasked with overthrowing the Sandinista government through sabotage and terror. Official documents reveal that US officials were aware that the Contras were using the proceeds of cocaine sales in Miami to fund their operations. The war in Nicaragua was effectively outsourced, paid for with the proceeds accrued through prohibition, under the supervision of the United States. A congressional investigation looking at the links between foreign policy, narcotics and policing in the United States and Latin America prepared by then Senator John Kerry found “substantial evidence of drug smuggling through the war zones on the part of individual Contras, Contra suppliers, Contra pilots, mercenaries who worked with the Contras, and Contra supporters throughout the region.” Also referred to as the Kerry Committee Report, it remains by far the most extensive official investigation of US participation of knowledge of drug trafficking and money laundering. Quoted in the report is US General Paul Gorman, who stated “If you want to move arms or munitions in Latin America, the established networks are owned by the cartels. It has lent itself to the purposes of terrorists, of saboteurs, of spies, or insurgents and subversions.” Interestingly, the report produces spurious evidence linking communist, Cuban or anti-US groups to the drug trade, but documents links between US agencies, client States and right-wing armed groups in depth. The Kerry Committee Report found the US State Department had “selected four companies owned and operated by narcotics traffickers to supply hu-


37 SUBCOMMITTEE ON TERRORISM, NARCOTICS AND INTERNATIONAL OPERATIONS, DRUGS, LAW ENFORCEMENT AND FOREIGN POLICY (1989).

38 Id. at 39.
manitarian assistance to the Contras.” The report also found Cuban-Americans in Miami had provided direct support for the Contras. “Their help, which included supplies and training, was funded in part with drug money.”

The report documented how “Papa Doc” Duvalier and his family profited from narcotics trafficking, and how the Tontons Macoute death squads operated in Haiti under the direction of Colonel Jean-Claude Paul, who was then in the pay of Colombian drug traffickers. In the case of Panamanian General Manuel Antonio Noriega, who was indicted in 1988 on federal narcotics charges, the report revealed that US officials from various agencies had known that Noriega had been participating in narcotics smuggling and various other criminal activities for nearly 20 years. The report noted that US agencies turned a blind eye to Noriega’s involvement in drug trafficking and money laundering for nearly two decades because US intelligence had close links with his government because of the negotiation of the Panama Canal Treaties and because of Panama’s help in backing the Sandinistas.

Testimony linking Cuba’s Fidel Castro to the drug trade was rebuked by Castro himself, who invited the members of the US government to verify the claims themselves, which they did not do. Other than passing mentions of arms trades with the FMLN in El Salvador and the ties between Colombia’s M-19 guerrillas (or what remained of the M-19) and Colombian drug money, there is little in the report that indicates that, at that time, left wing or “communist” forces were profiting in any significant way from the cash economy created by prohibition. Nor was there mention of US collaboration with Death to Kidnappers (MAS) an anti-communist paramilitary group created by drug traffickers founded in Medellín in 1981. By the mid-1990s, guerrilla movements in Guatemala, El Salvador, and Nicaragua had been brought to heel through campaigns of state and paramilitary terror, in which hundreds of thousands of people were killed, many tens of thousands disappeared, and millions of people displaced. The end of the Cold War meant tapering down anti-communism as a means of justifying war, and narco-trafficking and organized crime came to occupy the specters that would justify increased US intervention in the hemisphere. In Colombia, however, guerrilla groups remained active and paramilitaries were initially far more conflictive, and so the United States promoted war on drugs there was fused with an anti-guerrilla counterinsurgency-style war.

Since the 1960s Colombian society has undergone processes of paramilitarization. The first paramilitary groups were set up with funding from the US government, and their role was to support the Colombian army in combating the guerrillas. A second wave of paramilitarization occurred in the 1980s

---

39 Id. at 42.  
40 Id. at 59.  
41 Id. at 69-70.  
42 Id. at 79.
when “the capitalist class of Colombia played a more direct role in the setting up of paramilitary bodies” in order to protect their families and their fortunes. Many of these groups also had anti-communist ideals and worked closely with state forces. In the early 1990s, Medellín cartel leader Pablo Escobar hired “a veritable army from the northeastern and northwestern Medellín comunas to wage war against the state.” Los Pepes, a group of former associates of Escobar who had turned against him, worked together with US and Colombian forces to target Escobar’s armed apparatus, as well as to kill communists. After Escobar was killed in a joint US-Colombia mission in December of 1993, Álvaro Uribe, then governor of Antioquia state “moved to bring together the paramilitary forces of the cocaine industry into Colombia’s state security system. The mechanism for this was the Defense Ministry’s new Convivir structure—designed to give government backing to local ‘security and vigilance’ units grouped alongside Colombian military and police.” Uribe, of course, went on to become President of Colombia for two terms, during which paramilitary groups, armed forces, drug traffickers and elite groups worked together to secure investment and control social movements and the poor.

Drug proceeds in Colombia tend to fund right wing, government aligned paramilitary groups, much more so than they do guerrilla organizations. Though the US and Colombian media focused extensively on the funding of the Revolutionary Armed Forces of Colombia (FARC) guerrilla group through drug trafficking, it was estimated in 2001 that only 2.5 per cent of FARC funds came from drug trafficking. Meanwhile, in a TV interview in the early 1990s, Carlos Castaño, leader of the United Self-Defense Forces of Colombia (AUC) paramilitary group said that 70 per cent of AUC funds came from drug trafficking. “Today the fusion of paramilitarism and drug trafficking has reached an advanced stage, where these right-wing armed groups (including those who have claimed to be demobilized) control at least half the country’s narco-trade, producing a revenue of $1 to $2 billion annually.” To this day, large swaths of territory remain under paramilitary control in Colombia although the government of Juan Manuel Santos insists that these groups are not paramilitaries but rather criminal bands (bacrim) or mafias. On April 1, 2016, the Gaitanista Self-Defense Group of Colombia (AGC) oversaw a paramilitary curfew in the state of Urabá: for twenty-four

45 Id., at 356.
46 Paley, supra note 8, at 55.
47 Id., at 55.
48 Hristov, supra note 43, at 80.
hours shops and schools remained closed and people were warned to stay off the streets.49

Though paramilitary formations and the drug trade have different characteristics from one country to another, Colombia is considered a model state in Latin America. Paramilitary groups remain actively in control of much of the country’s resource rich areas, effectively serving as an extension of state military power. These paramilitary groups continue to be funded by narcotics trafficking, but today there is not the media attention there was a decade ago when Plan Colombia was in full swing. Rather, the buzzword in Colombia is peace, and the official discourse insists paramilitary groups have been demobilized, though it is clear they have not. The myth of peace in Colombia is, after Neocleous, a kind of pacification that represents continuation of the “permanent war of capital” and falls within the “manifold permanent or semi-permanent wars against the various ‘enemies within’: war on crime, war on drugs, war on poverty […]”.50 The US government has announced a new aid package for Colombia, called Peace Colombia, which builds on Plan Colombia and continues to privilege the enforcement of prohibition.51

V. THE WAR ON DRUGS IN MEXICO IN CONTEXT

In Drug War Capitalism (2014), I explore how the United States backed war on drugs in Colombia, Central America and Mexico are forms of war that tend to facilitate the expansion of capitalism. Plan Colombia, the Mérida Initiative, the Central American Regional Security Initiative and other similar comprehensive drug war packages funded by Washington through the George W. Bush and Barack Obama administrations have been the primary vehicles through which the drug war is promoted and spread in Latin America. Official discourse, promoted by states and reproduced and spread through society through what Althusser calls ideological state apparatuses,52 tells us these wars are about reducing the supply of narcotic drugs in the United States, and reducing crime in host nations. By way of example, in

2010, then-Secretary of State Hillary Rodham Clinton said the following during a speech at the Council for Foreign Relations:

And we are working very hard to assist the Mexicans in improving their law enforcement and their intelligence, their capacity to detain and prosecute those whom they arrest. I give President Calderon very high marks for his courage and his commitment. This is a really tough challenge. And these drug cartels are now showing more and more indices of insurgency; all of a sudden, car bombs show up which weren’t there before.33

The focus of Clinton’s description of violence in Mexico is on drug cartel activity, even as an increase in state violence (funded and supported by the US) was (and remains) a key element in increasing overall levels of violence. A closer look at what is taking place in Mexico and elsewhere shows us that comprehensive drug wars are a useful system for the promotion of the expansion of capitalism through three primary mechanisms: policy, policing and paramilitarism. These mechanisms all reshape and, we argue, increment the power of the repressive state apparatus in host nations, and are all tied to the militarized enforcement of prohibition.

The policy component comprises the direct US funding of legal system reform and direct and indirect federal policy and regulatory changes which deepen neoliberalism by encouraging privatization and extend additional guarantees to private investors. So, for example, the privatization of Colombia’s oil sector took place during Plan Colombia, and the privatization of Mexico’s oil sector took place during the Merida Initiative. Though seemingly unrelated to the war on drugs, major infrastructure builds and privatization programs were initiated during a period of intense violence, and were justified in part by as a way increase prosperity in order to create economic alternatives that would force fewer people into the drug trade. In his first major address after the disappearance of 43 students from the Ayotzinapa Normal School in Guerrero in the fall of 2014, Mexican President Enrique Peña Nieto said: “Peace is also built with development, and it is up to all of us to prioritize the region that is being left behind. Most of the worst political and social conflicts in the country have their origin, precisely, in the lack of development in the states of Chiapas, Guerrero and Oaxaca.”54 The president then mentioned new highways, a new dry corridor across the Isthmus of Tehuantepec, and a new natural gas distribution system, as well as new economic zones to encourage foreign investment, as part of the pathway to reducing violence in Mexico.

The policing component introduces (or increases) the presence of soldiers and marines in patrolling streets and neighborhoods, and militarizes the training, weaponry and composition of police forces throughout host nations. The work of Mark Neocleous, particularly his concept of pacification is useful here in thinking through the way police and soldiers are mobilized together as part of war. “Indeed, as a critical concept ‘pacification’ insists on conjoining war and police in a way which is fundamentally opposed to the mainstream tendency that thinks of war and police as two separate activities institutionalized in two separate institutions (the military and the police).”\(^{55}\) (Militarized policing strategies are funded by the US Department of Defense, the State Department (through USAID) and the Department of Justice, with supplemental funds from host nations, and in Central America and Colombia include the active participation of on-duty US police and soldiers. These forces are created (in the case of Federal Police in Mexico, for example), deployed, and maintained on the premise of disrupting the production and flow of narcotic drugs, but in fact these same forces serve to pacify urban and rural populations, defend transnational corporate interests against community organization and strengthen the repressive apparatus of the state.

The third component of comprehensive drug wars, paramilitarism, is strengthened through the promotion of a military strategy against drug production and trafficking, which is to say through the militarization of the enforcement of prohibition. The response generated by the militarized disruption of the activities of narcotics production and trafficking, particularly to the State strategy of killing or capturing leaders of trafficking organizations is twofold: first, it leads to a fracturing of organized trafficking groups and thus increases the number of armed groups, and second, these groups move to arm themselves with increasingly powerful weapons (from late model automatic weapons to grenades, bazookas and the like). From a military perspective, the decapitation strategy, according to which drug cartel bosses are captured and killed, has not led to a dismantling of criminal organizations. “Twenty-two out of the top 37 trafficking figures that the Mexican government has gone after have been taken off the board. But it has not had an appreciable effect—an appreciable, positive effect,” said Gen. Charles Jacoby, commander of U.S. Northern Command, during testimony to the Senate Armed Services Committee in 2012.\(^{56}\) Instead, this strategy leads to segments of trafficking organizations splintering off, after which smaller splinter groups often lose access to the drug transportation market (and to the direct spoils of prohibition), leading to a diversification that rests on increased activity in


DOI: http://dx.doi.org/10.22201/iij.24485306e.2017.19.11381
other spheres including kidnapping and extortion. Official narratives on the drug war do not take paramilitarism into account; instead, increased violence and the splintering of criminal organizations are presented as an unforeseen consequence of enforcing prohibition.

*Drug War Capitalism* is a preliminary examination of how increased paramilitarism caused by official policies of militarizing the drug trade can benefit the interests of transnational capital at large, looking at how mining companies, oil and gas companies, maquiladoras, big box retailers and others might benefit from or in fact enable increased military and paramilitary activities in their areas of operation. There are clear cut cases of paramilitary intimidation and execution of unionized workers and communities considered to be standing in the way of corporate development, which have been well documented in Colombia. In Mexico, where the comprehensive drug war has just entered its tenth year, these groups are referred to as “drug cartels” or “drug gangs,” and though we have less evidence of direct collusion with corporate interests, it is possible to document how drug cartels/paramilitary groups in Mexico have been involved in concert with police in repressing social organizations. A handful of cases stand out: the massacred and disappeared students of the Ayotzinapa Teacher’s College in Guerrero, Mexico, the displacements which have taken place at the hands of state and paramilitary forces along the US-Mexico border, and the so called “narco-violence” deployed against community activists organizing against a Canadian owned mining project in the state of Chihuahua.

We propose calling organized crime/drug trafficking groups paramilitary groups (instead of drug cartels) in order to recognize the activities of these groups as functional to global capitalism and also to put them in a historical context. This acknowledges that where we have information available about those who fill their ranks, we see that these groups are made up in large part of people who at one time worked within the state repressive apparatus (municipal, state or federal police, elite army and police special forces, and soldiers). And it casts off the notion of a criminal “insurgency” promoted by Hillary Clinton and her ilk, allowing us to structurally acknowledge how these groups often interact cooperatively with the State repressive apparatus.

Experiences in Mexico and Colombia have demonstrated that as investment in militarization is increased, and particularly as US spending on militarization rises, processes of paramilitarization deepen. Though some of this

---

new paramilitary firepower can be used to fight state forces, state military power remains far greater than drug cartel/paramilitary might. In addition, as discussed, the strategy of taking down the leaders of drug cartels, as practiced in Mexico, means that as processes of paramilitarization deepen, the structures and allegiances of these organizations change. So although at times State forces and paramilitary groups/drug cartels are in conflict, we see that the activities of the latter tend to reinforce the hard power of the State, and function in ways that decrease the mobility and the voice of communities. The key argument here is that the more there is a militarized State enforcement of prohibition, the more processes of paramilitarization and the dispersion of paramilitary groups increase. In the examples of both Colombia and Mexico, the deployment of militarized State forces and attendant paramilitary activity together form the backbone of a war against the people.

VI. CASH ECONOMIES FOR CAPITAL AND REACTIONARIES: KNOWN CONSEQUENCES OF PROHIBITION

Given the patterns of the drug war identified above, it is clear that the maintenance and enforcement of narcotics prohibition that has led to the creation of revenue streams which otherwise would not exist. Regardless of the evidence to the contrary, there has been an effort to maintain that the creation of a “black market” is an unintended (rather than a known) consequence of prohibition enforcement. Take for example this awkward explanation of the effects of prohibition, which dovetails with official discourse: “The unintended, even if predictable, consequences of the war on drugs are widely acknowledged.” 61 How can a known (predictable) outcome of a policy be considered unintended? The argument here is that it cannot, and that as part of building our understanding of the realities we face today, students of the State, of capitalism and of war would do well to attend to the well-known consequences of US led militarization on the pretext of upholding prohibition.

We have seen how revenue streams that would not exist without a regime of prohibition are used to smooth the functioning of global capitalism in times of crisis, but also how they are used to fund armed groups, which form or are strengthened in order to protect the trade in prohibited goods, in which traffickers have little recourse to non-violent mechanisms of protection. As explored earlier, paramilitary groups and drug cartels are forged out of close links between certain segments of State bureaucracies and State security forces, a necessary collaboration which ensures them access to flows of prohibited substances, or to the resources generated by those flows. The activities of paramilitary groups and/or drug cartels tend to favor the expansion of

61 Id.
capital, though is a constant effort by governments to depoliticize the activities of these groups. Colombia’s attempt to re-brand paramilitary groups as “criminal bands” without ideology is a prominent example of this trend. After a recent paramilitary curfew imposed in Urabá, Colombia’s Defense Minister Luis Carlos Villega said the AGC are not a political organization, rather a “criminal and mafia cell” whose “motivations are profit, profit at any Price.” 62

The Kerry Committee Report reiterated multiple times that there are no political motives behind the actions of drug cartels. “As witness after witness stressed to the Subcommittee, the cartels are driven by financial rather than ideological motives. They are willing to do business with anyone as long as it helps further their narcotics interests.”63 In addition to evidence that so called drug cartels have collaborated with or acted as reactionary, State-aligned groups, the notion that capital accumulation is an ideologically neutral pursuit does not hold water. Capital accumulation by armed groups is a pursuit that tends to strengthen the status quo, and thus is presented from spaces of domination as an activity that has no ideology or is somehow ideologically neutral.

This article set out to argue that the generation of cash-only “illegal” economies through the enforcement of prohibition is a known consequence of prohibition, a strategy pursued by States (despite its seeming ‘failure’ to control the availability and use of narcotics) in order to create additional means of financing repressive social control, as well as propping up global capitalism. Coming back to the Arrighi quote that this article opened with, the hope is that we can begin to consider the increased firepower available to groups through cash generated via economies of prohibition as a known consequence of the militarized enforcement of prohibition, and as a way of outsourcing the (financial and political) costs of war.

62 Cosoy, supra note at 49.
63 Subcommittee on Terrorism, Narcotics and International Operations, supra note 37, at 8.