

**"Bringing Imperialism back in:
a Historical Analysis of the US' 'War on Drugs' in Bolivia,
World Order and International Relations"**

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I hereby declare that this thesis has not been submitted, either in the same or different form, to this or any other University for a degree.

Signature :

A handwritten signature in black ink, appearing to read "B. Allmarq", is written on a white rectangular background. The signature is fluid and cursive, with a long horizontal stroke extending to the right. The white background is centered on the page and is overlaid on a large, faint, light gray watermark that consists of a stylized "X" shape formed by several parallel diagonal lines.

Abstract

The purpose of this thesis is to propose an alternative approach to explaining the ‘world order’, the central theme in theories of International Relations (IR).

The thesis has two parts, with the whole inquiry beginning with the examination of a particular historical manifestation of world order, namely the US War on Drugs in Bolivia. The first part documents and explains the emergence of the US War on Drugs and its political, economic and social implications for Bolivia, from a historical perspective. It demonstrates that the War on Drugs is a major manifestation of an actual world-ordering process, which is effected by the US according to its political establishments’ vision of the world order. Following this, the second part of the thesis considers some of the major theories of world order to determine whether they provide an adequate explanation that is able to account for the concrete phenomenon of the War on Drugs. It is shown that these theories are unable to provide an explanation for this world-ordering project, not just because they have not analysed it specifically, but rather because they have substantial flaws in their ontological presuppositions and their methodological premises. After detailing these flaws, the thesis undertakes the task of proposing an alternative explanation of world order based on a particular reconceptualised notion of imperialism, which is distinctive from those developed in classical theories of imperialism.

Finally, the thesis tests its original contribution to scientific knowledge — the new notion of imperialism — by applying it to the substantive history of the War on Drugs. It concludes that the proposed notion of imperialism is able to explain the phenomenon of the War on Drugs, and needs to be central in order to formulate a better theory of world order.

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Table of Contents

<i>Table of Contents</i>	<i>iii</i>
<i>List of Tables and Figures</i>	<i>vi</i>
<i>List of Acronyms</i>	<i>vii</i>
<i>Chapter I: Understanding World Order and World Ordering</i>	<i>1</i>
<i>Chapter II: The Road to the War on Drugs – The Historical Background</i>	<i>8</i>
I. Introduction	8
II. Early History of Drugs -Before the War on Drugs	9
New World, New Wonders	9
The Historical Process of the Commodification of Coca	11
The Arrival of Coca into the European and North American Markets	13
Changing Social Relations and Changing Moral Image and Legal Status of Drugs	16
The construction of international legal framework	23
III. The Recent War on Drugs	26
The Historical Background of the Recent War on Drugs	26
The Re-surge of Cocaine Use in the US and the Declaration of Recent War on Drugs	31
IV. Perspectives on the War on Drugs	37
V. Subject of Enquiry: The War on Drugs and World Order	41
<i>Chapter III: The Historical Constitution of the Coca Economy in Bolivia</i>	<i>43</i>
I. Introduction	43
II. The Background of the Underdevelopment of Bolivia	44
Bolivia's Colonial Legacy: A Bitter Historical Background	44
Malaises of Colonial Legacy: Post-Independence Bolivia	46
The 1952 Bolivian Revolution: Efforts to Move to State Capitalism	49
1964-1979: A Generic Period of Military Rule or a Counter-Revolution?	53
III. The Gradual Rise of the Coca Economy	55
The <i>Banzerato</i> Period: Transition to the Southern Cone Model	55
The Establishment of the Coca Economy	59

Prelude to the Economic Collapse _____	61
The Great Tin Crash and Bolivia: Reinforcing the Coca Economy _____	64
<i>Nueva Política Económica</i> : The Consolidation of the Coca Economy through Neoliberalism _____	68
The Workings of the Coca Economy in Bolivia _____	71
IV. Conclusion: The Coca Economy Consolidated _____	75
<i>Chapter IV: The Simultaneous Application of the War on Drugs and Neoliberalism in Bolivia</i> _____	77
I. Introduction _____	77
II. Application of War on Drugs _____	78
Setting up the Legal infrastructure _____	78
Militarisation of the War on Drugs in Bolivia _____	82
Alternative Development Projects in the Context of the War on Drugs _____	89
The US Certification Card _____	94
The Cost of the War on Drugs for Bolivia: Towards Social Collapse _____	97
III. The Simultaneous Neoliberal Agenda _____	101
Towards a ‘Healthier Economy’: The Gradual Dispossession of Public Goods _____	101
Where Two Agendas Meet: the Privatisation of Water Services in Cochabamba _____	103
The Virtual Collapse of Bolivian Politics: The Final Blow — Gas Wars _____	106
IV. Conclusion: The Success of the War on Drugs _____	111
<i>Chapter V: The US Vision of World Order And its Relationship to the War on Drugs</i> _____	115
I. Introduction _____	115
II. The US Vision of the Current World Order _____	116
The Principle Objectives of the National Security Strategies and the US Interests _____	116
The Military-Political Order _____	118
The Normative Order _____	124
The Economic Order _____	127
Tools for Implementing the National Security Strategies _____	131
Diplomacy _____	132

International Assistance _____	133
Military Activities _____	134
A Summary of the US Vision of World Order _____	135
III: War on Drugs as a World Ordering Project _____	137
Political Ordering: Military Expansionism and Unilateralism _____	137
Social Ordering: Stepping up the Social Control _____	142
Economic Ordering: Expansion Neoliberal Market Relations _____	147
IV. Conclusion: the War on Drugs as a World Ordering Project _____	149
<i>Chapter VI: Identifying the Misrecognitions of Approaches to World Order _____</i>	<i>151</i>
I. Introduction _____	151
II. Method of Investigation _____	152
III. Common Misrecognitions of Approaches to World Order _____	159
Epistemic Fallacy in Approaches to World Order _____	159
The Neo-Realist Theory of World Order: Kenneth Waltz _____	159
A Descriptive Approach to World Order: Naom Chomsky _____	165
Structural Determinism in Approaches to World Order _____	171
An Historical Theory of World Order: Immanuel Wallerstein _____	171
A Neo-Marxist Approach to World Order: Michael Hardt and Antonio Negri _____	177
3. Undifferentiated Reductionism in Approach to World Order _____	182
The Neo-Gramscian Approach to World Order: Robert Cox and Stephen Gill _____	182
IV. Conclusion: A need for an Alternative Ontology _____	192
<i>Chapter VII: Bringing Imperialism Back In — World Order and World Ordering _____</i>	<i>193</i>
<i>Bibliography _____</i>	<i>204</i>

List of Tables and Figures

<i>Chart 2.1: Genealogy of DEA</i>	28
<i>Table 3.1 'Bolivian Ores and Metals Exports, 1962 – 2001'</i>	51
<i>Graph 3.2 'Bolivian Ores and Metals Exports, 1962 – 2001'</i>	51
<i>Table 3.3: 'Value of Bolivian Exports and Imports, 1970 – 2000' (million US\$)</i>	57
<i>Graph 3.4: 'Value of Bolivian Exports and Imports, 1970 – 2000' (million US\$)</i>	57
<i>Table 3.5: 'GDP and Total External Debt, Bolivia 1970 –1999' (million 1970 PPP\$)</i>	58
<i>Graph 3.6: 'GDP and Total External Debt, Bolivia 1970 –1999' (million 1970 PPP\$)</i>	58
<i>Table 3.7: 'Area Under Coca Cultivation in Bolivia, 1969 – 2000' (in hectares)</i>	61
<i>Graph 3.8: 'Area Under Coca Cultivation in Bolivia, 1969 – 2000' (in hectares)</i>	61
<i>Table 3.9: 'Inflation in Bolivia, 1961 – 2002' (consumer prices, annual %)</i>	63
<i>Graph 3.10: 'Inflation in Bolivia, 1961 – 2002'</i>	63
<i>Table 3.11 'Bolivian Tin Production, Exports and International Tin Prices,</i>	68
<i>Table 3.12: 'The IMF Transactions with Bolivia, 1984 – 2003'</i>	70
<i>Table 4.1 Institutions Assisted by the INC Programme and the Forms of Assistance</i>	85
<i>Table 4.2 US Total Funding to Bolivian Police and Military Units, 1996 – 2004</i>	88
<i>Graph 4.3: 'Andean Net Coca Cultivation Comparison, 1991 – 2001'</i>	112
<i>Graph 4.4: 'Andean Potential Cocaine Production, 1995 – 2001'</i>	113

List of Acronyms

ADN	Nationalist Democratic Action Party
AIN	Andean Information Network
AMA	American Medical Association
APA	American Pharmaceutical Association
BDTF	Bolivian Navy's Blue Devil Task Force
BMJ	British Medical Journal
BMS	Buffer Stock Manager
BNDD	US Justice Department's Bureau of Narcotics and Dangerous Drugs
CHDS	Center for Hemispheric Defense Studies
CIA	Central Intelligence Agency
CIIR	Catholic Institute for International Relations
CND	Commission on Narcotics Drugs
COB	Bolivian Central Worker's Union
COMIBOL	The Mining Corporation of Bolivia
CSDP	Common Sense for Drug Policy
CSUTCB	Unified Peasant League Federation of Bolivia
DEA	Drug Enforcement Administration
DOD	United States Department of Defense
ETF	Expeditionary Task Force
FBI	Federal Bureau of Investigation
FELCN	Special Force for the Fight Against Narcotics Trafficking
GDTF	Bolivian Army's Green Devil Task Force
GAO	General Accounting Office
ICIJ	International Consortium of Investigative Journalists
IDB	Inter-American Development Bank
IMET	International Military Education and Training
IMF	International Monetary Fund
INC	US State Department's International Narcotics Control Programme
INL	US State Department's Bureau of International Narcotics and Law Enforcement Affairs
INM	US State Department's Bureau of International Narcotics Matters
ITC	International Tin Council
IWL	International Water Ltd.
JCET	Joint Combined Exchange Training
JET	Joint Eradication Task Force
MIR	Movement of the Revolutionary Left
MNR	The Nationalist Revolutionary Movement

NPE	<i>Nueva Política Económica</i> (New Economic Policy)
NSDD	National Security Decision Directive
NAS	US Embassy's Narcotics Affairs Section
OAS	Organisation of American States
ODALE	Office of Drug Abuse Law Enforcement
ODCCP	UN Office for Drug Control and Crime and Prevention
OGDD	Observatoire Géopolitique Des Drogues
ONDCP	United States Office of National Drug Control Policy
OPEC	Organisation of the Petroleum Exporting Countries
PBS	Public Broadcasting Service
RDTF	Bolivian Air Force's Red Devils Task Force
SAF	Structural Adjustment Facility
SEMAPA	Cochabamba's Municipal Water Company
SOA	School of the Americas
SOF	US Special Forces
SOUTHCOM	US Southern Command
SUBSEDAL	Bolivian Bureau for Alternative Development
UMOPAR	Bolivian Mobil Rural Patrol Unit
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNGASS	United Nations General Assembly Special Session on the World Drug Problem
UNODC	United Nations' Office on Drugs and Crime
US	United States
USAID	United States Agency for International Development
WOLA	Washington Office on Latin America
WH	White House
WTO	World Trade Organisation
YPFB	Bolivian State Petroleum Company

Chapter I: Understanding World Order and World Ordering

The recent policies of the United States (US) bundled under the generic title of ‘the War on Terrorism’ — a packet-response, allegedly, to 11th September (9/11), has initiated an interesting intellectual debate about the nature and purpose of these policies. Critics of the US’ post-9/11 policies point out that the US War on Terrorism is formulated in such a way that it fulfils functions *other* than fighting with international terrorism. Some rightly argue that the US is opportunistically using its war on terror to expand the limits of its global hegemony (for instance see Ahmad 2003) through military expansionism (for instance see Saurin 2002) and to undermine the principle and the practice of multilateralism in world politics (for instance see Achcar 2002). Some convincingly argue that US corporate interests are highly influential in the formulation of the War on Terrorism (for instance see Bichler & Nitzan 2003), while others maintain that the policy implements a stricter system of social control applicable in general (see for example Nkrumah 2001), and aims to ‘terrorise dissent’ towards neoliberal globalisation specifically (for instance see Levidow 2002). These criticisms, pinpointing solely or in combination to different functions that the War on Terrorism fulfils, all imply the fact that post-9/11 US policies are operating as a *world ordering project*, to shape, shove and re-structure the world, politically, economically, socially and normatively:

‘For the “war on terror” is more than a military campaign; it is also an attempt to establish a new global narrative. It is a war about how to interpret the world, how to structure policy and politics, how to shape lives’ (Wirtén 2002).

The subject of enquiry of this thesis is *world order* and *world ordering*. When implicitly referring to world order, Stephen Gill argues that the term ‘order’ is ‘a contestable concept and is conceptualised and understood in different ways from different perspectives’ (Gill 2000: 48). This epistemological relativist ambiguity regarding the notion of order makes the term world order, as Knutsen notes, a ‘notoriously slippery’ one (Knutsen 1999: 1). However we will show in this thesis that neither is world order a contestable concept nor is world ordering a slippery term, and that proposing an alternative approach to explaining *world order as a process* and *world ordering as a project* is possible.

We will not begin this task from abstractions, but rather from a concrete base: the US' War on Drugs, a *metaphoric* war 'with powerful consequences' (Sontag 2002). Illegal drugs have been perceived as one of the biggest social problems of modern Western society in general and in the US specifically. In the latter, where the general anti-drug stance has always been very potent since — at least — the turn of the twentieth century, illegal drugs have been one of the 'standard' issues directly affecting the US' internal politics. However, recently, anti-drug feeling in the US seems to have reached a climax and taken on the form almost of hysteria, which, in turn, is reflected in the US' international policies. In the last three decades, in response to the surge in the use of crack-cocaine in the US, federal administrations have been pursuing very strong international anti-drug policies — presented under the metaphoric title of the 'War on Drugs'. Since the early 1980s, the War on Drugs mainly has continuously targeted three Andean countries - namely Bolivia, Peru and Colombia - where most of the coca plants (the natural constituent of cocaine) are produced. The war has also spread to almost all other countries in the Latin American continent, under the pretext that, in one way or another, these countries are also involved with drug activities, such as acting as a transit, supporting drug-traffickers, laundering money, and so on.

The thesis will develop its argument by using the US' War on Drugs in Bolivia. By subjecting the US' past and recent preoccupations with drugs and the actual application of the War on Drugs to a historical analysis, we will demonstrate that the War on Drugs is a set of political, social and economic policies that provides the US an ideal framework through which to reproduce and reinforce its vision of world order. In other words, we will show that the War on Drugs is a world ordering project. In this sense we must emphasize that this thesis is not about the War on Drugs, but rather, its purpose is to use this particular historical manifestation as a means of developing an explanation of world order or world ordering.

Following our demonstration that the US' War on Drugs is a world ordering project, we will move on to see whether predominant approaches to world order can provide an adequate framework within which one can account for this specific phenomena, and ultimately, for a better understanding of world order and world ordering. We will benefit from critical realist philosophy of science in order to show that predominant

approaches to world order are unable to provide an adequate explanation for world order and world ordering in general and the War on Drugs specifically. We will argue that this inadequacy originates not because these approaches have not analysed the War on Drugs specifically, but rather because they have substantial flaws in their ontological presuppositions and their methodological premises. We will demonstrate that these approaches, in some way or another, have committed epistemic fallacies, structural determinisms and undifferentiated reductionisms. After demonstrating the flaws in dominant approaches to world order we will undertake the task of proposing an alternative explanation of world order.

The discipline of International Relations (IR) has largely dispensed with classical theories of imperialism, especially in the last decades and arguably since the termination of the US' aggression in Vietnam. One can agree with the argument that these theories were applicable for their time or committed some forms of economism and determinism, but that does not give a rationale for why the discipline should discard them completely. We believe that classical theories of imperialism have focused, albeit in incorrect ways, on the correct subject of enquiry: these theories have essentially been about world order and have also considered questions of world ordering projects. Therefore, our alternative explanation of world order will be based on a particular re-conceptualised notion of imperialism — distinct from those developed in classical theories of imperialism.

In a way, the thesis aims to *bring imperialism back* into the discipline of IR. In this sense, the thesis locates itself in IR. Furthermore, to the extent that the thesis a) engages in an inquiry into a substantive phenomena (i.e. the international War on Drugs), necessarily of concern to IR, but which has not received any scholarly attention, b) develops theoretical arguments about world order and world ordering, again necessarily of concern to IR c) engages in a critical debate with some of the theoretical approaches of IR, and d) deals with methodological issues regarding the subject matter of IR, it can be regarded as making a contribution to the discipline. Yet it must be noted that the task in hand, i.e. proposing an alternative explanation of world order based on a particular re-conceptualised notion of imperialism, is huge. Therefore this work, if it promises any prospects, should be considered the first step of a wider research project.

The originality of the thesis is the particular manner in which this new notion of imperialism is put forward and this makes our claims distinctive from classical theories of imperialism. The distinctiveness about our claims originates from the fact that the new notion of imperialism is predicated on different presuppositions, which are reached through the arguments of critical realist philosophy of science. It must be emphasised that the thesis does not attempt, by any means, to take such arguments further at the level of philosophy, but rather uses them as a reference point. The original contribution of this thesis is also rooted in its bringing together existing arguments from different areas of social inquiry, which traditionally have been separated from each other, according to the historically constituted division of academic labour. Much of the individual component parts of the overall thesis consist of reporting other existing work and, thus, in themselves, do not entail a claim to originality. In drawing together such disparate literatures, however, a totality emerges which treads new ground.

The thesis has two parts, with the whole inquiry beginning with the examination of a particular historical manifestation of world order, namely the US War on Drugs in Bolivia. The first part consists of Chapter 2, Chapter 3, Chapter 4 and Chapter 5. This part documents and explains the emergence of the US War on Drugs and its political, economic and social implications for Bolivia, from a historical perspective. It demonstrates that the War on Drugs is a major manifestation of an actual world ordering project, which is effected by the US according to its political establishments' vision of the world order.

Chapter 2 initiates the historical analysis of the emergence of the US War on Drugs. The first section of the chapter uncovers the historical account of the changes in the legal and moral image of drugs in the US, with reference to the changing social relations at the turn of nineteenth century. The second section of the chapter investigates the historical evolution of the War on Drugs and how it was formulated and applied as an international policy by successive US administrations. It documents the evolution of the recent phase of the War on Drugs, which has been declared in response to the surge of cocaine use in the US in the 1980s, and which has specifically focused on the Andean countries. The final section of the chapter briefly evaluates different perspectives that have tried to bring evaluate why anti-drug sentiments has been so potent in US political and social life in general, and why the international War on Drugs has been applied so

persistently by successive US administrations. Drawing on the findings provided in previous parts of the chapter, the section examines whether these perspectives can place the War on Drugs in a historical context, and can capture the dynamics behind the War on Drugs, especially with regard to its international applications and consequences.

Chapter 3, by using the case study of Bolivia, elaborates the historical developments that caused a surge in coca/cocaine production in the Andean countries, which made them targets of the US-led War on Drugs. The first part of the chapter uncovers the historical context in which Bolivia emerged as one of the main producers of coca. Using a historical perspective, this section demonstrates that the foundations of Bolivia's recent dependence on coca is the result of a centuries' long process of economic and political underdevelopment, which began with the colonisation of the region in the sixteenth century. Following this line of enquiry, the chapter briefly documents the political and economic history of Bolivia, and pays special attention in mapping out the process by which the region was underdeveloped. The second section of this chapter accounts for the relatively recent changes of the last three decades that saw Bolivia become the world's second biggest producer of coca. It documents the economic, political and social changes that have been instrumental in the expansion of coca production in the country. The section also evaluates the process whereby the US-led War on Drugs was introduced to the country, whilst illustrating the specific political and economic developments generated by it.

Chapter 4 elaborates the evolution of the US-led War on Drugs in Bolivia, by specific reference to the policies adopted by successive Bolivian governments. The first section of the chapter elucidates different applications (such as legal advice, military cooperation, the international certification programme, alternative development projects and economic aid) through which the US imposed the terms and conditions of its War on Drugs upon the Bolivian political, economic and social system. This analysis demonstrates the enormous implications and costs of the War on Drugs for Bolivia. The second section of the chapter demonstrates that the US agenda for the War on Drugs can only be understood in conjunction with the other major US agenda in the region in general and in Bolivia specifically: the institutionalisation of neoliberalism. It shows that the neoliberal transformation co-evolved with, and mutually reinforced and constituted, the War on Drugs. In its conclusion the chapter assesses the success of the

US' War on Drugs and shows the blatant failure of the campaign in terms of its own official objectives.

Chapter 5 puts forward the basic relationship between the War on Drugs and the US political establishment's perception of world order. The first section of the chapter frames the US political establishment's perception of the current world order, by reviewing the 'national security strategies' of successive US administrations. It shows that these documents not only summarise the guidelines of US foreign policies, but also provide concrete evidence of the US political establishment's vision of the current world order. The second section of the chapter evaluates the significance of the War on Drugs in light of the data provided in the previous section, namely the US vision of the current world order. Consequently, it establishes the basic relationship between the War on Drugs and world order. The chapter concludes that the War on Drugs is an ideal framework through which the US vision of world order can be achieved, reinforced and reproduced. Yet, it asserts that the phenomenon of the War on Drugs cannot be understood solely with a specific reference to a voluntarist explanation. That is, one has to differentiate between the constitutive efforts of world ordering (i.e. world ordering as a project), and the structural characteristics of world order (i.e. world order as a process).

The latter conclusion leads to the second part of the thesis, which consists of Chapter 6 and Chapter 7. This part considers some of the major approaches to world order to determine whether they provide an adequate explanation that is able to account for the concrete phenomenon of the War on Drugs. Following this investigation, by drawing on insights provided by critical realism, the thesis undertakes the task of proposing an alternative explanation of world order, based on a particular re-conceptualised notion of imperialism.

Chapter 6 undertakes an investigation of some of the dominant approaches to world order, as the first step toward providing a better understanding of the concepts of world order and world ordering. Through the insights of critical realism, it determines whether these approaches provide a coherent and consistent framework that can contribute to the understanding of world order. Special attention is paid to the question of whether or not these theories acknowledge world ordering projects, i.e. the way in which world order

comes into being or is effected through constitutive efforts. Furthermore, it specifically assesses whether they can provide an adequate framework that is able to put the concrete phenomenon of the War on Drugs in context. It concludes that dominant approaches to world order are unable to provide an adequate explanation for world ordering in general and the War on Drugs specifically. It argues that this inadequacy originates not because these theories have not analysed the War on Drugs specifically, but rather because they have substantial flaws in their ontological presuppositions and their methodological premises. Consequently, the chapter argues the need for a better ontology of world order and world ordering.

Chapter 7 undertakes the task of proposing an alternative explanation of world order, based on a particular re-conceptualised notion of imperialism. The chapter begins this task by undertaking a brief review of some of the classical theories of imperialism, in line with the author's conviction that these theories have essentially been about world order and have also considered questions of world ordering projects. The chapter demonstrates that, although these theories have focused on the right subject of enquiry, they have been heavily hampered by the same limitations that were identified in the various approaches to world order elaborated in the previous chapter, i.e. epistemic fallacy, structural determinism and undifferentiated reductionism. In the last part of the chapter, the thesis constructs its own explanation of world order (and world ordering) based on a new notion of imperialism. It concludes that the proposed notion of imperialism is able to explain the phenomenon of the War on Drugs, and needs to be central in order to formulate a better theory of world order.

Chapter II: The Road to the War on Drugs — The Historical Background

I. Introduction

This chapter will initiate the historical analysis of the emergence of the US War on Drugs, which was declared by President George Bush in a nationally televised speech on 5 September 1989 (Perl 1990: 123). In particular, after having established the general historical context from which the new War on Drugs arose and examining the justification by which particular objectives, policies and instruments were identified by the new drugs warriors, we then turn to a critical examination of the orthodox literature which has sought to explain the historical emergence of the War on Drugs. Needless to say, this investigation requires focusing on various complex historical developments.

The first issue that has to be put into historical context is the concept of *drugs* itself. As Stephen Hugh-Jones notes, the category of drugs is a ‘non-scientific category inseparable from its political and moral overtones’ and, he continues, the concept of drugs ‘depends on a historically and culturally specific classification of substances and on a specific set of rules, norms and conventions concerning the appropriate ways in which these substances are to be distributed and consumed’ (Hugh-Jones 1995: 49). In other words, values with respect to drugs, and thus their use, are never objective or natural to a society. Instead they are historically and socially constructed in different ways in different places and at different times. In the West, as in any other part of the world, the sense and meaning of the concept ‘drugs’ is intimately linked to a particular evolution of social relations and institutional matrix accompanying it (Hugh-Jones 1995: 48). Thus, as an initial step to begin the investigation regarding the evolution of the US War on Drugs, the first section of this chapter will set out an historical account of the changes in the legal and moral image of drugs in the US, with reference to the changing social relations at the turn of nineteenth century.

The second section of this chapter will look at the historical evolution of the War on Drugs and how this was formulated and applied as an international policy by successive American administrations. As the first section will show, the US public’s preoccupation with drugs has always been very influential in the internal politics of the USA. It is no longer possible, we shall argue, if it ever was, to regard the politics of drugs as a simple

matter of domestic politics nor as a limited matter of domestic political order. Thus, simultaneously, any discussion of domestic ordering must necessarily be a discussion of international or world ordering. In fact, the recent American preoccupation with drugs has passed the limits of internal politics and ‘has gone international’ under the title of the War on Drugs. This section, therefore, will elaborate when, how and by whom the anti-drug motives were organised and implemented under the metaphoric title of ‘the War on Drugs’. It will show how the preliminary steps of an all-out War on Drugs were taken throughout the 1970s and 1980s. It then will depict the evolution of the recent phase of the War on Drugs, which has been declared in response to the surge of cocaine use in the US in the 1980s and which has specifically focused on the Andean countries.

The final section of this chapter will briefly evaluate different perspectives that have tried to bring some possible explanations as to why the anti-drug motives have been so potent in US political and social life in general, and why the international War on Drugs has been applied so persistently by successive US administrations. Drawing on the findings provided in previous parts of the chapter, the section will examine if these perspectives place the War on Drugs in a historical context. Specific attention will be paid to see if these explanations are able to capture the dynamics behind the War on Drugs, especially regarding its international applications and consequences.

II. Early History of Drugs -Before the War on Drugs

New World, New Wonders

The European imperial intrusion into the New World in the sixteenth century, arguably, has been the most important historical moment effecting a paradigm shift in the history of drugs. Not only was the use of plant drugs a crucial part of social life in the South American continent, but the New World also was acquainted with a great variety of plants with narcotic qualities unknown to the Old World¹. In the chronicles of

¹ Before the discovery of the New World, the Old World was not very much acquainted with substances that had narcotic characteristics. The major substances with narcotics qualities at the time were different sorts of alcoholic beverages, in particular wine. Throughout its expansion in the early phases, and its consolidation in the Middle Ages, the Church had seldom seen wine to be a matter of sin, abuse or deviation. The clergy knew that Jesus had been a wine drinker and had even promised the disciples at the last supper that he would enjoy wine with them in Paradise. Common people’s attitude was not any different: ‘An abundant grape harvest signified divine pleasure; a superabundant harvest was taken to

conquistadors, men who described themselves as ‘civilised’, were reporting that the ‘savages’ of the New World were using a great variety of plant drugs with miraculous invigorating properties: cohoba, coca, peyotl, certain species of mushrooms, datura (jimsonweed), ololiuqui (morning glory), caapi and tobacco (Inglis 1975: 11). When Columbus’ men returned with their descriptions of the purposes for which drugs were used in the New World, they were too unfamiliar to be feared as a threat to faith or morality in Europe. They could be welcomed, in fact, for the medicinal properties they were believed to possess (Inglis 1975: 36).

The first narcotic drug introduced to Europe, in this way, was the commonest drug of the New World, tobacco (Matthee 1995). This *herba panacea*, a cure-all plant, was assumed to be valuable whether taken into the lungs or the digestive system, or applied externally to wounds. It was believed to be effective against headaches, carbuncles, chilblains, worms, or venereal diseases. However, aside from its medical benefits, tobacco soon began to be enjoyed in its own right. Smoking it in a pipe became the fashion. The non-medicinal, i.e. recreational, use of tobacco did not escape the attention of Puritans who were establishing themselves in England. Without denying its medical virtues, they noticed that people who smoked it were rarely concerned about their health (Matthee 1995: 32-33). Following religious criticism, in 1604 James I, newly ascended to the English throne, imposed a custom duty of 2d per pound tobacco, an increase of 4,000 per cent on the previous rate. In the preamble of the new duty, entitled *A Counter Blast to Tobacco*, James was basically arguing that tobacco use had to be prevented because it made the users more prone to riot, and less loyal and hard working:

‘through evil custom and the toleration thereof, been taken in excess by a number of riotous and disorderly persons of mean and base condition who, contrary to the usages of which persons of good calling and quality make, spent most of their time in idle vanity, to the evil example and corrupting of others’ (cited in Inglis 1975: 41).

herald the coming of the Messiah’ (Inglis 1975: 30). There was no real reason for the Church to take a harsh stance to wine: it represented no real threat to the authority of Church. In fact, it was the opposite, the truth — plot, cabal, unrest — might reveal itself easily when people got drunk: *in vino veritas*. Seldom was drunkenness condemned as a sin, but even then, ‘wine was no more held responsible for it than meat was held responsible for the sin of gluttony’ (Inglis 1975: 29-30). Most of the time, drunkenness was interpreted ‘as a social nuisance rather than a sin’ (Inglis 1975: 36), the main harm being on the health, morale and welfare of the drinkers. That is why temperance, as advised in the New Testament, rather than prohibition was the main policy of the Church: ‘And be not drunk with wine, wherein is excess; but be filled with the Spirit’ (Ephesians 5:18).

However, something that James had not anticipated resulted. The extraordinary tax that had been imposed pushed the tobacco business into the hands of smugglers, which in turn decreased the price of tobacco and increased its consumption. It did not take long for James to realise that the tobacco business could provide the funds that the crown was desperate for. By 1608, after ordering a reduction in the duty, which was a move that prevented the tobacco business continuing to be a profitable one for smugglers, James started to sell the right to collect the duty for large sums of money. By 1620, the crown earned £16,000 a year from the tobacco business (Inglis 1975: 42-43). Little more than a century later, exactly the same pattern was to repeat itself in response to the ‘Gin Plague’, in which, to start with, the crown had resolved to ban ‘gin’, but again, it did not take long for it to realise that the drug could, through regulation, be turned into a profitable business (Inglis 1975: 62-71). Whatever the detailed shifts of taxation and revenue raising, or in the moralising of harm — whether in the illustrative examples of gin or tobacco — what is clear is that the classification and use of drugs from the outset was imbricated in state development, political activity and international regulation. Furthermore, these motifs of regulation, authorisation, control and disciplining were to be repeated throughout the development of the state and the international state system.

The Historical Process of the Commodification of Coca

At the time of the arrival of the Spanish in the New World in the 15th century, coca had been cultivated on the continent, from Central America to the Southern Andes and Amazon Basin, for at least 4500 years (Streatfield 2001: 8-9). It was one of the main plant-drugs used by the diviner-priests of the Inca religion during their religious ceremonies. Its production was under the control of the government, and it was only permitted for ritual uses and for those who worked in the mines (Galeano 1973: 58). However, with the arrival of the Spanish the new imperial authorities, having appreciated its cultural importance for the indigenous peoples and the physical effects it had on the work force, appropriated for themselves all coca plantations and energetically stimulated its consumption: ‘it was a good business’ (Galeano 1973: 58).

However the Church, who wanted to conquer the New World — ‘the vast kingdom of Devil’ — in the name of God, was appalled at the primitiveness of the savages, and the

manifestations of idolatry. At the Ecclesiastical Council, held in Lima in 1551 (and again in 1567), Spanish church authorities condemned and banned the use of coca leaf because they were convinced that the effects of the leaf resulted from a pact between the devil and the Indians, as expressed in the records of the religious summit: ‘The plant is idolatry and the work of the Devil, and appears to give strength only by a deception of the Evil One’ (quoted in Streatfield 2001: 31). The civil authorities, on the other hand, had their own reasons to denounce coca. First of all, as Inglis notes, ‘anything so closely linked with Inca tradition was likely to become identified with it, in the minds of those who cherished the hope of overthrowing Spanish rule’ (Inglis 1975: 50). Second, and arguably a more important reason, was a material one. The natives working in gold and silver mines were rationed coca leafs by Spaniards in order to increase their productivity (i.e. working longer hours and requiring less repose). However, for Spanish mine managers providing coca to the natives was an unnecessary expense (decreasing the profits), given that every Indian male of working age had to work in order to pay the compulsory taxes imposed by the colonial authorities. This meant there was no shortage of labour, and the same levels of productivity and higher profits could be attained by replacing exhausted (to death) workers with new ones (Inglis 1975: 50).

Not everyone was in favour of the coca ban though. Another group of Spanish entrepreneurs, who made their fortunes from coca plantations — possessed by original accumulation, i.e. confiscating — were not inclined to let the source of their wealth slip away from them. This group, who had instantly realised the cultural importance and different social uses of coca for the Indians (especially the use of coca as a means of exchange, i.e. money) had seized the opportunity to grow and trade this highly marketable plant within the first few years of the invasion². Their huge profits gave them the means to campaign in Lima and Madrid, through both civil and religious channels. They began their pro-coca campaign with the imperial government, arguing that coca not only helped natives to work long hours in the mines, but also gave them the necessary stimulus to work — without coca Indians could eventually refuse to work in the mines (Streatfield 2001: 32). The Spanish Crown, afraid of losing its one-fifth share of the profits from the mining sector, finally declined to ban coca production. Similarly, the Church gave up its moral stand with a tithe on coca (Reinarman 1979:

² Lydia Potts notes that, by 1548, ‘[E]ach year Spanish traders brought 100,000 baskets containing a million kilograms of coca leaves to Potosi’ —major silver mining district (Potts 1990: 22).

227). What went on with regards to coca at that time, arguably, was the first historical sign of what really was important and decisive in drug related issues, its *commercial value*. This historical account of the colonialist practice shows that, not only in the case of coca but also for all other drugs, commercial value was the most decisive factor regarding the production, trade, consumption, and legality of drugs:

‘Missionaries disliked shamanism and the drugs associated with it because they were pagan; the colonial authorities, because they might focus for unrest, and for lawbreaking. But where a plant drug could be exploited commercially, farmers, entrepreneurs and traders would find reasons for permitting, and encouraging its consumption.’ (Inglis 1975: 52)

The Arrival of Coca into the European and North American Markets

The arrival of coca into the European and North American markets did not occur until mid-nineteenth century. The late introduction of coca, compared to other drug plants³ and especially to tobacco, might have been due to a number of factors. Some argue that the transportation of coca leaves was very difficult and, thus, the commodity was not exportable: ‘any hint of moisture and the entire shipment discoloured and rotted immediately’ (Streatfield 2001: 29). It is also argued that in Europe and North America chewing coca was not only seen as a habit of the savages, but also was considered a ‘rather unseemly habit’ (Streatfield 2001: 29). Some others point out that the internal market for coca was big enough for the traders, thus an expansion into external markets was not needed (Inglis 1975). The relevance and relative contribution of these factors to the delay in the arrival of coca is subject to speculation. One thing is certain though; in and around the mid-nineteenth century the consumption of coca, in various forms, began increasingly to become visible in Europe and North America. In this sense, it would be useful to try to understand the historical constitution of the increasing consumption of coca in Europe and North America. We think that the predominant force that introduced coca into these regions was not due to any structural change regarding the above-mentioned factors, such as the technological improvements in the

³ In the middle of seventeenth century, again as a direct consequence of the colonialist expansion — but this time towards the East— two new plant-drugs entered into the markets of the Old World: tea and coffee. It is worth noting here that both tea and coffee were introduced, as tobacco had been, for medicinal purposes. It did not take long before they both aroused authorities’ suspicion, when it was found that they were being taken for pleasure. For details see (Matthee 1995).

transportation or an attitude change towards chewing coca or the shrinking of internal market. Rather, it was due to fundamental transformations in social relations in Europe and North America.

Coca could be very useful for the new production processes in the West, in which the Industrial Revolution had just been initiated. The experience in the New World had shown that there was one noticeable benefit resulting from the use of coca — ‘endurance’. The case of gold and silver mining, which were performed in extremely hostile environments, had proven that chewing coca leaves helped people to work long hours with minimal complication. Therefore, as Inglis argues, ‘with the coming of the Industrial Revolution, and the employment of men, women and children in the mills twelve hours a day, six days a week, there was an incentive to examine the claims for coca more seriously’ (Inglis 1975: 123). This swiftly aroused the interest of newly establishing medical and pharmaceutical industries. In the second half of the nineteenth century, accounts of the various medicinal use of coca started to appear in the popular and medical press. It was claimed that chewing coca leaves not only prevented or removed extreme fatigue, it was also good for a great variety of illnesses, such as high temperatures, asthma, toothache, hay fever, headache, indigestion, and so on. From the variety of disorders for which it began to be prescribed, it looked as if coca might be following the same triumphant medical course that tobacco had taken three centuries earlier (Inglis 1975: 125). Parallel to these medical commendations, the pharmaceutical industry was trying to innovate many more marketable products based on coca. Eventually, pharmacologists succeeded in identifying what was assumed to be the narcotic element of the coca leaf; cocaine. The active alkaloid of the coca leaf was first isolated by Gaedecke in 1855 (Reinarman 1979: 227) and in 1860 Nieman devised an efficient technique for isolating pure cocaine (Courtwright 1995: 206).

Following this scientific advance, cocaine began to be used as an active ingredient in a variety of ‘cure-all’ tonics and beverages, in the same way that other narcotics, like opium derivatives, were used during the same period. In 1863, the first of such tonics, *Vin Mariani*, started to be manufactured in Corsica, by Signor Angelo Mariani. This coca tonic, made by steeping coca leaves in Bordeaux wine, became very popular in a

very short time⁴. In the late 1870s and early 1880s, the enormous commercial success of *Vin Mariani* resulted in American physicians becoming aware of the pharmacological possibilities and financial opportunities of coca and cocaine. A resident of Atlanta, Georgia, named John Styth Pemberton, introduced a product similar to Mariani's wine in 1885. The registered trademark for his new product was *French Wine Coca-Ideal Nerve and Tonic Stimulant*. The next year, he added yet another coca product, a syrup that he called *Coca-Cola* (Brecher 1972, Chapter 34). In its advertisements, the new syrup claimed to 'invigorate the fatigued body and quicken the tired brain' (Reinarman 1979: 228).

Meanwhile articles in medical journals, in the US as well as in Europe, continued to claim that cocaine was not only the cure of many health problems, including severe depression, alcoholism and opiate addiction, but also that it could be used as an aphrodisiac and as a local anaesthetics (Courtwright 1995: 206-7; Reinarman 1979: 227). In 1883, Sigmund Freud, an ambitious young physician at the Vienna General Hospital, wrote of the medical importance and benefits of this 'magical drug' in a letter to his fiancée Martha:

"If it goes well I will write an essay on it and I expect it will win its place in therapeutics by the side of morphia and superior to it. I have other hopes and intentions about it. I take very small doses of it regularly against depression and against indigestion, and with the most brilliant success.... In short it is only now that I feel I am a doctor, since I have helped one patient and hope to help more" (cited in Brecher 1972, Chapter 35).

When Freud wrote the article, '*Über Coca*', in 1884, aside from its usage to cure many physiological illnesses, he also pointed out the positive psychological effects of cocaine: 'exhilaration and lasting euphoria'; 'an increase of self-control'; 'more vitality and capacity for work' (Streatfield 2001: 68-107). However, at the time of Freud's publication, not everyone in society was able to enjoy these claimed benefits, as cocaine

⁴ Many well known historical figures all around the Western world were reputedly indulging in *Vin Mariani*, including Pope Leo XIII, the Czar of Russia, the Prince of Wales, Arthur Conan Doyle, Robert Louis Stevenson, Emile Zola, Henrik Ibsen, Thomas Edison and Sarah Bernhart (Reinarman 1979: 227, 251; Brecher 1972, Chapter 34).

and cocaine-containing products were still very expensive. These commodities were consumed only, as Courtwright puts it, by ‘people of stature’ (Courtwright 1995: 209).

Changing Social Relations and Changing Moral Image and Legal Status of Drugs

Meanwhile, the profitable nature of cocaine products had attracted the attention of many small and large-scale pharmaceutical companies in the US and Europe, and by the end of 1880s there was an over-production of these commodities (Streatfield 2001: 84-85, 130-134). This production pattern required ever-increasing quantities of pure cocaine, most of which easily found their way into the markets. Moreover, the over-production of cocaine and cocaine-containing products eventually led to sharp declines in the price these commodities. The price dropped to such an extent that it became increasingly common to buy pure cocaine directly over the counter (Streatfield 2001: 85). In some states in the US, bars offered drinkers a shot of whiskey with cocaine in it, and cocaine was peddled door-to-door (Musto 1973: 8). As the price went down, cocaine also began to be used as an ‘endurance increasing’ drug in harsh working conditions, the purpose for which cocaine had been introduced into the Western markets in first place. For example, the low price of cocaine did not escape the attention of some plantation owners in Southern states of the US. As *the British Medical Journal* (BMJ) reported in 1902, planters realised that cocaine enabled Black workers to work harder, for longer and on less food:

“(...) some planters kept the drug in stock among the plantation supplies, and issued regular rations of cocaine just as they used to issue rations of whiskey” (BMJ cited in Streatfield 2001: 144).

In a way, as a result of the over-production process, these commodities gradually lost their ‘classy’ character and they began to be consumed by the working class as well. Consequently, between 1893 and 1903 aggregate consumption increased 500 per cent in the US, and similar trend, though much smaller in scale, was happening in Europe (Courtwright 1995: 209). Parallel to these changes in the consumption pattern of cocaine and cocaine-containing products, European and American physicians began to issue warnings of the possibility of addiction and reports began to appear of sudden deaths from cocaine-related cardiac arrests and strokes. In 1887, for example, one

researcher described more than fifty cases of cocaine toxicity, including four with fatal outcomes (Courtwright 1995: 208). In the popular, as well as medical, press, very critical reports began to appear at an increasing rate (Courtwright 1995: 209). Following these reports the attitude towards cocaine, and especially to cocaine users, began to change slowly but surely.

Historical evidence demonstrates that in the US, around the turn of the century, the unprecedented levels of cocaine use provoked an all-out campaign to demonise the drug (Reinarman 1979: 228-237). The demonisation of cocaine and its use involved a multi-faceted process. One facet of the process was the criminalisation of cocaine use. Within the short span of the last decade of the nineteenth century, a general public sentiment against cocaine was manufactured in such a way that the use of cocaine was linked to all sorts of crimes. Thus, ‘the cocaine menace’ was held responsible for destroying all the moral sense of society, turning women into prostitutes, boys into thieves and men into hardened killers (Courtwright 1995: 210)⁵. The second facet of the demonisation process was that the accusations related to the crime caused by cocaine began slowly to be directed at a specific group of the American society — Black people⁶ (Reinarman 1979: 229). In this way, the criminalisation of cocaine was compounded by a ‘racialisation’ process: ‘cocaine had become widely associated with crime, above all with Black crime’ (Courtwright 1995: 211)⁷.

⁵ Manifesting a typical example of linking crime to the use of cocaine (i.e. criminalisation process), Dr. Hamilton Wright wrote, in 1911, in the *New York Times* that, ‘(...) the misuse of cocaine is a direct incentive to crime; that it is perhaps of all factors a singular one in augmenting the criminal ranks. The illicit use of the drug is most difficult to cope with, and the habitual use of it temporarily raises the power of the criminal to a point where in resisting arrest, there is no hesitation to murder.’ (Wright quoted in Streatfield 2001: 142-143).

⁶ An article, in 1914, in the *New York Times*, entitled ‘Negro Cocaine Fiends are a New Southern Menace’ by Edward H. Williams, is an excellent example of the racialisation (and criminalisation) of cocaine use: “For some years there have been rumors about the increase in drug-taking in the South — vague, but always insistent rumors that the addiction to such drugs as morphine and cocaine was becoming a veritable curse to the colored race in certain regions. Some of these reports of alleged conditions read like the wildest flights of a sensational fiction writer. Stories of cocaine orgies and ‘sniffing parties’, followed by wholesale murders, seem like lurid journalism of the yellowest variety. But in point of fact there was nothing ‘yellow’ about many of these reports. Nine men killed in Mississippi on one occasion by crazed cocaine takers, five in North Carolina, three in Tennessee — there are facts and need no imaginative coloring. And since this gruesome evidence is supported by the printed records of insane hospitals, police courts, jails, and penitentiaries, there is no escaping the conviction that drugs taking has become a race menace in certain regions south of the line’ (Williams quoted in Streatfield 2001: 145-146).

⁷ Some researchers of the subject argue that the historical evidence is clear enough to suggest that there was a ‘cocaine epidemic’ within the Black community, particularly in Black labourers (for example see Courtwright 1995: 211), but some others argue that there is not enough evidence for this (see for example Helmer 1977: 407). Whatever the reality was, one thing was for sure: the connection between cocaine and

The emergence of the demonisation campaign and the transformation in the perception of cocaine were not an accidental processes — just initiated by a few medical professionals and sensation- (and rating-) seeking press. Similar attitudinal changes were recorded simultaneously for other drugs, such as opium and heroin⁸. The fundamental force behind the change in the attitudes towards all narcotic drugs in general, and cocaine specifically, was the fact that the working class, i.e. the labour power, had become consumers of these drugs. Parallel to the expansion and intensification of capitalist social relations, drugs began to be demonised, as they were increasingly becoming an impediment to the production process due to their harmful effects on labour power. As Courtwright notes:

“As the social environment changed, becoming more rationalised, bureaucratised, and mechanised, the distribution of cheap intoxicants became more troublesome and divisive. A drunken field hand was one thing, a drunken railroad brakeman quite another. While the consumption of drugs might keep workers on a treadmill, over time and in certain industrial contexts it rendered their labour worse than useless. The growing cost of the abuse of manufactured drugs turned out to be a fundamental contradiction of capitalism itself” (Courtwright 2001: 179).

Similarly, changing socio-economic conditions in the US at the beginning of the century were the most decisive factor for the process of racialisation of the ‘cocaine menace’. Unemployment had increased five-fold between 1907 and 1908, in the height of the cocaine furore, putting blacks and poor whites in competition for scarce unskilled jobs and shrinking wages (Reinarman 1979: 235). Reinarman argues that racial hatred against Blacks, which was already present before the economic crisis, was conflated into stories of crimes under the influence of ‘cocaine menace’ in order to replace Blacks with Whites in the unskilled labour market (Reinarman 1979: 235). This argument seems to have a solid base, especially when considered along with many other historical

crime — i.e. the process of criminalisation — and following that, the further connection of cocaine and the Afro-Americans — i.e. the process of racialisation — were well established by 1910s.

⁸ It is worth noting here that ‘*Heroin*’, a patented product, was introduced to the market in 1898 by a German Pharmaceutical Company, Bayer. Bayer claimed that ‘*Heroin*’ was a non-addictive drug with the same medicinal values as opium without the undesirable side effects’. See (Chambliss 1977: 65).

examples of similar kind⁹. The historical evidence shows that, as Helmer points out, there is a pattern behind the racialisation of drugs and changing economic and social conditions:

‘the onset of severe economic recession and unemployment, leading to intense competition for jobs in the unskilled part of the labour market; the manipulation of nativism and xenophobia by political leaders seeking electoral advantage out of the economic conditions and the isolation and scapegoating of ethnic or racial ‘outsiders’ in that situation; the expansion of police powers at the local and federal level; and the new levels of profitability to be achieved in the black market drug trade’ (Helmer 1977: 407).

However we must note that the racialisation of drugs cannot be explained without specific reference to class politics in the intensifying capitalist social relations of the time. In the case of Blacks, Mexicans and — and as we will see later — Chinese, race determined, in general, the class position of the individual. That is why the historical pattern described by Helmer and also Reinerman (Reinerman 1979: 235), needs to be put the other way around: the drug card could be played to diffuse the social revolutionary crises befalling the newly organising proletariat. In other words, it was not only the ethnic origins of the users, but the ‘increase in perceived use among the new working classes [that] led to changing attitudes and the first attempts to control’ (Mandy 1998: 65). That is why, where drug use could not be associated with specific

⁹ The case of Mexicans in 1930s is one of the examples. During the economic boom of the 1920s Mexican immigration into the US had increased considerably, above all to the States bordering on Mexico. The immigration was tolerated during that period because Mexicans were seen as a source of cheap labour. But at the beginning of 1930s, with the impact of rural depression, the ‘hatred toward this group escalated from the competition they created for scarce jobs and their willingness to work for low wages’ (Gallier & Walker 1977: 369). Opposition against on-going Mexican immigration was increasing, lead by patriotic organizations — like the American Legion — small farmers, and labour Unions (Cohen 1990). In the early thirties a passionate and racist campaign started against Mexicans in the US. Until that time, the use of marihuana (cannabis) was known, but there was no legislation on it, as it was regarded a harmless drug. However the knowledge that marihuana was very popular within Mexicans provided an excellent opportunity to criminalize marihuana, which would automatically criminalize Mexican immigrants. Reports propagating the criminogenic properties of marihuana started to appear. All of a sudden marihuana had become ‘probably the most dangerous of all our narcotic drugs’ (Cohen 1990). The Police Chief in Los Angeles was reporting that, ‘in the past they have had officers of this department shot and killed by marihuana addicts and have traced the act of murder directly to the influence of marihuana, with no other motive’ (cited in Cohen 1990). Following the public arousal, generated by a successful campaign, the ‘Marijuana Tax Act’ of 1937 prohibited the use of marihuana. As Reinerman notes, ‘the key ideological force behind the Marijuana Tax Act of 1937 was its association with Mexican immigrants’ (Reinerman 1979, 235). What the prohibition aimed to do was to provide local police with the power to intimidate the Mexicans and drive them off the welfare rolls, out of the state, and back to Mexico’ (Helmer 1977: 407).

ethnic minorities, demonisation was directed at the working class as a whole. Alcohol prohibition is one example: ‘national controversy over alcohol prohibition was symbolic of the more fundamental conflict between the dominant middle-class, rural, Protestant, native-born, and a growing mass of working-class, urban, Catholic immigrants’ (Reinarman 1979: 235). The paradoxical attitudes regarding different use of tobacco also support this argument: ‘the first anti-cigarette laws appeared in the US in the 1880s, but there were no equivalent laws against cigars or pipe smoking. This seems irrational —tobacco smoke is tobacco smoke— but it makes social sense when we recall Jane Addams’ observation that cigarettes were defiantly puffed by street urchins, while cigar and pipe smoking were habits of respectable men’ (Courtwright 1995: 220).

The demonisation of drugs (i.e. combined process of criminalisation and racialisation) was nothing but the beginning of their politicisation. By considering which groups were involved in the demonisation process we might elaborate further on this argument. Historical records show that many different groups, what Reinarman calls ‘moral entrepreneurs’ (Reinarman 1979), were orchestrating the demonisation of cocaine: politicians, the media, the police, the military, religious institutions, and some elements of the medical profession. The third section of this chapter will focus on the role of these groups, who took an active part in the demonisation process that paved the way for the emergence and consolidation of anti-drug policies. For the moment suffice it to say that at the turn of the nineteen-century, all of these institutions had been influential in the demonisation of cocaine in some way. As the purpose of this section is to outline some of the economic, social and political context in which the moral image and the legal status of drugs had been changed radically, we will provide one brief, but important, illustration within these institutions, namely the medical profession. The review of the role of the medical profession will show how the changing nature of social relations affected the moral perception and legal framework regarding the use of drugs.

In the US, at the beginning of the twentieth century, doctors comprised just one of the several types of medical consultations and help available — including the sales of drugs. Pharmacists and the patent medicine industry were then in powerful competition, and the organised medical profession was trying to drive them out of the market in medical services, so that they could enjoy a monopoly commanding the sale, supply and distribution of all medical services (Helmer 1977: 409). The association of pharmacists

and pharmaceutical companies, the American Pharmaceutical Association (APA, founded in 1852) was a weak and fragmented institution, but so was that of doctors, the American Medical Association (AMA; founded in 1847). Moreover, despite being ‘fundamentally split into special-interests groups, often divided on questions of legislation, ethics, and professional standards’ (Musto 1973: 13-14), the APA ‘was remarkably effective during the nineteenth century in preventing any congressional action to require the disclosure of dangerous drugs in commercial preparations’ (Musto 1973: 3). Yet, since their foundation, these two associations were competing with each other to dominate the supreme position in the medical market. At the turn of the century, the narcotic drug card proved to be very useful for the doctors. Campaigns that emphasised the criminogenic properties of narcotic drugs were organised, and doctor associations claimed the higher moral grounds by covertly accusing pharmacists of providing those drugs to the public without any restrictions. In its 1901 annual convention, even APA members were complaining that the sector was ‘catering to the extensive addiction’ and that ‘the habitués’ who are ‘made wild by cocaine’ had no difficulty in buying it (Musto 1973: 15-17). Eventually doctors won the battle: in 1906 the Congress approved the Pure Food and Drug Act regulating the use, sale, and prescription of drugs. The Act placed the doctors on the throne of the medical market by asserting that, ‘prescriptions for narcotics could be renewed only on the written order of the doctor’ (Musto 1973: 22).

In a way, the medical profession’s efforts at consolidating its dominant position in the newly establishing capitalist economy, through the drug card, directly contributed to the emergence of drug regulations (narcotics and pharmaceutical), which in turn required a legal framework and, thus, constituted the very politicisation of drugs. Not only was it that the doctors wanted a legal framework that could protect their supremacy in the medical market, but also they required legislation regarding the legitimate medical use and illegitimate non-medical/recreational use of drugs, in order to protect themselves in professional terms. The medical profession thereby set itself up, together with the scientific and legal communities, as the determinants of the legitimacy of drugs. It is they who inscribed the distinction between narcotics (‘recreational drugs’), on the one hand, and pharmaceuticals, on the other hand¹⁰.

¹⁰ While up until the nineteenth century medical science was not potent enough to contribute to the formation of social norms and to the formulation of laws, this was not the case any longer. At the

Obviously the medical profession, on its own, cannot be held responsible for the politicisation of drugs. There is no doubt that, as illustrated above, the constitutive efforts of the medical science helped this process, but ‘such factors were consequential only in a historical context constituted by more fundamental political-economic conflicts’ (Reinarman 1979: 237). Within this historical context of structural social transformations, many different groups have been constitutively active in the process of politicisation of drugs. Within the various groups the most influential one, without a shadow of a doubt, was that of politicians. The historical evidence supports the argument that the need to preserve order — the *status quo* — and the prevailing power structures¹¹, the need to increase the means to control the masses — namely the police forces¹², the need for a ‘healthy’ and ‘hard-working’ labour force¹³, the need to discipline the working classes¹⁴, the need to feed on conservatism¹⁵, and the need for ‘fit’ soldiers in times of war¹⁶, have always been the main motives of politicians in different places and different times, and a ‘drug card’ could easily be used for all of them. Furthermore, as we will see in the following section, the drug card could also be used very effectively in the process of foreign policy making. In order to fully account for the politicisation of drugs and its consequent implications for the construction of an

beginning of the twentieth century, the ‘spread of medical authority into new fields, including moral, personal and political spheres unrelated to medical knowledge’, facilitated the profession to determine the process of defining what is legitimate and illegitimate use, and, consequently, what kind of laws drug regulation would require (Reinarman 1979: 230). In other words, at the turn of the century, medical practitioners were not only in a position to consolidate ‘the passage from drunk to alcoholic’, but also in a position where they could ‘scientifically’ identify drugs as a threat to the fabric of society’ (Smart 1984: 35).

¹¹ The prohibition of coffee in Spain is an excellent example for this argument: ‘In the 17th century coffee drinking was outlawed in the Eastern Mediterranean region, although they most certainly did not know of the health hazards of caffeine. Since coffee houses were thought to be gathering places of revolutionaries, anyone frequenting or owning a coffee house was subject to the death penalty’ (Reinarman 1979: 249).

¹² In 1910, Dr Hamilton Wright, the chief instigator of federal narcotic laws, informed Congress that, ‘cocaine is often the direct incentive to the crime of rape by the Negroes of the South and other sections of the country’. Wright’s information was not without purpose, as he was preparing narcotic control legislation that entailed a sizeable expansion of the federal police power, the ‘rape card’ could (and did) convince Southern congressman - mostly right-wing conservatives - who were not willing to increase the power of the federal state. See (Courtwright 1995: 211-2). For similar arguments see (Levine 2001).

¹³ In England, King James’ ban on tobacco was one such case, as has been mentioned above.

¹⁴ The drug card was essential in the making of a new concept of ‘public health’: ‘The health and welfare of working populations was gradually transformed from a matter of individual morality or concern into a new appreciation of the economic value of human resources. In other words the health of whole population was identified as having an economic value’ (Smart 1984: 35).

¹⁵ Among many other possible examples, the case of the Prohibition of Alcohol in the US is one of the best: the need for the political elite to feed on conservative groups such as the Temperance Movement shaped the legislation. For example see (Gusfield 1963).

¹⁶ See (Smart 1984: 35).

international legal framework, another ‘drug menace’ has to be recounted: the ‘opium menace’.

The construction of international legal framework

Before 1800, opium was available in America in its crude form and was used as one of the main ingredients of some of the therapeutic drugs supplied by druggists and physicians¹⁷ (Maehle 1995). Technological advances in organic chemistry in the early nineteenth century led to the isolation of morphine —the alkaloid that gives opium its physiological and psychic effects. In exactly the same way as happened with coca/cocaine, opium/morphine attracted the attention of pharmaceutical companies for the vast commercial opportunity it promised, and soon after these companies ‘began to include morphine and opium in a whole panoply of ‘patent medicines’ sold directly to the public’ (Saper 1974: 184). Highly advertised, without mentioning their main ingredients (i.e. opium and morphine), these patent medicines pretended to cure all sorts of illnesses, from colds to cholera, and including psychological ones, such as depression (Musto 1973: 1-3). By virtue of being an excellent painkiller, morphine grew in popularity and, along with the invention of the hypodermic needle, it came into medical practice after the American Civil War. Following the surge in the use of morphine, the frequency of addiction was becoming more apparent, but it was not until the last quarter of the nineteenth century that the use of opium and morphine became a public issue. However, the reason behind this development was not that the opium, and especially its alkaloid (morphine), was highly addictive, or that the levels of addiction were alarming, but rather the addiction was ‘un-American’ and ‘non-Western’ (Musto 1973: 2).

During the 1850s large numbers of Chinese immigrants had come to the west coast of the US to work as labourers in the rapidly expanding railroad network, and in the gold and silver mines (Saper 1974: 185; Chambliss 1977: 64). Chinese immigrants brought with them the habit of ‘smoking opium’ and they continued to use it as a means of relaxation in the harsh and alien working environment. The generic process of demonisation against opium smoking — consisting, as we have already seen, of criminalisation and racialisation — did not take long to emerge. Parallel to social

¹⁷ ‘Valued for its calming and soporific effects, opium was also a specific against symptoms of gastrointestinal illnesses such as cholera, food poisoning, and parasites’ (Musto 1973: 1).

developments spurred by the decline of railroad building and an economic recession in the last quarter of the nineteenth century, the Chinese immigrants started to be seen as a burden to the American society (Chambliss 1977: 65; Reinerman 1979: 232). Exhibiting exactly the same pattern as that later duplicated in the development of the cocaine economy, during the period of 1875-1900, especially with the aggrandising effect of the mass media and the religious institutions, anti-Chinese feeling was transformed into an anti-opium smoking hysteria, and simultaneously the opium smoker's image was normalised as 'debauched and sexually aggressive' (Saper 1974: 185)¹⁸.

The anti-opium hysteria — which was also a racist anti-Chinese hysteria — consolidated permanently the 'drug issue' into the domain of internal politics. The public hysteria urged Congress to take tough measure against further Chinese immigrants. In 1886, an envoy was sent to China to ask the Chinese government to cut back immigration to the US, and got a positive response on the condition that American ships smuggling opium to China should be stopped¹⁹ (Chambliss 1977: 65). From the Americans' perspective, the conditionality placed by the Chinese government was not economically significant as most of the opium trade to China was in the hands of the British²⁰. Moreover, conditionality, rather than harming foreign trade, could work in the opposite way: having better relations with the Chinese might mean the expansion of trade in the Pacific and, specifically, to enhance the chance of securing 'the prize of the Orient, the China trade' (Reinerman 1979: 234). At the time, as David Musto notes, 'American financial leaders coming out of the depression of 1893 believed that expanding markets were the key to future prosperity', and China could provide the biggest alternative market (Musto 1973: 24)²¹. In addition, by getting into the driver seat of the framing of

¹⁸ It must be noted that injecting morphine, much more addictive than smoking opium, was not considered to be an issue because of its class character: '(...) the smoking of opium in the West, largely by Chinese, and the drinking and injecting of opium and derivatives in the rest of the country, largely by middle and upper classes, with white Anglo-Saxon protestants and some Irish. One pattern was viewed as acceptable because the 'good people' did it. The other pattern was viewed as a growing menace' (Saper 1974: 185).

¹⁹ As a result of these policies, by the end of the first decade of the twentieth century, Chinese people 'were almost totally excluded from immigrating into the United States' (Musto 1973: 3).

²⁰ 'Unlike for the British, direct financial benefits for the Americans of trading in opium rarely accounted for more than one-tenth of the total American trade to China in any one year' (Mandy 1998: 75).

²¹ The American Minister to China at the time, Charles Denby, envisioned 'what would happen to the cotton trade if every Chinese wore a shirt' (Reinerman 1979: 233), showing exactly the same kind of reasoning as British manufacturers sixty years ago: 'In 1843 the Opium War had opened China to English commerce. The new market gave a new impetus to the further expansion of an expanding industry,

international drug regulation, the US could secure the dominant role in the market for pharmaceutical drugs:

“Although motivation for American initiative in the Chinese problem was a mixture of a moral leadership, protection of US domestic welfare, and a desire to soften up Chinese resistance to American financial investments, the United States was also led by the nature of the narcotic trade to seek control of the international shipments of crude narcotics to manufacturing countries and thence to markets” (Musto 1973: 4).

In a way, as Reinerman concludes, the opium menace ended up with a ‘fortuitous coincidence of material and moral interests’ for the US (Reinerman 1979: 233). To frame a ban internationally, President Theodore Roosevelt called for an international opium conference, which was held in Shanghai in 1909. A second conference was held at the Hague in 1911, and out of it came the first international opium agreement, the Hague Convention of 1912. Yet, while proposing the framework of international regulations regarding opium, the US discovered that it had no national opium regulation. Consequently, parallel to the construction of an international legal framework regarding drugs, stringent domestic drug control laws were legislated under the firm pressure of the State Department, which was responsible for the framing and effecting of the international regulations (Musto 1973: 24-53). As Musto notes, ‘the State Department’s unexpected leadership in the domestic antinarcotic movement originated with one of the peaks of American imperialism, the drive at the China market’ (Musto 1973: 24).

In 1914, the Senate passed the Harrison Narcotic Act²², a federal statute designed, in part, to help state authorities to suppress cocaine and opium traffic within their borders, by monitoring and controlling interstate shipments from without. By fixing severe limits on the amount of opiate and cocaine a patent medicine could contain, and by otherwise prohibiting the traffic in opiates except for medicinal purposes, the Harrison Act abolished legitimate traffic. When the Supreme court ruled, in the early 1920s, that

particularly the cotton industry. “How can we ever produce too much? We have to clothe 300 million people,” a Manchester manufacturer said to this writer at the time.’ (Marx 1962 [1894]: Chapter 25)

²² The official title of the Harrison bill had been, “An Act to provide for the registration of, with collectors of internal revenue and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives or preparations, and for other purposes” (Casey 1978).

prescriptions for addictions were not legitimate medical practice, the interpretation meant simply that addiction thereby became a federal crime. Thousands of arrests were made — of physicians, pharmacists and addicts (Casey 1978), and in this way the first prototype of the drug wars had started.

III. The Recent War on Drugs

The Historical Background of the Recent War on Drugs

As shown in the previous section, the US involvement in international anti-narcotic policies dates back to the beginning of the century (Walker III 1995: 300-301). However, until the presidency of Richard Nixon, solving the drug problem had never been included in any President's political agenda (Peat 1998: 41). ~~{Peat, 1998 #69: 41}~~. In order to solve the 'heroin epidemic' of 1960s²³, which was largely framed as a re-election (of 1972) issue (van Wert 1992: 24), the Nixon administration included drugs in the realm of national security threats (Musto 1992: 41) and the President declared the first 'War on Drugs' in 17 June 1971:

'Drug traffic is public enemy number one domestically in the United States today and we must wage a total offensive, world-wide, government-wide, and, if I might say so, media-wide' (quoted in Peat 1998: 41).

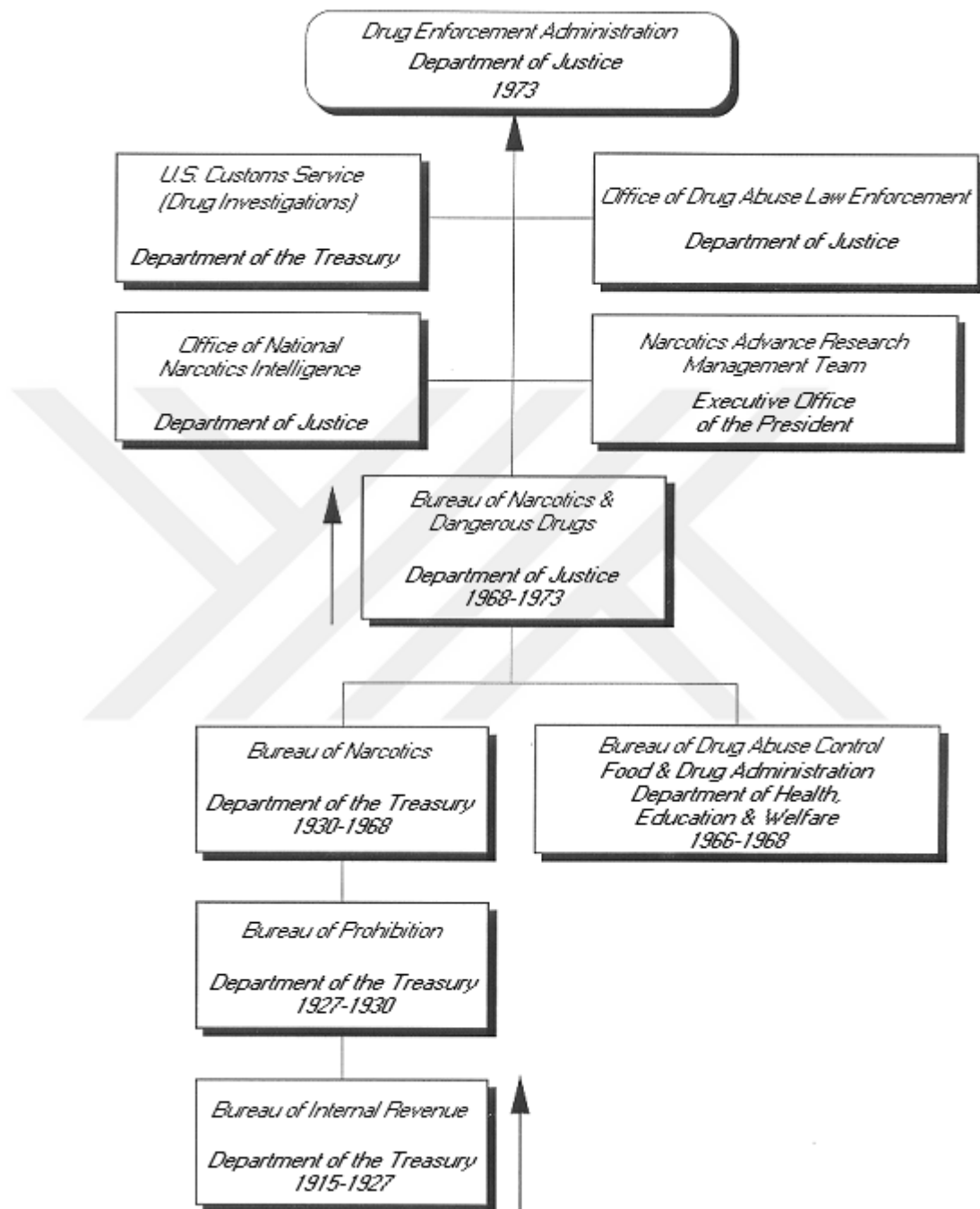
Nixon's policies placed a new emphasis on enforcement. The administration established a National Commission on Drug Abuse in 1971, and founded the Office of Drug Abuse Law Enforcement (ODALE) to establish joint federal/local task forces to fight the drug trade at the street level in 1972. In July 1973 President Nixon set up the Drug Enforcement Administration (DEA) —a 'super-agency' to handle all aspects of the drug

²³ For many researchers on the subject, the major reason behind the surge in the use of heroin in the 1960s was the Vietnam War: "Young whites and blacks, just graduated from high school or university, were drafted and sent to fight a guerrilla war in a small Asian country they had never studied in geography class. Heroin, marihuana, amphetamines, and barbiturates were available. Since cannabis and opium poppies were common agricultural crops in southeastern Asia, marihuana and heroin were particularly inexpensive. The combination of war, substance availability, boredom, the sense of futility in fighting a war nobody seemed to be winning, and a general scepticism about anti-heroin warnings from the government that "got us into this mess in the first place" all combined to turn a number of American soldiers on to heroin. Like their Korean War predecessors, many United States military men in Vietnam had some variety of heroin habit. Some brought the habit with them to Vietnam; others learned not long after they arrived." (Casey 1978)

problem. The DEA consolidated agents from the Justice Department's Bureau of Narcotics and Dangerous Drugs (BNDD), Customs, the Central Intelligence Agency (CIA) and ODALE. The historical evolution of the US narco-enforcement complex is illustrated in Chart 2.1. In short, the Nixon administration not only permanently placed the drug issue in the national politics, but also consolidated anti-drug bureaucracy into a 'narco-enforcement complex' (Bertram quoted in Peat 1998: 41).



Chart 2.1: Genealogy of DEA



Source: The DEA website, available at <http://www.usdoj.gov/dea/agency/genealogy.htm>

Parallel to the restructuring of federal legal and institutional infrastructure, the Nixon administration took aggressive and proactive policies on the international front. The administration targeted poppy cultivation in Turkey and heroin production in Marseille. With the threat of dissolving the massive allocation of foreign aid, the Nixon administration forced Turkey to curtail its production of opium (Chambliss 1977: 70). Despite achieving its ends in Turkey and Marseille, Nixon's war did not solve the problem because the cultivation of drug-plants had widened its scope all across the world, including Mexico, Southeast and Southwest Asia, and the Andean countries (McCoy & Block 1992: 9). Nevertheless, the Nixon administration ensured that drug control becoming 'an autonomous foreign policy issue' (Walker III 1995: 305).

The presidency of Ronald Reagan marked another fundamental shift regarding US international drug policies, as his administration radically escalated the War on Drugs²⁴. The new administration, from the start, showed that it was in favour of 'tough foreign policy' regarding the international anti-drug policies. In 1982, an amendment (1982 Defense Authorization Act) that authorised the US armed forces to share drug-related intelligence from military sources with civilian officials, to lend military equipment to national law enforcement agencies, assist in the operation of this equipment, and make military facilities available to federal agents was made to the *1878 Posse Comitatus Act*, which prohibited the use of the military to be involved in law enforcement issues (Bagley 1992: 130). Nevertheless, in Reagan's first term in office mainly due to the reluctance of the Department of Defense (DOD) the US military's role in international drug control remained relatively limited²⁵. However, as Bruce Bagley notes, 'Congressional pressures on the Reagan Administration to increase military involvement intensified in advance of the November 1986 midterm elections' (Bagley 1992: 131). In April 1986, Reagan signed a secret National Security Decision Directive

²⁴ Following Nixon, both Presidents Ford and Carter kept a low profile in the international aspect of the War on Drugs and focused on the domestic side of the problem. Although President Carter tried to reduce the criminalisation of marihuana smokers by de-penalising the possession of cannabis in the US, he was not successful because the Congress and the federal narcotics bureaucracy were against his proposal (Peat 1998: 42). Thus, the 'tough' policies regarding drugs continued and more funding was allocated to drug law enforcement. Similarly, under the Ford administration between from 1977 to 1981, the budget allocated for drug law enforcement more than doubled, from \$382 million to \$855 million (Peat 1998: 41-42).

²⁵ As Bruce Bagley notes, there were many reasons behind DOD's reluctance. Some feared that the deployment of US military personnel and equipment to fight the drug war might impair DOD's ability to perform its primary missions. Some argued that the military was not trained for such a task. Some others fear that the military might get involved in drug-related corruption. For details see (Bagley 1992: 130).

(NSDD) that ‘identified illegal traffic as a national security threat and authorised the DOD to engage in numerous anti-drug operations’ at its source — that is central and southern America (Morales 1989: 155). The directive authorised the US military, and other governmental agencies, such as the DEA and the State Department’s Bureau of International Narcotics Matters, to plan attacks against drugs trade targets, and equip Andean police forces and transport them into action (Morales 1989: 155)²⁶. To show its support to Reagan’s NSDD, the Congress almost doubled DOD’s annual drug budget for the Fiscal Year 1987 to \$379 million (Bagley 1992: 131).

Consequently, during the presidency of Ronald Reagan, the militarisation (i.e. ‘resolving’ social problems by military means) process in the Latin America became interlaced with the anti-narcotics issue and in this sense militarisation of the Andean countries received an obvious boost. In the dynamics of the Cold War, the Reagan administration realised that the ‘threat of communism’, which was the principal national security threat, could be easily interlinked to that of drug trafficking²⁷. That linkage would facilitate the strengthening of the control of the region — which was historically regarded as the US’ ‘own backyard’ — and keep ‘subversive’ social movements in check. Congress and President Reagan introduced the US military into the ranks of the nation’s ‘drug warriors’ and the Reagan administration continued the US tradition of substituting military muscle for diplomacy in Latin America. It had done so in Grenada,

²⁶ However, there were three restrictions for the US military involvement: First, US forces had to be invited by the host government; second, the forces were to be directed and coordinated by US civilian agencies; and third, their role was to be limited to support functions (Bagley 1992: 131).

²⁷ The Reagan administration justified the militarisation process of the War on Drugs, along the lines of what is referred to in the relevant literature as the narcoguerrilla thesis (Steiner 1999: 171-172; CIIR 1993: 21). On March 10, 1984 Colombian National Police made the then largest cocaine seizure in history in Tranquilandia. After this seizure, United States Ambassador to Colombia, Lewis Tambs, made the announcement that Colombian guerrillas had been protecting the cocaine at Tranquilandia, and he coined the descriptive term of *narcoguerrillas* (Collett 1988: 14-15). Following the incidence, the Reagan administration, especially in the case of Colombia, made the assumption that drug traffickers were tied, or in some cases were identical with leftist insurgents, and, thus, counter-insurgency should be seen as an indispensable component of counter drug efforts. The doctrine of counter-insurgency, which emerged under President Kennedy’s reorganisation of Latin American militaries from hemispheric defence to internal security, involved ‘looking inward toward an internal enemy which during the Cold War became alleged communist subversives’ (Stokes 2002: 14). In a way, with the narcoguerrilla approach, the US military’s relationship to the national military and police forces in counter-narcotics became identical to its relationship to national forces in counter-insurgency. Moreover, counter-narcotics efforts could be (and has been) defined as a ‘low-intensity conflict’ mission, in the same way as the counter-insurgency efforts had been since 1960s. With this innovative linkage, the low intensity conflict doctrine was enabling the US to provide a full range of operational support, including training, intelligence support, equipment transfer and maintenance support and advice. In short the narcoguerrilla theory linked the counter-narcotics to the counter-insurgency and, thus, enabled low intensity conflict missions to be applied to the counter-narcotics efforts. The obvious result of this innovative linkage was that anti-drug training became identical to those carried out in counter-insurgency (WOLA 1991: 44-47).

El Salvador, and Nicaragua for ‘old reasons’, but it had also begun to do the same for ‘new reason’, i.e. the War on Drugs in other parts of Latin America. For instance, Reagan sent troops to Bolivia in July 14th of 1986 for a four-month mission (Operation Blast Furnace) to aid the DEA agents and Bolivian police in destroying a number of drug labs (Bagley 1992: 135)²⁸. Placing the drug issue into the realm of national security would also appeal to the internal demands of hard-line policies against the ‘American drug menace’, which had just begun to be associated with the increasing cocaine and crack uses.

The Re-surge of Cocaine Use in the US and the Declaration of Recent War on Drugs

Since the 1920s cocaine was a marginal drug and a matter of marginal concern as, following the harsh measures of the Harrison Act, the intensive cocaine and opium use had come under control (Musto 1992: 29). However, during 1970s and 1980s, the US witnessed another boom in the use of cocaine²⁹. Similar to the beginning of the first episode of the mass use of cocaine in the 1880s, from the onset of the second cocaine period, there was a similar ‘glorious’ and ‘classy’ start: ‘the past having been forgotten or sanitized, the prevailing view was that cocaine sniffing was neither addictive nor *déclassé*, most users being affluent, white, sexy and successful’ (Courtwright 1995: 217). In other words, the class status of the use of cocaine had been promoted from the working classes to the upper classes (Streatfield 2001: 247)³⁰. This did not last long though; cocaine use was soon linked to poverty, crime, depravity and death — just as it was rendered *déclassé* once before, a century ago.

²⁸ It is worth noting that it was the Bolivian President Victor Paz Estensorro who appealed for US military assistance. However, as Bagley notes, ‘Paz’s request was motivated largely by Washington’s threat to cut off US aid because of Bolivia’s failure to carry out credible coca eradication and crop substitution programs’ (Bagley 1992: 135).

²⁹ There are various arguments as to why cocaine use soared all of a sudden by the beginnings of 1970s. Some researchers refer to the lack of euphoric effects of methadone, which was prescribed to heroin addicts — and therefore pushed these addicts towards other drugs, including cocaine, in order to provide the ‘missing link’ of methadone; some refer to the restrictions on amphetamine — pushing its user to other drugs and especially to the cocaine; some refer to the changing attitude of youth towards drugs in general — a relatively disobedient group to state authority; and some others refer to the changing attitude of the mass media towards drugs (for all these arguments see Courtwright 1995: 215-217).

³⁰ The drug was not seen as dangerous either: “*Time* magazine ran a cover story on the drug in 1981 featuring a cocktail glass full of coke: ‘The All-American Drug’, it read” (Streatfield 2001: 247).

This shift in the pattern of cocaine use was triggered by an increase in supply, a lowering of wholesale and retail prices, and the introduction of new by-products, such as crack, which had a much lower unit cost. The profile of the crack-smokers of the mid-1980s was quite different from that of cocaine users five years before: they were concentrated in poor Black and Latino neighbourhoods, and they were the ones that forming the vast pool of street-level sellers (Courtwright 1995: 217-8)³¹. As was the case approximately a century ago, in 1986, an anti-cocaine campaign began with the same recognisable and already-familiar elements of criminalisation and racialisation. The Black and Hispanic crimes, which were said to be a direct result of crack smoking, began to be made known to the American public. The media seized upon the crack story, giving full play to its most sordid elements. Contrary to their stance towards cocaine in the 1970s and early 1980s, when it was seen as a classy habit, the mass media ‘portrayed crack as extremely addictive and as a prolific source of urban crime’ (Courtwright 1995: 219)³². Similar arguments began to be heard in Congressional debates, and anti-cocaine hysteria soon led, by the end of the 1980s, to a new declaration of the ‘War on Drugs’, specifically targeting Andean Countries (Courtwright 1995: 219).

During the 1970s, and especially during the 1980s, three Andean Countries, namely Bolivia, Peru and Colombia, had become the main centres of cocaine production. The international division of labour was such that coca leafs were grown in Bolivia and Peru, processed into paste and base, and then exported to Colombia³³. Bolivia and Peru were collectively producing about two-thirds of the world’s cocaine base, and Colombia was producing two-thirds of the world’s cocaine (DEA 2002). Yet, up until the late 1980s, the US administrations saw the combating of drugs in the Andean countries as a

³¹ However this change was not due to the price shift; anti-drug laws were reinforcing racial disparity, and pushing marginalized groups of society to the informal sector. As Taylor points out, the blockage of legitimate opportunities in the labour market posed the ‘necessity of alternative, illegitimate opportunities in the hidden economy’ (Taylor 1992: 188).

³² The account of DEA agent Robert Stutman, regarding crack is a typical example to the criminalisation of the drug: “I know of no other drug that caused the social change that crack caused. You can’t name another drug that came close. Street violence had grown. Child abuse had grown hugely. Spousal abuse. I had a special crack violence file that I kept to convince the geniuses in Washington who kept telling me it wasn’t a problem. We had a crack violence file made up of just clips. It got that thick-horror stories that you couldn’t believe” (PBS 2000).

³³ As James Painter details, the process of producing cocaine is three-stage: With the use of an alkaline solution, coca leaves are turned to a cocaine paste, then the paste is further processed by other chemical elements to get a purer form of the cocaine alkaloid known as cocaine base, and in the final stage the treatment of cocaine base with hydrochloric acid results in pure cocaine, known also as HCL or hydrochloride (Painter 1994: 32).

local law enforcement issue, and the US government, by and large, relied principally on the local police forces of the drug-plant cultivating countries to carry out forcible destruction of these crops³⁴. In other words, up until the late 1980s, the involvement of the US military — and, thus, the Andean militaries — on the basis of ‘War on Drugs’, was minimal³⁵.

In 1988 drug control, especially that of cocaine and crack, was again a major pre-election theme. When the Republican candidate George Bush won the elections, his Secretary of Defence, Richard Cheney, immediately announced that the administration perceived drugs, and especially cocaine and crack, as a ‘direct threat to the sovereignty and security of [the] country’ (quoted in Campell 1992: 210). In other words, drugs were portrayed as ‘an external threat to the social fabric of the state and their importation were viewed in analogous terms as invasion, a violation of sovereignty’ (Dalby 1997: 14). As a consequence of this hysterical attitude towards drugs, the Bush administration re-launched a revised version of the War on Drugs. On the 5th of September 1989, in his first televised speech to the nation as president, George Bush Sr. responded to the failure of US policy by declaring a ‘War on Drugs’ and announcing the US’ first National Drugs Control Strategy³⁶. The National Drugs Control Strategy explicitly put the War on Drugs in the realm of foreign policy:

‘In the past, programmes ... have been hampered by the lack of importance given by this country to the drug issue as a foreign policy concern. We must develop ... a broad, meaningful public diplomacy programme in a manner that will increase the level of international intolerance for illicit drugs’ (quoted in McCoy & Block 1992: 1).

In light of the new strategy, the administration listed the elimination of terrorism and narcotics as one of the five major foreign policy objectives (van Wert 1992: 22). The

³⁴ Still, one must note at this point that, particularly in Southeast Asia and in the Andean countries, the local police forces were trained by DEA and equipped by State Department’s Bureau of International Narcotics Matters (INM) in their efforts to eradicate the cultivation of poppy, coca and cannabis. (CIIR 1993: 17) See also (van Wert 1992: 24-25).

³⁵ Based on this observation, some argue that the US’ international response regarding Andean drug production was mostly diplomatic (van Wert 1992: 23). However, in this period, American military presence and involvement did not require any new pretext such as drugs: not only in Andean countries but throughout the Latin America continent, since more important threats, such as the expansion of communism and subversive social movements’ were well established. Besides, the production and trafficking of drugs — especially of the cocaine — in the Andean countries, was still at relatively low levels, and the American ‘second cocaine menace’ was not at its heights yet.

³⁶ Following that year, the National Drug Control Strategy has been updated every year.

official view was that the new strategy was premised on three concepts: linkage, increased resources and conditionality. Linkage meant that ‘effective narcotics control’ is linked to ‘promoting strong democracies and building healthy economies’. Increased resources meant additional resources for the War on Drugs and, thus, economic assistance for Andean countries. Finally the third concept, conditionality, meant that ‘provision of economic assistance would be conditioned on positive results’ (van Wert 1992: 26-7).

Bush’s first National Drug Control Strategy Report marked an historical turning point for the future of the War on Drugs. The new strategy resulted in a policy implementation project called ‘the Andean Initiative’. The Andean Initiative, later known and referred to as the Andean Strategy, aimed to tackle the drug problem at the supply side by targeting three major coca and cocaine producing countries: Colombia, Peru and Bolivia. The strategy’s quantifiable objectives were to reduce the availability of cocaine in the US by 15 percent by the end of year 1991 and 60 percent by 1999, by means of eradication, interdiction and the dismantling of high-levels cartels (WOLA 1991: 9). The Andean Strategy was formulated in such a way that in the War on Drugs, rather than deploying US personnel, Latin American military and police forces were to be used. In other words, the major novelty of the Andean Initiative was that the US was asking for the ‘total’ involvement of Andean armed forces in counter-narcotics efforts. The US part in the Andean Strategy, on the other hand, was to improve intelligence-gathering capabilities to the national armed forces, providing them equipment and training, and giving them advice in planning and carrying out operations. However the Strategy was drafted and announced by the US without any input or any consultation from the Andean governments (WOLA 1991: 11). As a result of this unilateralist approach, in the first year it was announced the Strategy consisted of only three main goals, all focusing exclusively on military and law enforcement measures (ONDCP 1991: 78-9):

Goal 1: To strengthen the political commitment and institutional capabilities of the Governments of Colombia, Peru, and Bolivia to enable them to take the needed steps to disrupt the activities of, and ultimately dismantle, the cocaine trafficking organizations.

Goal 2: To increase the effectiveness of law enforcement and security activities of the three countries against the cocaine trade.

Goal 3: To inflict significant damage on the trafficking organizations that predominate within the three countries by working closely with the countries concerned to disrupt and dismantle trafficking operations.

Faced with a massive social reaction from their public against the US' unilateral stance, Andean governments found themselves in a very difficult position. They insisted that the Strategy had to be decided on a multilateral basis and it should also include 'economic aspects', such as economic assistance and trade benefits. As a result of these developments, President Bush met with the presidents of Colombia, Peru, and Bolivia in Cartagena, Colombia, in February 1990. In the Declaration of Cartagena, the US conceded that some economic support must be provided to compensate for the loss of coca revenues and to spur economic development (WOLA 1991: 11). As stated in the 1991 National Drug Control Programme, the modified strategy now had a fourth goal emphasising the economic aspect (ONDCP 1991: 78-79).

Goal 4: To strengthen and diversify the legitimate economies of the Andean nations to enable them to overcome the destabilizing effects of eliminating cocaine, a major source of income.

An important note regarding the economic aspect of the Andean Strategy, which will be further elaborated in the following chapters, has to be pointed out at this point. The US considered the economic aspects of the Strategy only if the first three goals were achieved. Years before the declaration of the Andean Strategy the US legislative structure had already been able to implement such a condition. The Anti-Drug Abuse Acts of 1986, for example, allowed for the annual suspension of all foreign aid to drug producing and drug transit countries, unless the President 'certifies' each year that those countries are fully cooperating with US anti-drug efforts' (WOLA 1991: 16-17). The sanctions also included the withdrawal of most US foreign assistance not directly related to the counter-narcotics programmes and US opposition to loans that those countries might seek from multilateral development banks, such as the World Bank and Inter-American Development Bank, as well as from United States Agency for International Development (USAID). As the WOLA report puts it, 'the State Department has stated that (a) that economic assistance is to be withheld as an incentive to elicit Andean nations' cooperation, and (b) that Andean 'cooperation' is defined by

the involvement of their armed forces and acceptances of US military aid' (WOLA 1991: 14). In other words, the Bush administration effectively made disbursement of US economic aid under the Andean Initiative contingent upon the recipient country accepting a military aid package (CIIR 1993: 20).

Before the Andean Strategy was announced, the US had already trained dozens of Andean police agents (Bolivian and Peruvian) in support of counter-drug operations, but this training was done mainly by the DEA. For instance, in March 1987, the DEA initiated 'Operation Snowcap', which introduced temporary agents into Bolivia and Peru (and Ecuador), to help plan, advise, and coordinate anti-drug raids on cocaine processing laboratories, clandestine airstrips, and the various stages of cocaine trafficking (WOLA 1991: 17-28). However, with the Andean Strategy, the US' legislative framework and the composition of and the command structure of the institutions involved in the War on Drugs in the Andes, have been radically altered. In the new phase of the War on Drugs, starting with the Andean Strategy, the DOD (and thus the Pentagon) and the CIA were the two main institutions in the driving seat, along with the old ones, such as State Department, DEA, the Border Patrol, the Customs Service, the Federal Bureau of Investigation (FBI), the Treasury Department, and so on (WOLA 1991: 10-11). With these changes, the US administration could begin 'direct military assistance not just to Andean police forces, but to the military for counter-narcotics purposes, and could embark upon an unprecedented expansion in the role of the US' own armed forces in counter-narcotics law enforcement' (CIIR 1993: 19). In short, the Andean Strategy opened the door not only to a dramatic expansion in the activities of old established anti-drug institutions, such as the DEA, but also to a significant infusion of US and Andean militaries into the realm of the War on Drugs.

President Clinton followed the path laid out by his predecessor and the Andean Initiative. Initially, the Clinton administration adopted a different and relatively softer rhetoric. It focused more on the 'demand side' of the issue by emphasising the treatment of drug users and education at home. In the international context, i.e. the supply side of the drug equation, administration officials largely dropped the use of war metaphors and emphasised the need for the promotion of democratic institutions and economic development in the drug producing countries (Peat 1998: 46-47). However, this rhetoric did not last long. In 1994, with the new Andean Drug Strategy — part of that year's

National Drug Control Strategy, Clinton followed Bush's Andean Initiative. In 1996, Clinton returned to the tough anti-drug policies by appointing Barry McCaffrey, the general who was the head of the anti-drug operations in Latin America, as the new 'drug czar' (Peat 1998: 47).

Between 1992 and 1996, the Clinton administration allocated approximately 65 percent of the federal drug control budget annually for supply-side efforts, mainly for law enforcement and military efforts (Youngers 2001). The Clinton administration sought additional funding for coca eradication and cocaine interdiction programmes in the Andean countries of Bolivia, Colombia and Peru. This funding surged yet again in 1997 when the budget for the international drug control programmes doubled from the previous year reaching \$213 million (Zirnite 1998a). In 1999, the US Congress approved \$270 million for international drug control efforts and then passed a supplemental spending bill that included an additional \$690 million annually over a three year period in support of local military and police forces, along with a virtual slush fund for US military anti-narcotics operations (Zirnite 1998a). During the same year, the Pentagon's office for Inter-American Affairs was transferred from the Bureau for International Security Affairs — where it sat in the organizational chart alongside similar offices for Africa, the Middle East, Asia, and Europe — into 'a bureau with the alarming name of Special Operations and Low-Intensity Conflict' (Isacson 2001). Between 2000 and 2001, the Clinton administration committed itself to Plan Colombia, which was the highest ever military aid package to Latin America, worth \$1.3 billion dollars (ICIJ 2002). The stated objective of this military aid was the eradication of coca plantations in Colombia and, what the US termed, leftwing 'narco-guerrillas', who were said to be explicitly involved in the coca trade (Stokes 2002: 9). In short, all signs during two consecutive administrations of 'peacenik' Clinton pointed out that the general structure of the War on Drugs, first laid out by his predecessor's Andean Strategy, remained at the centre of American international drug control policy.

IV. Perspectives on the War on Drugs

This section will briefly evaluate different perspectives that have been developed to try to bring some possible explanations regarding the formulation and application of the War on Drugs. In fact, several explanations have been put forth, singly or in

combination, to explain the US' persistence on the set of anti-drug policies, presented under the title of the War on Drugs. Most of these arguments display a 'state-level' approach, emphasising 'the impact of societal or governmental characteristics on policy direction and development' (Burger 1995). From different angles, these arguments consider the War on Drugs as an issue of the 'internal politics' and seem to suggest that counter-drug policies are 'rhetorically, politically and even financially' useful to some important institutions and constituencies in the US (Levine 2001). In other words, such approaches claim to explain the development of drugs policies by examining contending domestic interest groups. Drugs policy is, in this view, reducible to interest politics. A brief evaluation of these arguments, which make some very interesting points, will be useful for our own analysis regarding the US' choice and insistence on pursuing the War on Drugs, as will be undertaken in Chapter 5 of this thesis.

The first group of explanations focuses on the role of politicians (e.g. Krivanek 1988), the group that historically benefited the most from tough counter-drug policies in general — as emphasised earlier in this chapter. According to this perspective, anti-drug measures have always been an important tool for seeking electoral support in American politics (Burger 1995). Tougher anti-drug policies, these explanations argue, have been used by all ranks of politicians to lure the electorate, which was continuously terrorised by a standard demonising process — the portrayal of drugs as immoral and evil, causing violence, crime and insanity. Explanations focusing on the dominant role of the politicians in the consolidation of drug wars also point out that, even after the elections, politicians find the 'drug card' useful, especially in blaming drugs for any long-standing social problem. Harry Levine, for instance, rightly gives the example of the Reagan and Bush administrations both blaming crack-cocaine for the gradual impoverishment of society:

"In the 1980s, the Reagan and Bush administrations helped popularise the image of crack cocaine as 'the most addicting drug known to man'. They then used that image to explain the deteriorating conditions in America's impoverished city neighbourhoods and schools, and they warned that crack addiction was rapidly spreading to the suburbs. In effect, Presidents Reagan and Bush said: 'Our economic and social policies did not make those urban problems worse, addiction to crack cocaine did, and now crack is spreading to young people in the suburbs'" (Levine 2001).

Another group of explanations for America's tough drug policies, which is also linked to the first group's pinpointing of the role of politicians, focuses on the issue of 'ethnic/racial politics' (for example McWilliams 1991; Courtwright 2001). According to this view, the anti-drug policies are used internally as an efficient tool to conduct an 'ethnic/racial politics', a 'disguised policy targeting ethnic minorities of colour' by the dominant ethnicity/race (Burger 1995). As elaborated earlier in this chapter, it is argued that, especially at times of economic hardship, tough drug policies are used as a tool of 'manipulation of nativism and xenophobia by political leaders seeking electoral advantage' (Helmer 1977: 407). Given the history of racialisation processes, such as the 'Chinese opium menace' and the 'Mexican marihuana epidemic' documented earlier, and the recent discriminations (this word doesn't make sense here since it means difference) against Hispanics and Afro-Americans as a result of the War on Drugs, which will be elaborated in Chapter 4, it is not possible to underestimate the main claims of this perspective.

Another perspective that attempts to explain the persistence of tough drug policies in general, or the War on Drugs specifically, points to the role of the anti-drug bureaucracy (see for example Peat 1998). The proponents of this perspective argue that the massive drug-control bureaucracy, which grew over the years, is the main perpetuator of tougher anti-drug policies. According to this view, the drug-control bureaucracy presents the drug problem as a 'supply side problem' (as opposed to 'demand side problem') and exerts pressures on the US executive branch to maintain drug law enforcement as the fundamental tool of the War on Drugs. The 'narco-enforcement complex', some argue, even tries to 'expand the drug wars' (Bertram quoted in Peat 1998: 60). As Angela Burger points out, this is not surprising: 'an agency staffed with enforcement personnel and with an enforcement mission is not likely to advocate or support non-enforcement policies' (Burger 1995). Given the steady increase in the numbers of the employees of the US 'narco-enforcement complex', and the post-Cold War inclusion of the US military into the framework of the War on Drugs, this line of view underlines another important social force behind the persistence of the War on Drugs.

As stated earlier, these and many other explanations have been developed and used - either singly or in combination - in the efforts to identify the dynamics behind the War

on Drugs³⁷. There is no doubt that these arguments point out some very influential social forces behind the formulation and the persistence of the War on Drugs: the electoral abuse of politicians, the old-lived tradition of ‘ethnic/racial politics’, the self-generating nature of the drug-control bureaucracy, the sensationalism of the media, and so on. However there are two major shortcomings in these perspectives. Although the purpose of this thesis is not a focused critique of these explanations, underlining these shortcomings will provide a solid basis for an alternative perspective, which — arguably — will be more dynamic, holistic and historical, and conducive to establishing the relationship between the War on Drugs, on the one hand, and world order, on the other hand.

First, as Pat O’Malley and Stephen Mugford point out, the inquiry to find a single coherent framework dominated by a single group or a single motive behind the War on Drugs is a futile enterprise:

‘Confusion, contradiction, fragmentation on the one hand and cynicism, moralism, and opportunism on the other, these are the elements — rather than a coherent conspiracy that functions in the interests of the state — that we see characterising the War on Drugs’ (O’Malley & Mugford 1991: 65).

Further into the thesis we will return to O’Malley and Mugford’s claim about the lack of a ‘coherent’ framework behind the War on Drugs. For the moment, it is important to note that, what these authors are implying, is the essence of the problem generated by above-mentioned explanations: to try to put one social force — and its specific motive(s)— ontologically above all others. This ontological desire pushes these explanations to have both a fragmented and a static perspective, as opposed to holistic and dynamic perspectives. They are fragmented because they do not depart from the totality of social relations. The social relations are fragmented in sterile realms such as

³⁷ There are other state-level approaches focusing other institutions and constituencies. An interesting perspective among these is the one that points out the role of the media in the War on Drugs. It is argued, according to this perspective, that the media, including newspapers, magazines, publishers, radio and television, cinema, constitutes another ‘crucial’ block supporting the persistence of the War on Drugs (see for example Levine 2001). This perspective argues that the media tends to ‘endorse government anti-drug campaigns and favourably cover anti-drug efforts as a “public service”’ (Levine 2001; also in Parenti 1992: 31). The media is also aware that anti-drug stories are good for their business: they ‘boost sales, viewership, readership, and profits’ (Burger 1995). Given the role of the media in all demonisation processes at the beginning of the twentieth century, as seen earlier in this chapter, this perspective pinpoints another important social force behind the persistence of the War on Drugs.

politics, economy, culture, and so on, which are thought to be independent from each other. The politicians are blamed on the basis of their ‘political’ motives, the media is blamed on the basis its ‘economic motives’, the ‘whites’ are blamed on the basis of their ‘cultural/racial’ motives, so on and so forth. They are also static because they do not take into consideration the fact that the totality of social relations, which naturally includes the interactions of different social forces and their different motives/agendas, is continuously subjected to change. Thus, the weighted effect of one group compared to the others or even the motive of the same group might change at different times according to different social conditions.

The second major shortcoming of the above-mentioned perspectives, which is arguably linked to the ontological preferences explained above, is their incapacity in providing any consistent and elaborate analysis about the international aspects of the War on Drugs. As a direct result of their limited ‘state-level’ nature, these explanations seldom acknowledge the ‘external’ or ‘international’ dimensions of the War on Drugs. Even if they happen to acknowledge them occasionally, these analyses do not contextualise the significance of the War on Drugs vis-à-vis the structures of world politics.

V. Subject of Enquiry: The War on Drugs and World Order

There are also some analyses in the academic literature that cover the international dimensions of the War on Drugs. The most dominant school of thought in this category sees narcotics policy as an instrument through which the US attempts to project world leadership (e.g. Walker III 1995; Griffith 1993-94). Drawing on the historical record, it is argued that since the end of nineteenth century the US used the drug card to expand its *hegemony* in the world. According to this perspective, ever since the 1886 anti-opium agreement reached with China (as discussed earlier), ‘the US has deliberately used the narcotics issue to penetrate other countries, their police, their military, criminal justice system, and to develop a network of relationships below that of the top political leadership’ (Burger 1995). Over the years, it is asserted, the US has employed military aid, economic aid, and counter-narcotics assistance to project its power. In short, this perspective underlines the American political establishment, and its vision of being the world leader, as the primary explanation of the War on Drugs.

Following the line of reasoning of the last perspective, which, at least, brings the War on Drugs into a broader context, the following chapters will investigate the relationship between the War on Drugs and world order. The guiding argument will be that any analysis regarding the phenomenon of the War on Drugs should start with exploring the historically constituted context within which the War on Drugs has materialised (and is still materialising). Unless the War on Drugs is viewed within the historically constituted settings of world order, the conclusions arrived at would be mere abstractions detached from the historical social context in which the observable event takes place. Consequently, this methodological error would lead to a mistaken explanation of the War on Drugs and to the misrepresentation of the forces producing and reproducing the logic and the practice of the War on Drugs. However, trying to find out in which context the phenomenon of the War on Drugs materialises *is not* looking for a ‘hidden agenda’ or ‘coherent conspiracy’, implemented by the War on Drugs, as O’Malley and Mugford suggest, *nor is it* to pinpoint the specific group of people, institutions or constituencies responsible for the War on Drugs. But it is rather to depict the War on Drugs’ relational position to world order, or to put it differently, it is to establish the relationship between the War on Drugs and world order.

One way to identify this relationship is to uncover the working mechanisms and functions of the War on Drugs. It is possible to map out the working mechanisms and functions of the War on Drugs by looking at the concrete historical record. The evaluation of War on Drugs in any Andean country provides a fertile ground for framing its working mechanisms and functions, which will eventually help to understand the nature and the workings of world order. For this purpose, the following chapters will analyse the historical development of War on Drugs in the case of Bolivia.

Chapter III: The Historical Constitution of the Coca Economy in Bolivia

I. Introduction

The cultivation of coca is a deep-rooted tradition in the Andes: the indigenous peoples living in the high plains of Bolivia, Peru and Colombia have been growing coca for thousands of years (Mortimer 1901). Originally, for the Andean natives, coca was mainly ‘a social good’, used for its medicinal, spiritual and symbolic qualities. However, as explained in the previous chapter, with the arrival of the *conquistadors* coca gradually moved from being a social good to a ‘commercial commodity’. Yet, only in the last three decades of the twentieth century did coca become fully commodified, as it has been incorporated into the prevailing capitalist market relations. Obviously, on the one hand the commodification process was accelerated through the staggering rise in the international, mainly the North American, demand for cocaine, and on the other hand was the intensification of coca/cocaine production in the Andean countries, with Bolivia being the second biggest producer of coca (until 1995). By using the case study of Bolivia, this chapter will elaborate the historical developments that caused a surge in coca/cocaine production in the Andean countries, and that made them targets of the US-led War on Drugs.

The first task of this chapter is to document the historical context in which Bolivia has emerged as one of the main producers of coca. The underlying methodological premise is that only with an historical analysis is it possible to understand the conditions that allowed the recent development of a coca-centred economy. Using this historical premise, the chapter will try to show that the foundations of Bolivia’s recent dependence on coca is the result of a centuries’ long process of economic and political underdevelopment, which started with the colonisation of the region in the sixteenth century. Following this line of enquiry, the chapter will briefly document the political and economic history of Bolivia, and will pay special attention in mapping out the process by which the region was underdeveloped.

Following the illustrations of the historical constitution of underdevelopment, the chapter will account for the relatively recent changes, that is of the last three decades that saw Bolivia become the world’s second biggest producer of coca after Peru. It will

document the economic, political and social changes that Bolivia went through in that period and consequently, it will be argued, that these changes have been instrumental to the expansion of coca production in the country. The chapter will also evaluate the process whereby the US-led War on Drugs has been introduced to the country whilst illustrating the specific political and economic developments generated by it.

II. The Background of the Underdevelopment of Bolivia

Bolivia's Colonial Legacy: A Bitter Historical Background

The history of the underdevelopment of Bolivia, as is the case for the whole Latin American continent, starts with its colonisation by the Spanish (and Portuguese) Empire in the early sixteenth century. Following the two decades of delay, due to resistance by the Incas, the indigenous inhabitants having the absolute authority of the region, and the power struggle between the two *conquistadors* leading the invasion, Francisco Pizarro and Diego de Almagro, the Spanish crown succeeded in consolidating its authority in 1548 in the area of modern highland Bolivia, then known as Upper Peru. Spain immediately started to exploit the enormous economic potential of Upper Peru, which was extremely rich in minerals, especially in silver and gold. Bolivia's silver mines started to produce much of the Spanish empire's wealth through the exploitation of Indigenous labour — by a compulsory labour system called *mita*³⁸. Potosi, which possessed the western world's largest concentration of silver deposits, became one of the biggest and richest cities in the Western Hemisphere around the mid-seventeenth century (Galeano 1973: 31). Between 1503 and 1660, 16 million kilograms of silver, three times as much as the entire European reserves, were extracted and sent to Spain (Potts 1990: 21)³⁹. Mining also spurred agricultural production from the *encomiendas*⁴⁰

³⁸ *Mita* was originally a traditional Incan practice, a tax in the form of labour (Streatfield 2001: 33). The Spanish application of *mita* was quite different though. Indians were obliged to provide one seventh of their men between the ages of 18 and 50 for one year, to work in the silver mines. But as Lydia Potts notes, due to the harsh working conditions 'few *mitayos* lived long enough to return home after their allotted year in Potosi' and, moreover, 'not one seventh, but up to one third of the men liable to work found themselves in the town of Potosi as a direct result of compulsion' (Potts 1990: 22). In a way, in the actual practice, *mita* ended up being, as Dominic Streatfield concludes, 'a form of institutionalised slavery' (Streatfield 2001: 33).

³⁹ However this extraction of wealth was costly for the Indians: "(...) the silver extracted in Potosi would have been sufficient to built a bridge long enough to link Spain with the "Indians" (...) A bridge of silver, yes indeed, but parallel to that one could have built another bridge, just as long as the first, out of bones (...) of the *mita* Indians who died in the mines' (Céspedes quoted in Potts 1990: 21).

granted to a small number of *conquistadors* by the Spanish Crown. *Encomenderos* tended to monopolize agricultural production, control cheap indigenous labour, and collect the tribute (*alcabala*) that the Indians had to pay to the colonial administration, which eventually became an increasingly important source of income for the crown (Hudson 1991). It is also worth remembering that *encomenderos* initiated and consolidated the mass-cultivation of coca plant for commercial uses, as was pointed out in the previous chapter.

Three centuries of colonial rule in Upper Peru generated and consolidated important features regarding the economic and political future of Bolivia (Mörner 1985: 49-119). On the economic front, the most crucial feature that was consolidated was the integration of Bolivia into the world economy through its natural resources, which were robbed or, at best, exploited. The workings of the colonial order not only denied Bolivia the possible opportunity of developing an independent and diversified economic base, but also set the infrastructural pattern that would be consistently repeated after political independence, namely a monoculture economy — i.e. the reliance on one or two commodities, mostly primary goods, for export and the sustenance of the domestic economy. On the political front, colonialism created an elaborate bureaucracy to implement a strict control over Bolivian society in order to maintain the continuity of the economic exploitation of the country. In this way, the colonial political system formed the infrastructure of an authoritarian state apparatus, which would be one of the major characteristics of post-independence Bolivia. In short, colonial rule economically dispossessed and politically disoriented the mass of Bolivian people, as was the case for the whole of Latin America.

Fundamental economic, political and social changes in European imperialist centres throughout the eighteenth century eventually led to the end of ‘direct’ colonial rule (Furtado 1970: 34-41). Spain was increasingly faced with highly protectionist trade barriers from European markets, as a result of mercantilist policies, and parallel to this was that she was losing her ability to produce manufactured goods at an alarming rate,

⁴⁰ *Encomienda(s)* were exclusive farms built on confiscated land of the indigenous Inca. The word comes from Spanish *encomendar* meaning ‘to entrust’, and the practice was derived from the Spanish feudal system and consisted of the Crown assigning a certain number of natives from the conquered territories to deserving conquistadors’. The *encomienda* holders, *encomendero*, were responsible for the Christianisation of the Indians, *indios encomendados*, tied to that land. *Indios encomendados* paid back the favour of being converted to Christianity with their labour. Three quarters of the yield from *encomiendas* would be appropriated by the *encomendero* and the rest would belong to the Crown (Potts 1990: 19-20).

which also meant that the colonies were gradually becoming more cut off from the supply of these goods. The colonies sought to find direct markets for the production that Spain was not able to market any longer, and to manufacture domestically goods they needed. As Celso Furtado points out, both of these activities ‘involved direct conflict with the metropolis’ (Furtado 1970: 34). Accompanying these economic changes were new liberal political ideas emerging in the imperial centre: ‘the old-fashioned Spanish intellectual world was little by little lit up with French “enlightened ideas”’ (Mörner 1985: 87). Eventually, the final blow to colonial rule came with the Napoleonic Wars, which was ‘the last act in the complex historical process that unfolded throughout the eighteenth century’ (Furtado 1970: 34). The overthrow of the Bourbon Dynasty and the placement of Joseph Bonaparte on the Spanish throne substantially shook the authority of Spain and brought a state of political vacuum in the colonial areas. The vacuum of authority, which threatened the hegemony of the ‘colonists’ (Ferro 1997: 224), conflicting interests of ‘national bourgeoisie’ (Furtado 1970: 35-36), rising sentiments of nationalism and demands for independence (Mörner 1985: 112-119) resulted in a local power struggle in Upper Peru that lasted for 16 years. Eventually the *Republica de Bolivia* was established on August 6, 1825, named after Simon Bolivar, whose vision ‘for us the fatherland is America’ has never been realised (Galeano 1973: 281). Ironically, contrary to the Bolivar’s vision, the legacy of Spanish colonial rule had given birth to many new nations, including Bolivia, ‘splinters of a might-have-been national unity’ (Galeano 1973, p.130).

Malaises of Colonial Legacy: Post-Independence Bolivia

Independence in 1825 did little to improve the economic, political and social misery of Bolivia. Centuries-long processes of dispossession through confiscations of indigenous lands, the slave-like use of labour in mining and agricultural production, and tributary taxing inevitably had created a distorted social structure in Bolivia. On the lower echelons of that structure were waged workers and peasants. The waged workers were still in awful conditions, no better than the old colonial *mita* system (Mörner 1985: 125). The peasants were in no better conditions either: the highly unfair distribution of land — a legacy of the *encomienda* system — was worsened with the abolition of the land tenure system (in 1866) of the indigenous communities. The majority of the indigenous population was forced to work under primitive conditions in the mines and

in nearly feudal status on large estates (*latifundio*), and they were denied access to education, economic opportunity or political participation (Hudson 1991). On the top echelon of the social structure was the bi-fractional bourgeoisie: a comprador industrial (i.e. mine-owning, mine-managing, merchants) and financial (i.e. moneylenders) class on the one hand and a colonial landed class on the other hand. The former, as Furtado puts it, was ‘liberal in outlook, progressive in the sense that it was “Europeanising”, but hopelessly wedded to the concept of *laissez-faire*’ (Furtado 1970: 35-36). The latter, however, was conservative and in favour of traditional mercantilism and protectionism (Mörner 1985: 125). Yet, none of these groups could *directly* control the political power, as the Bolivian military strongmen (*caudillos*) held it between 1825 and 1884. Between those years, of twenty regimes only three were led by civilians (Dunkerley 1992: 154). There must have been various interacting factors behind the military dominance (*caudillismo*) in Bolivian politics, but some of the observable ones, according to James Dunkerley’s analysis, were:

‘(...) the struggle for land; *empleomania* (pressure for employment) expressive of a more general tendency for the state to constitute little more than an arena for plunder; the renewed need for social control of the lower classes in the wake of their not insubstantial incorporation in the struggle to overthrow colonial control, which itself had to a high degree integrated its repressive superstructures (*mita*, *encomienda*, ... and so on); the sectoral division of the economically dominant bloc which rapidly became structured around the conflict between free trade and protection as local economies were drawn into the world market directly rather than through the mediation of the colonial power; and regional antagonisms, resulting from a combination of factors but most immediately influenced by the inheritance of colonial boundaries’ (Dunkerley 1992: 155-158).

Similarly on the economic front, although direct economic exploitation had ceased to exist with the end of colonial order, the workings of the international economy was continuing to have detrimental effects on Bolivia. The discovery of vast fields of nitrate (which was increasingly used as fertiliser in the European agricultural sector) in Antofagasta near the Pacific Ocean attracted the interests of Chilean investors and traders (Cockcroft 1996: 488). When the Bolivian government proposed to tax the nitrate fields of Antofagasta used by Chilean traders, the Chilean government reacted strongly as they desperately needed funds to pay their huge debts to British high finance

(Frank 1967: 76-7). Funded by British nitrate traders, the Chilean army waged a war against Bolivia (the War of Pacific of 1879-1883) and eventually invaded the province and landlocked the country (Cockcroft 1996: 488). Similarly, in 1902-3 Brazil appropriated 75,000 square miles of the rubber-tree rich Acre area from Bolivian territory, as its economy was dangerously dependent on rubber sales to Europe and North America (Galeano 1973: 100-101). The case of the Chaco War of 1932-1935, which also is called 'the war of the naked soldiers' and 'the petroleum war' (Cockcroft 1996: 491), constituted an example of international capitalism's manipulation *par excellence*. Rival Standard Oil of New Jersey (of the US) and Royal Dutch Shell (of Britain) wanted total control over the oil-rich area in the eastern borderland region known as the Chaco Boreal. Standard Oil of New Jersey, which was awarded concessions in 1922, financed the Bolivian army for it to appropriate the Paraguayan Chaco so that the company could build a pipeline from Bolivia to the Amazon River. The Paraguayan army, supported by Shell, won the war. As Eduardo Galeano elegantly puts it, 'it was a quarrel between two corporations, (...), but it was not they who shed their blood' (Galeano 1973: 179).

By the mid-1920s Bolivia was producing nearly one-quarter of the world's supply of tin, and metal with other primary products (mainly silver and rubber) accounted for 94 percent of Bolivia's exports in 1927 (Cockcroft 1996: 489). Tin production was in the control of three 'tin barons', known as *rosca*: Bolivian-born Simon Patiño and Carlos Aramayo, and European-born Mauricio Hochschild. The Great Depression in 1929 marked the beginning of a period of growing disdain for the country's elite, as it caused tin prices to plunge, thereby hardening the plight of miners and lowering the profits of the *rosca* (Hudson 1991). As the latter resorted to borrowing from foreign bankers and refinery owners, at the beginning of 1930s two-thirds of the tin industry fell under the control of foreigners, mostly Americans but also Chileans, British, Swiss and Germans (Cockcroft 1996: 489). Yet the (partial) handover of ownership did not change the levels of exploitation of Bolivian miners, whose resentment gave way to a very strong leftist, anti-imperialist trade-union movement (Cockcroft 1996: 489).

The defeat in the Chaco War in 1922 against Paraguay also had severe effects on the Bolivian political system: '[the] great loss of life and territory discredited the traditional ruling classes, while service in the army produced stirrings of political awareness

among the indigenous people' (Hudson 1991). In addition to the indigenous character of labour, organised labour began to play a more prominent role in national politics after the Chaco War. Nevertheless, it was still the army who occupied the dominant position in Bolivian politics, and this was not without a popular support. Between 1936 and 1939, military governments tried to reform the country with a programme of 'military socialism' that included social justice and the control of the country's natural resources (Hudson 1991). In fact, amid some national and international reaction, the government nationalised the Standard Oil holdings in 1937 — the first such step taken in Latin America — and took some measures to cut the power of the tin barons⁴¹. However the middle class resented the government's inability to deal with economic stagnation (see for example Dunkerley 1984). During the 1940s, a new political party, the Nationalist Revolutionary Movement (MNR), united miners, other industrial workers, peasants and middle class intellectuals, and represented a more radical, socialist-oriented, political line (Sigmund 1970: 45). As Mörner notes, 'stagnating agricultural production, inflation, administrative inefficiency, and the rising production costs of tin helped to trigger the MNR revolution of 1952' (Mörner 1985: 221).

The 1952 Bolivian Revolution: Efforts to Move to State Capitalism

Dr Paz Estenssoro, who had founded MNR, was denied victory by the army in the 1951 presidential elections. However, a popular uprising, supported by the MNR and a section of the army, led the successful 1952 revolution. Under President Victor Paz Estenssoro, the MNR introduced new radical social reforms. The government decreed the nationalisation of the tin mines under the roof of the Mining Corporation of Bolivia (*Corporación Minera de Bolivia* - COMIBOL), extended suffrage to all citizens, including all illiterates, and undertook a rural education programme and a sweeping agrarian reform, that gave lands to any sharecropper or squatter who desired them (Sigmund 1970: 45). The MNR also promoted cooperatives, particularly in mining and agriculture as an alternative to the *latifundios* (Hudson 1991).

For many, the 1952 Revolution was 'a true revolution that attempted to go to the heart of the many structural problems that faced the economy and society' (Emmerij 1998: 7)

⁴¹ It must be noted that the following Bolivian government, led by right wing General Enrique Peñaranda, paid Standard Oil \$1,5 million for unsettled claims (Cockcroft 1996: 491).

arguably consequences of the colonial legacy. Between 1953 and 1972 more than 10 million hectares were distributed to nearly 200,000 rural heads of household (Cockcroft 1996: 494)⁴². Nutritional provision visibly improved over large areas of the rural high lands (*altiplano*) (Galeano 1973: 145). Dwight B. Heath, based on his personal account from fieldwork in *altiplano*, argues that the social reforms had radical impacts on social justice and the structure of the Bolivian society:

“If we speak in terms of ‘social justice’ for the masses, we must credit MNR with having utterly destroyed the old quasi-feudal order in most areas, by emancipating many *campesinos* from traditional economic and social bondage. ... [O]ne of the most striking features of Bolivia’s land reform and social revolution is the degree to which *campesinos* have begun to assume the roles of citizens and to participate in social systems that were not only closed, but virtually unknown, to them a decade ago” (Heath 1969: 384-7)⁴³.

However the economy was still in trouble. Rural production fell, due to the lack of state support (financial, technological and logistical), and so did foreign exchange earnings, as the price of tin in the international markets went down following the end of Korean War. Inflation continued to rise and food imports swelled (Cockcroft 1996: 493-497). Moreover, the malaise of the colonial legacy, i.e. the dependence on the exports of primary goods, was not broken. At the end of the first decade following the revolution, the exports of ores and metals were still accounting for almost 90 percent of merchandise exports (See Table 3.1 and Graph 3.2 ‘Bolivian Ores and Metals Exports, 1962 – 2001’).

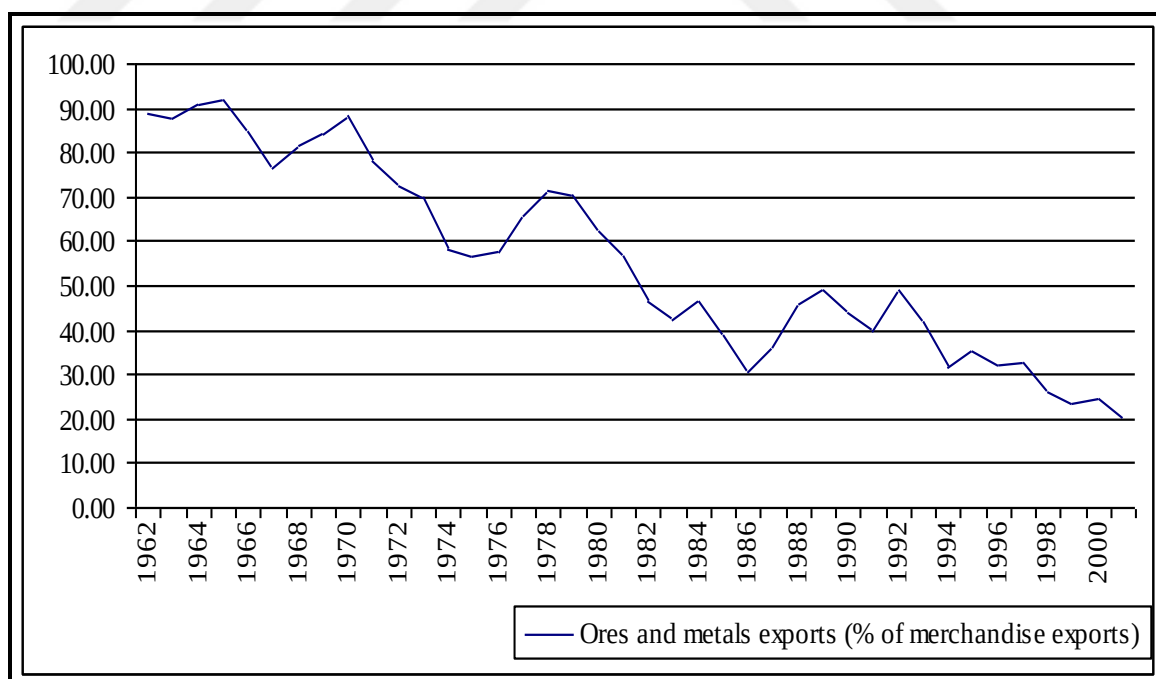
⁴² Yet, the legacy of the colonial order was still haunting Bolivia: by 1963 *latifundias*, huge expanses of land under the same owner, were still accounting for the 70 percent of the land (Cockcroft 1996: 494).

⁴³ Heath argues that ‘[T]he institution of a new social structure is epitomised in the MNR’s semantic victory over the negative connotations of the word *indio* [Indian], which has been replaced by *campesino* [peasant] (Heath 1969: 387).

Table 3.1 'Bolivian Ores and Metals Exports, 1962 – 2001'
(% of merchandise exports)

Year	Percentage	Year	Percentage	Year	Percentage	Year	Percentage
1962	88.79	1972	72.45	1982	46.54	1992	49.20
1963	87.57	1973	69.84	1983	42.40	1993	41.88
1964	91.02	1974	58.01	1984	46.35	1994	31.67
1965	92.00	1975	56.41	1985	39.03	1995	35.37
1966	84.59	1976	57.86	1986	30.83	1996	32.32
1967	76.35	1977	65.90	1987	36.35	1997	32.83
1968	81.39	1978	71.37	1988	45.70	1998	26.19
1969	84.14	1979	70.43	1989	49.13	1999	23.24
1970	88.02	1980	62.09	1990	44.09	2000	24.58
1971	78.07	1981	56.48	1991	39.65	2001	19.73

Graph 3.2 'Bolivian Ores and Metals Exports, 1962 – 2001'
(% of merchandise exports)



Source: World Bank World Development Indicators (WDI) Online, available at <http://publications.worldbank.org/WDI/>

Hampered with the historically constituted fragility of Bolivia's economy, the 1952 revolution lost its momentum. First, in 1954, in order to avoid national bankruptcy, the government had to accept aid from the US, which was aimed to prevent a 'communist' takeover (Mörner 1985: 222). Then, in 1956 and 1957, the administration of Hernan Siles Suazo (1956-1960)⁴⁴ signed stabilisation programmes drafted by US advisers and backed by the IMF, which were seen, by many, as aiming to contain organized labour (Loveman & Davies 1989: 345). The government agreed to cut social spending and to follow conservative monetary policies, in an effort to receive desperately needed foreign credits (Cockcroft 1996: 496). It also agreed on a new investment code that permitted American companies to start operating in Bolivia's eastern oil fields. In return, the US increased food aid to help the new government survive (Finnegan 2002). The second administration of Paz Estenssoro introduced a programme to rehabilitate the mining industry; the 'Triangular Plan', triangle referring to the sponsors of the plan, the US, West Germany and the World Bank. The Triangular Plan laid off workers, froze wages, curtailed miner's veto powers over COMIBOL decisions, and extended government control over the unions (Cockcroft 1996: 496).

In other words, under the constitutive efforts of the US, as well as the Bretton Woods institutions⁴⁵, the 1952 Revolution had diverted from its original target of a socialist experiment, and had moved towards a state capitalist model (van Dijk: 24). But even the altered target, i.e. the state capitalist model, was not achieved. Some researchers, emphasising the impacts of the international economy on the Bolivian political system, point out that because the struggle could never be waged on an independent *political* plane 'no truly profound social and political transformation took place' (Estellano 1994: 35-36). Consequently, it is fair to argue that the 1952 Revolution was not able to break the chain of Bolivia's economic dependence consolidated since its colonisation. The economy was still based on the export of natural resources, especially tin, and thus was still dangerously dependent on the workings and terms of the international economic order. This economic dependence was making the Bolivian political system highly

⁴⁴ In 1956, Hernan Siles Zuazo from MNR won the presidential election, as Paz could not run for presidency in two consecutive terms according to the Bolivian constitution (see the second following footnote). However, Paz was returned to power in 1960.

⁴⁵ For an excellent analysis of the constitution and the functions of the Bretton Woods institutions see (Block 1977).

fragile and susceptible to internal, as well as international, interventions, and this characterised the years following 1964.

1964-1979: A Generic Period of Military Rule or a Counter-Revolution?

By 1964, the failure to implement a state capitalist model, let alone a socialist one, prepared the downfall of the MNR government. The groups that had supported the revolution in the first place had been continuously disappointed over the years, and they began to form a block of social opposition against the MNR. The opposition included unionised workers, those so heavily targeted by the, so-called, stabilisation programmes; impoverishing peasants, who had suffered from the government's lack of support; and urban intellectuals, who were disgusted with Victor Paz's ambition to seek another presidential term (for which it was necessary to amend the constitution⁴⁶) (Sigmund 1970: 45). The same year, miners' strikes and public protests ended with a military coup led by the vice-president, General René Barrientos, and General Alfredo Ovando; the former assuming the formal title of presidency.

At the beginning, the new rulers proclaimed their loyalty to the ideals of the 1952 Revolution (Sigmund 1970: 44-55). However the interim government of Barrientos, following the path laid down by the MNR, continued to look 'to the US as his principal source of economic assistance and, in doing so, accepted the logic of the stabilisation plan that called for the containment of the labour left' (Loveman & Davies 1989: 345). Consequently, 'under the increasing political, economic, and military influence of the US', the Barrientos government undertook severe measures to sideline the working class movements, and specifically that of the miners (Estellano 1994: 36). In 1965, the provision of the nationalisation decree empowering the miners' union to veto COMIBOL management decisions was nullified, the mining workforce was cut by 10 percent, the wage of the remaining was halved and their food subsidies were sharply reduced (Loveman & Davies 1989: 345). When the miners went into a strike in May the

⁴⁶ The current constitution of Bolivia, which is mostly based on the constitution of 1947, provides for a two-chamber National Congress consisting of a 27-member Senate and a 130-member Chamber of Deputies, both elected for four years, by universal adult suffrage, through a simple plurality voting procedure. Three senators are elected from each of the country's nine departments/districts. The president is also directly elected for a five-year term, which cannot be renewed immediately, and combines the roles of head of state and head of cabinet. If no candidate obtains a clear majority in the presidential election, the president is chosen by Congress from between the two leading candidates (Derbyshire & Derbyshire 1999: 778).

same year, Barrientos declared a state of siege, the military violently terminated the strike, sent the union leaders into exile and the Central Bolivian Worker's Union (COB) was effectively dismantled (Loveman & Davies 1989: 345-346). In June 24, 1967 Barrientos' troops carried out the infamous Siglo XX massacres, killing hundreds of men, women, and children from the mining community, on the basis that they were supporting National Liberation Army (ELN) that had launched a guerrilla warfare against the government with Ernesto Ché Guevera (Cockcroft 1996: 497-498). An incident in 1968 revealed the nature of the crackdown on labour and its relationship to the US. In August that year, Antonio Argüedas, former minister of government, announced that he had been an agent of the US government and that agents of that government had penetrated all levels of the Bolivian government. This revelation was extremely significant, as Loveman and Davies explain:

“The importance of the incident lay not so much in what was said —the rumour mill had been circulating the same information for a long time— as in who said it because Argüedas had been the man in charge of the government's large-scale crackdown on labour, students and, other leftists groups” (Loveman & Davies 1989: 346-7).

When Barrientos was killed in an air crash in 1969, the civilian vice-president Siles Salinas replaced him, but very soon after, General Alfredo Ovando seized power. As his first action Ovando proclaimed his 'ideological affinity' with the radical nationalism of the military regime in neighbouring Peru. 'Attempting to harness the political energy contained in the issue of economic nationalism in general and anti-Americanism in particular for the provision of immediate popular support for his new government' Ovando nationalised the Bolivian branch of Gulf Oil (Loveman & Davies 1989: 347). However, his populist-nationalist rhetoric did not materialise in any real benefits for the masses. Eventually, he was replaced by General Juan Torres, who was also to be removed in 1971 by a fellow officer, Colonel Hugo Banzer.

III. The Gradual Rise of the Coca Economy

The *Banzerato* Period: Transition to the Southern Cone Model

Although Colonel Hugo Banzer announced that the country would soon return to a constitutional democracy, he replaced civilian ministers with members of the armed forces and postponed elections. Despite infrequent but strong internal acts of opposition within the military, and frequent public discontent and resistance, Banzer managed to maintain his rule until 1978. At seven years, the country's longest period of presidential rule in over a century, this period was known as *Banzerato*. Banzer's ability to uphold the political system of rigid control for so long, despite his implementation of highly unpopular economic measures, was due principally 'to the unequivocal support he enjoyed for several years from Washington' (Dunkerley 1989: 354). Indeed, he was very close to the American political-military establishment. He was a graduate of the School of the Americas (SOA) and had received additional training at Fort Hood in Texas. Banzer had also enhanced his close ties with the US national security elite when he was named military attaché in Washington and won the Pentagon's Order of Military Merit (Meldon 1997). At or from the beginning of his rule, Banzer was granted by the American administration the promise of 'close cooperation "throughout the 1970s", indicating that both sides had expectations of a prolonged rule' (Dunkerley 1989: 356). Consequently, the US provided the Banzer regime enormous financial support — \$32 million was given during his first sixteen months of his government, almost five-fold of that which had been given between 1942 and 1970. Similarly, the American military grants to Bolivia for 1973 and 1974 were three times as great as any grant made to any Latin American country until that time (Dunkerley 1989: 357).

Banzer's rule had clearly marked the beginning of new era in many senses. Under his rule, Bolivian political, economic and social systems were subjected to massive alterations, which were also paralleled in neighbouring Chile, Peru and Argentina. The spread of right-wing military juntas in the region clearly exhibited a pattern; what is often referred to as the 'Southern Cone Model' (Whitaker 1976: 355-423). During the *Banzerato*, Bolivia exhibited all the characteristics of the Southern Cone Model⁴⁷. The

⁴⁷ In the words of Dunkerley, the main features of the Southern Cone model were as follows: 'Repression was generalised and extraordinarily harsh; the left was defeated on a regional scale with the death and

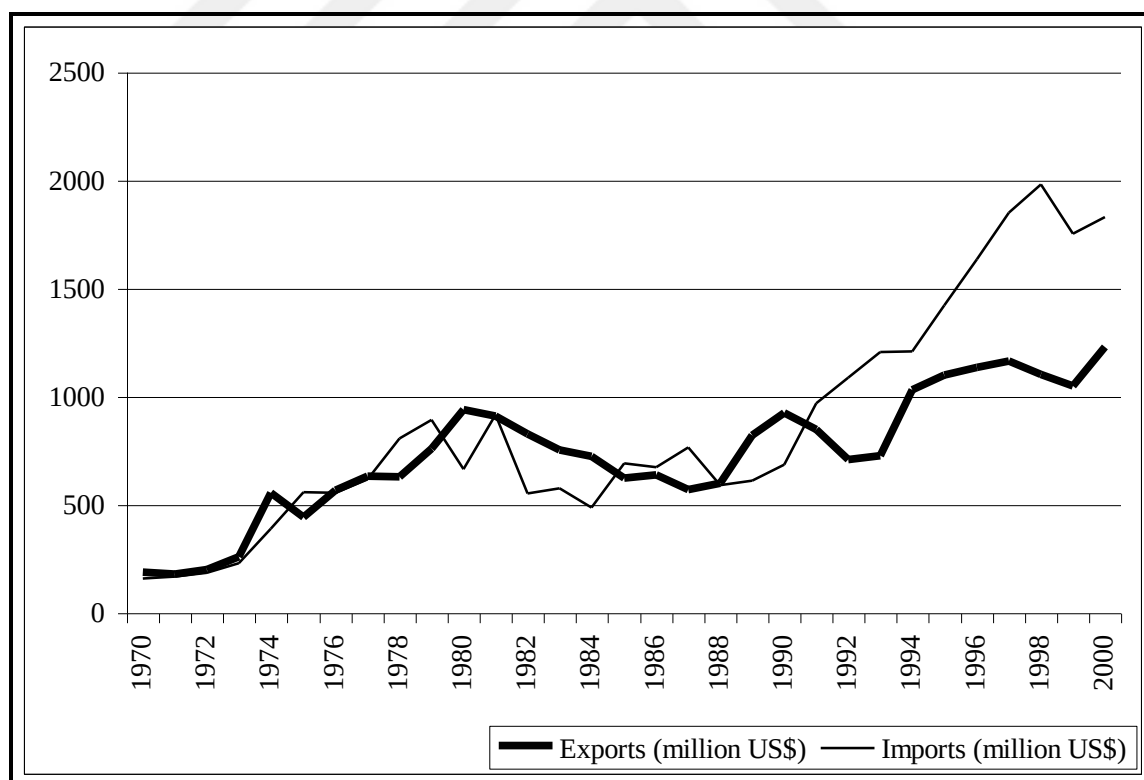
repression against the working class had not only continued but also exceeded that imposed by the Barrientos' military regime (Dunkerley 1989: 358). Indeed, on November 9, 1974, Banzer dissolved all political parties and trade unions, in the name of national security against the 'Red Menace' (Cockcroft 1996: 500-501). The regime, while it may have been less bloody than the regimes in Argentina and Chile at the time, also had its share of torture and murder, and thousands of people were forced into exile. On the economic front, the country gradually moved towards the 'free-market' model, aiming to attract direct foreign investment and to foster a rapid export-led growth. This transition was constantly supported by IMF programmes, and supervised and implemented by a 'Boston, Mexico City, and Oxford trained elite bureaucracy' (Estellano 1994: 36-37). Laws to free capital movements and to open Bolivia up to foreign investment were passed, and tariffs for primary and capital goods were slashed radically. Meanwhile, harsh economic measures, such as abrupt devaluations, freezes on wages and reduction in state subsidies on basic goods and services, were implemented regardless of their high social costs. By the end of 1974, it was thought that Bolivia was on the *right* track, as inflation was kept to low levels, economic growth was relatively high and export earnings had more than tripled within a period of three years (see Table 3.3 and Graph 3.4 'Value of Bolivian Exports and Imports, 1970 – 2000')

"disappearance" of tens of thousands. Economic management was handed over to the enthusiastic acolytes of Milton Friedman and the "Chicago School" of free-marketeers who dismantled the apparatus of protectionism, pared down state enterprise, scythed through welfare expenditure, and made a frontal assault on wages' (Dunkerley 1989: 355).

Table 3.3: 'Value of Bolivian Exports and Imports, 1970 – 2000' (million US\$)

Year	Exports	Imports	Year	Exports	Imports
1970	190	159	1986	638	674
1971	181	170	1987	570	766
1972	201	185	1988	600	591
1973	261	230	1989	822	611
1974	557	390	1990	926	687
1975	444	558	1991	849	970
1976	568	555	1992	710	1090
1977	632	618	1993	728	1206
1978	629	808	1994	1032	1209
1979	760	894	1995	1101	1424
1980	942	665	1996	1137	1635
1981	912	917	1997	1167	1851
1982	828	554	1998	1104	1983
1983	755	577	1999	1051	1755
1984	725	489	2000	1230	1830
1985	623	691	-	-	-

Graph 3.4: 'Value of Bolivian Exports and Imports, 1970 – 2000' (million US\$)



Source: Oxford Latin American Economic History Database⁴⁸.

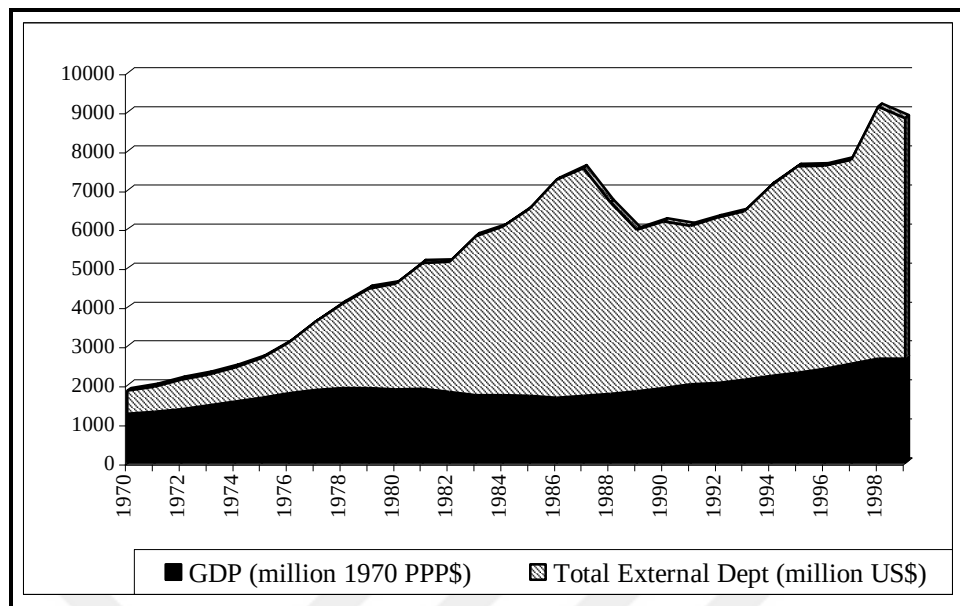
⁴⁸ Export figures are the total value of merchandise exports valued FOB (free on board); expressed in million US dollars. Import figures are the total value of import goods valued CIF (cost, insurance, and freight); expressed in million US dollars. Data available online at <http://oxlad.thedesignfly.net/search.php>.

However, the cause of the increase of the exports earnings was neither because of ‘restructured manufacturing sector dynamized with fresh foreign capital’ nor due to a real increase in the production of primary exports, such as tin and oil (Dunkerley 1989: 363). The steady increase of exports earnings was generated thanks to the massive hikes in the international price of oil and tin, a sector that provided 70 percent of all foreign currency earnings of Bolivia. On the other hand, the expected levels of foreign direct investment never occurred, as the sectors most desired by foreign investors, such as mining, were still not open to them. Thus, the Banzer government had to opt for foreign credit to keep rapid growth rates, which it did without taking into consideration the long-term detrimental consequences. Consequently, during the 1970s, the external debt multiplied fourfold, going from \$648 million in 1971 to \$2556 million in 1979 (see Table 3.5 and Graph 3.6 ‘GDP and Total External Debt, Bolivia 1970 –1999’). As the increase in debt was not matched by the increase of export revenues, the debt service steadily rose. More worryingly, as James Dunkerley notes, the cost of foreign credit ‘became progressively higher as international agencies and foreign states drew away from lending to be replaced by private banks, which imposed more stringent terms’ (Dunkerley 1989: 365). Not unexpectedly, when the price advantage of primary exports gradually began to disappear, Bolivia plunged into a crisis characterised by the accumulation of massive foreign debts and persistent inflation.

Table 3.5: ‘GDP and Total External Debt, Bolivia 1970 –1999’ (million 1970 PPP\$)

Year	GDP	Total External Debt	Year	GDP	Total External Debt
1970	1244	588	1985	1698	4805
1971	1291	648	1986	1655	5575
1972	1357	763	1987	1699	5836
1973	1451	797	1988	1749	4905
1974	1548	885	1989	1815	4132
1975	1654	1013	1990	1899	4275
1976	1768	1290	1991	1999	4061
1977	1856	1734	1992	2032	4235
1978	1894	2162	1993	2117	4307
1979	1896	2556	1994	2218	4877
1980	1870	2702	1995	2300	5272
1981	1888	3219	1996	2400	5191
1982	1805	3328	1997	2519	5233
1983	1725	4069	1998	2651	6460
1984	1714	4317	1999	2662	6157

Graph 3.6: ‘GDP and Total External Debt, Bolivia 1970 –1999’ (million 1970 PPP\$)



Source: Oxford Latin American Economic History Database⁴⁹

The Establishment of the Coca Economy

It was in this context that the coca economy began to emerge in Bolivia. There were many different groups behind the establishment of the coca economy. The major group was the agro-industrialists in the department of Santa Cruz who had financed Banzer's 1971 coup d'état and were 'rewarded with loans — that were never repaid — officially intended to expand cotton production' (OGDD 1995/1996). Initially the agro-industry benefited from short-term 'price fluctuations and over-abundance of credit' (Dunkerley 1989: 363), but the international cotton market collapse in 1975 and 1976 directed many rich cotton producers from Santa Cruz into the more profitable coca-cocaine production (Hallums 1997: 826, fn. 40). As the OGDD report puts it, 'among the personalities put on file by the DEA at that time as drug traffickers were the heads of the Santa Cruz Cotton Producers' Association (Alfredo Gutiérrez, brothers Miguel and Wilden Razuk, Roberto Gasser) and some political activists, all publicly known to be close to General Banzer' (OGDD 1995/1996).

⁴⁹ GDP expressed in million constant international dollars at 1970 prices. Total External Debt comprises total debt, (including the sum of public, publicly guaranteed, and private non-guaranteed long-term external debt, use of IMF credit, and short-term debt), owed to non-residents repayable in foreign currency, goods, or services; expressed in million US dollars. Data available online at <http://oxlad.thedesignfly.net/search.php>

The move of some agro-industrialists towards coca-cocaine production was also welcomed by two new factions of the financial and commercial bourgeoisie that were prospering with the circulation of the drug surplus (Estellano 1994: 36). More importantly, some argue that the Banzer government itself might have deliberately supported the formation of the informal economy based on coca-cocaine production⁵⁰ (Painter 1994: 151, fn. 11). Similar arguments along this line point out that faced with the end of export revenue boom and increasing external debt after 1974, the Banzer regime might have allowed — or ignored, at best — the coca-cocaine industry to prosper as it was potentially more capable of bringing in foreign currency than the formal export sectors (OGDD 1998/1999: 154-155). In 1988, the public appearance of a videotape proved that high ranking government officials of the Banzer military regime had been in regular contact with major drug traffickers. The tape, which was filmed sometime in 1985, showed Roberto Suarez⁵¹ — ‘the Bolivian Pablo Escobar’ — with Alfredo Arce Carpio, minister of interior in the Banzer military regime, and retired general Mario Vargas Salinas, who at the time held a high-ranking command post in the Bolivian army, conversing on how the narco-dollars could be laundered legally to help stabilise the economy (Painter 1994: 73).

Whatever the nature of the Banzer government’s link to the coca-cocaine industry was, whether personal involvement of some government officials, including Banzer himself, or a deliberate policy of the government, or neglect and/or indifference on the part of government — it is possible to conclude that the coca economy began during the *Banzerato* period. Thus, for example, between 1971-1978 coca leaf production had spread from 5,340 hectares to 18,860 hectares. Consequently, it is estimated that, Bolivian coca production grew from an average of 9,000 tonnes a year between 1963

⁵⁰ Some even argue that Banzer was personally linked to the cocaine business. For example, the OGDD report establishes a link between Banzer’s family members and drug trafficking: “Several members of the Banzer family were involved in the trafficking, especially in Spain, and his daughter and son-in-law were expelled from Canada. His son-in-law, appointed Bolivian consul in Montreal by Banzer himself, had not been long in the job when the police at the city’s international airport arrested two Bolivians carrying diplomatic passports signed by General Banzer’s private secretary, Edwin Tapia Fontanilla. The “diplomats” were carrying a suitcase full of cocaine to be delivered to the couple” (OGDD 1995/1996). James Dunkerley, however, while recognising that Banzer’s close colleagues and relatives were involved in drug trafficking, concludes that there was no evidence of a ‘concrete policy of unqualified state backing and patronage under Banzer’ (Dunkerley 1984: 315).

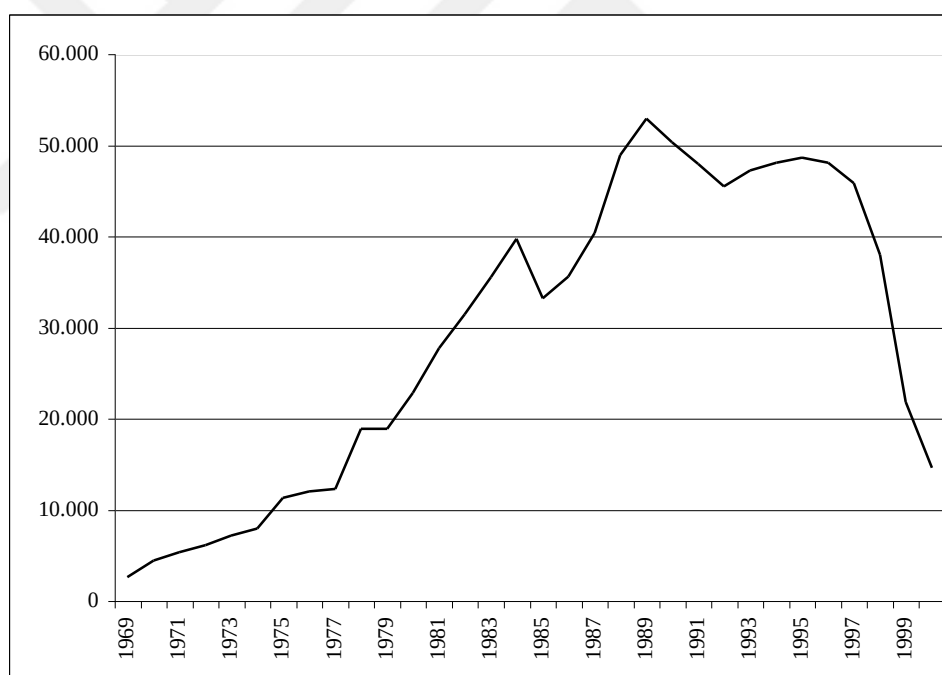
⁵¹ Roberto Suarez Gomez, known as Bolivia’s ‘king of cocaine’, was a traditional *latifundista* of Spanish descent, with extensive property and an impressive fleet of small carrier aircrafts, which were used originally to fly meat within Bolivia (Cockcroft 1996: 502-503).

and 1975 to an average of 79,000 tonnes from 1976 to 1988 (Painter 1994: 4). This increase was not related to any increase in productivity but rather due to an expansion of cultivation into new areas that started during Banzer's military rule (shown in Table 3.7 and Graph 3.8 'Area Under Coca Cultivation in Bolivia, 1969 – 2000').

Table 3.7: 'Area Under Coca Cultivation in Bolivia, 1969 – 2000' (in hectares)

Year	Hectares	Year	Hectares	Year	Hectares
1969	2.600	1980	22.788	1991	47.900
1970	4.450	1981	27.704	1992	45.500
1971	5.340	1982	31.459	1993	47.200
1972	6.140	1983	35.475	1994	48.100
1973	7.160	1984	39.750	1995	48.600
1974	7.900	1985	33.165	1996	48.100
1975	11.285	1986	35.612	1997	45.800
1976	12.000	1987	40.360	1998	38.000
1977	12.300	1988	48.925	1999	21.800
1978	18.860	1989	52.900	2000	14.600
1979	18.860	1990	50.300	-	-

Graph 3.8: 'Area Under Coca Cultivation in Bolivia, 1969 – 2000' (in hectares)



Source: The figures between 1969-1984 are extracted from James Painter who uses SUBSEDAL data (Painter 1994: 15). The figures between 1985-2000 are US State Department's estimates, from (INL 1996-2000).

Prelude to the Economic Collapse

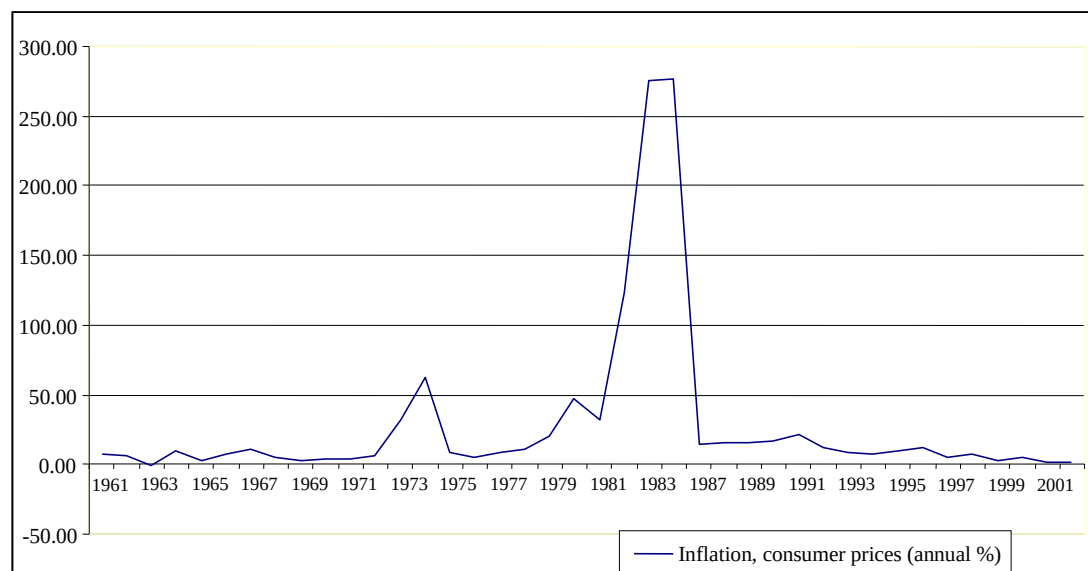
Following the end of the Banzer regime, the elections of 1979 and 1980 were both inconclusive as the principal architects of the 1952 Revolution and ex-presidents Victor Paz Estenssoro and Hernan Siles Zuazo received virtually identical numbers of votes. With what is widely known as the ‘cocaine coup’, General Meza claimed power in July 1980, with the covert sponsorship of Roberto Suarez, the major Bolivian cocaine trafficker of the time (Painter 1994: 59). From the start, Luis Garcia’s government was cut off from all international credit as his government was notorious for human rights abuses, economic mismanagement, but more importantly for narcotics trafficking (Cockcroft 1996: 502-503). The already existing structural problems, such as the exterior debt burden and fiscal crisis of the state, mostly legacies of the Banzer military regime, were deepening because of the inability to secure international credits and service the debt. Garcia Meza resigned in 1981, and after three short-lived military take-overs, Siles was eventually inaugurated as President in 2 October 1982.

As James Dunkerley points out, ‘from its first day in office the new government faced considerable problems’ (Dunkerley 1992: 187). Although economic aid from the US and Europe resumed, external financing from private sources ended, as foreign banks reassessed Bolivia’s ability to service its debt. To prove its credibility to the international financiers the government attempted six successive ‘economic packages’ recommended by the IMF, but organised labour resisted each one with strikes (Cockcroft 1996: 504). The peasants, who also were suffering under the staggering inflation rates, participated in many roadblocks organised by the Unified Peasant League Federation of Bolivia (CSUTCB) (Cockcroft 1996: 504) (See Table 3.9 and Graph 3.10 ‘Inflation in Bolivia, 1961 – 2002’). Under the pressures of international recession, domestic fiscal mismanagement, massive debt servicing, controversial stabilisation programmes and rising social discontent, the Bolivian economy was continuing to deteriorate. Yet, worse was to come: the collapse of the world tin market.

Table 3.9: 'Inflation in Bolivia, 1961 – 2002' (consumer prices, annual %)

Date	Inflation	Date	Inflation
1961	7.56	1982	123.54
1962	5.88	1983	275.59
1963	-0.71	1984	1281.35
1964	10.18	1985	11749.64
1965	2.86	1986	276.34
1966	6.95	1987	14.58
1967	11.20	1988	16.00
1968	5.47	1989	15.17
1969	2.21	1990	17.12
1970	3.96	1991	21.44
1971	3.67	1992	12.06
1972	6.52	1993	8.53
1973	31.49	1994	7.87
1974	62.84	1995	10.10
1975	7.98	1996	12.43
1976	4.49	1997	4.71
1977	8.11	1998	7.67
1978	10.36	1999	2.16
1979	19.72	2000	4.60
1980	47.24	2001	1.60
1981	32.13	2002	0.92

Graph 3.10: 'Inflation in Bolivia, 1961 – 2002'

(consumer prices, annual %)⁵²

Source: World Bank World Development Indicators (WDI) Online, available at <http://publications.worldbank.org/WDI/>

⁵² The years 1984 and 1985, with inflation rates of 1281 and 11749 percent respectively, are not included in the graph.

The Great Tin Crash and Bolivia: Reinforcing the Coca Economy

The figures in Table 3.7 show that extensive coca cultivation started during the Banzer military regime. However, they also show that the period when coca cultivation, and cocaine production, increased at massive rates is the 1980s. This and the following sections will elaborate the historical circumstances in which Bolivian coca production increased so dramatically. It will be shown that one of the major factors that have further reinforced the coca economy, first established during the Banzer military regime, was the general deterioration of Bolivian economy. These sections will also illustrate the extent of the historically constituted dependency of the Bolivian economy on international structures, which, one might argue, is the reason why the coca economy developed in Bolivia in the first place.

The collapse of international tin market, recalled as ‘the great tin crash’, was one of the major developments that contributed to the deterioration of the Bolivian economy. Bolivia has always been integrated into the world economy through its natural resources, and especially its mines. From the Spanish invasion up until the end of the nineteenth century, Bolivia provided silver for the world markets, but by the late 1800s the silver industry had suffered a sharp decline and it was in turn replaced by tin mining. The Bolivian tin industry boomed in the early twentieth century, as the invention of the vacuum-packed tin can and the assembly of the automobile raised the world demand for tin. By the end of World War I, Bolivia was the world’s second largest producer, after Malaysia, mining a fifth of global output (Hudson 1991). Following World War I, the growth of the armaments industry in Europe and North America (and also the multiplied use of tin vacuum-packed cans) had created an even bigger demand for tin, up until the end of World War II, and Bolivia had become the main exporter. In 1945, for example, Bolivia’s share of global tin production was almost 48 percent of world supplies (Crabtree, Duffy & Pearce 1987: 57). At the end of this period Bolivia’s involvement in world trade became that of a virtual mono-exporter, with all the vulnerability that this implied⁵³ (Crabtree, Duffy & Pearce 1987: 58).

⁵³ For example, in 1950, mining accounted for 95 percent of Bolivia’s exports and tin for 74 percent. Especially after the 1960s, subsequent governments tried to diversify their exports, yet these were still

The continuation of high production levels of the pre-World War II period created an oversupply in the post-war period, but as, at that time, the US was building its own stockpile of tin, it opposed production cutbacks. However, after the Korean War, the US stopped buying tin and international prices slumped significantly, which affected not only Bolivia but also all other major tin producing countries, such as Malaysia, Indonesia and Thailand. In 1956 these countries' efforts to protect themselves from volatile tin prices in world markets concluded in the formation of the International Tin Council (ITC) under the auspices of the United Nations (UN). However, unlike other commodity agreements, such as that of the Organization of the Petroleum Exporting Countries (OPEC), both tin producers and consumers were represented on the ITC, a feature that — arguably — was the key detrimental factor for the future of the agreement. Votes were distributed in proportion to a country's consumption or production, and a two-thirds majority was required to pass a motion.

The ITC was authorised to set a floor and ceiling price for tin, impose export controls when necessary and establish a buffer stock. It chose to maintain prices by imposing export restrictions on its members, rather than let the market impose production cutbacks through falling prices. In this way, the ITC avoided a more painful response to changing market conditions, paving the way for gradual adjustments. This was not a mechanism that could transfer huge amounts of wealth to the tin-producing countries, but rather minimized the possible harm that might overturn their dependent economy.

As the biggest consumer of tin, the US did not oppose the formation of the ITC, but neither did it join⁵⁴. Meanwhile, having no international legal obligation, the US used its stockpiles independently from the ITC's price policies. Sales from its stockpile had had a disruptive effect on the market just after the end of the Korean War. In the 1960s, just as tin prices were recovering, sales from the US stockpile brought them down again (Crabtree, Duffy & Pearce 1987: 47). The same happened in 1973 when President

primary products, such as crude oil, natural gas and agricultural products, like soybeans, cotton, potatoes, corn, sugarcane, rice, wheat, coffee, beef, barley and quinine (Crabtree, Duffy & Pearce 1987: 58-61).

⁵⁴ Stephen Krasner, while explaining the reasons why the US joined the International Coffee Organisation, gives an important explanation about the American attitude towards commodity agreements: 'The US has never joined a commodity agreement opposed by domestic corporations. It has participated in wheat, sugar, and coffee agreements, all of which had private support, but has not joined international agreements regulating tin and cocoa that were opposed by the private sector' (Krasner 1973: 507).

Nixon ordered a reduction of the US' stockpile of tin from 232,000 tons to 40,500 tons, starting with a sale of 18,500 tons at the end of that year (Dunkerley 1989: 356).

From the mid-1960s onwards, the dissatisfaction of the underdeveloped countries with still-volatile prices, dissatisfaction with existing trade partners, especially the non-ITC members such as the US, the emergence of the UN Conference on Trade and Development (UNCTAD) and the so-called North/South dialogue, provided the agreement with a new rationale: securing a price for tin in accordance with the development needs of the producers as opposed to consumer-driven low prices (Crabtree, Duffy & Pearce 1987: 46). The new rationale was clearly expressed in the ITC's Sixth International Tin Agreement that was concluded at Geneva on 26 June 1981:

“The community and interrelationship of interests of, and the value of continued cooperation between, producing and consuming countries in order to support the purposes and principles of the United Nations and the United Nations Conference on Trade and Development and to resolve problems relevant to tin by means of an international commodity agreement, taking into account the role which the International Tin Agreement can play in the establishment of a new international economic order” (UN 1982: 294).

With the increasing awareness of its functions, the ITC was becoming more effective in implementing the wishes of poor producer countries more than the rich consumer countries, though this was a development that was to change the US' position towards the agreement. Having suffered from its experience of OPEC, i.e. of not being in control or in a position to influence the decision-making process of an important commodity agreement, the US decided to join ITC in 1976, and thereby gained incredible power within the ITC as it was the biggest consumer of tin in the world (Crabtree, Duffy & Pearce 1987: 36).

As soon as it joined the ITC, the US led the consumer countries' opposition to raising the ceiling price and proposed that its stockpile sales be used to protect the ceiling and the buffer stock to protect the floor (Crabtree, Duffy & Pearce 1987: 47). That proposal, which was accepted, effectively meant that the ceiling price would be determined by the

US, through the huge influence of its stockpile. It refused to make voluntary contributions to the buffer stock and opposed moves to make consumers' contributions compulsory, while pressing for a larger buffer stock to protect the floor. The failure of the consuming countries to make adequate contributions, decreased the purchasing power of the Buffer Stock Manager (BSM) of the ITC, who was forced to buy greater and greater volumes of tin for the stockpile in order to maintain the floor price, but the producing countries could not afford to finance this alone. They were reluctant to give any of their scarce resources until the much wealthier consumer countries had shown their willingness to do so. In order to keep the tin prices above the floor price by buying excess tin stocks, the BSM had to borrow money using the tin stockpile as collateral (Crabtree, Duffy & Pearce 1987: 50). Eventually, as a result of a combination of many different structural problems, including the US' constitutive efforts, the ITC collapsed in 1985⁵⁵.

There were two obvious catastrophic consequences of the 1985 tin crash: first the stabilising effect of an intervention system had gone and, second, the liquidation of the ITC stockpile meant that a huge volume of tin — an equivalent of six months of world production — suddenly became available to the market (Crabtree, Duffy & Pearce 1987: 55). The price of tin, which was \$5.60 a pound before the collapse, fell to \$2.40 and continued spiralling downwards to \$2.01 in 1986. While in 1980, tin generated \$378 million for Bolivia, the income from tin fell to \$47 million in 1987 (See Table 3.11 'Bolivian Tin Production, Exports and International Tin Prices, 1980 – 1987').

⁵⁵ One of the most influential factors that caused the collapse of the ITC was years and years of US efforts to undermine the agreement. For years it had disrupted the international tin market, and thus the ITC, through the use of its national stockpiles, and after joining the ITC it had undermined the capabilities of the BSM. It must also be noted that there were other structural problems that led to the collapse of the ITC. During the 1970s, Brazil started to produce cheap tin, increasing the availability of tin in the international market and, thus reducing the price of tin. In addition, the world recession during the same period (the 1970s), prevented the expansion of the demand for tin in international markets. The speculative finance of the London Metal Exchange (LME) was also very influential in the collapse, for it was seen to intervene in the market with the effect of bringing the price down. However, the actual collapse was triggered by exchange rate fluctuations rather than structural problems. With the arrival of Thatcher government the British Sterling had gone up in value. The resulting high value of sterling overvalued tin stocks and allowed the BSM to borrow in London. When the pound devaluated in 1985, so did the value of its collateral. The result was that the market and the agreement collapsed. (Crabtree, Duffy & Pearce 1987: 50-52).

Table 3.11 'Bolivian Tin Production, Exports and International Tin Prices, 1980 – 1987'

Year	Production (tonnes)	Exports (US\$000)	Average Price (US\$ per tonne)
1980	28,000	378,149	16,784
1981	29,781	343,096	14,148
1982	24,660	278,344	12,712
1983	26,660	207,906	12,961
1984	17,000	247,748	12,218
1985	16,136	186,747	11,570
1986	11,500	89,810	4,832
1987	5,800	47,638	6,771

Source: (Dunkerley 1992: 249)

Nueva Política Económica: The Consolidation of the Coca Economy through Neoliberalism

Simultaneously, with the collapse of international tin prices, another military coup in 1985 forced Siles to call early elections and relinquish power a year before the end of his constitutional term. In the elections, the Nationalist Democratic Action Party (ADN) of Banzer won a majority of the popular vote, followed by former President Paz Estenssoro's MNR and former Vice President Jaime Paz Zamora's Movement of the Revolutionary Left (MIR). But in the congressional run-off, the MIR sided with MNR, and Paz Estenssoro was chosen for a fourth term as president.

With the start of the presidency of Paz Estenssoro, Bolivia became only the second country in Latin America, after Chile, to undergo a severe liberal orthodox readjustment and free-market programme of a type that would sweep the continent in the late 1980s and 1990s. In August 1985, the Bolivian president promulgated Bolivia's *Nueva Política Económica* (NPE, New Economic Policy), a 'shock therapy' programme designed by his Minister of Planning Sanchez de Lozada, and Jeffrey Sachs, professor of economics in Harvard University⁵⁶ (Dunkerley 1992: 211-219). With the NPE, the currency was devalued from 67,000 pesos per US dollar to 1,100,000 pesos per US

⁵⁶ After his 'success' in Bolivia, Sachs was contracted by the Polish government for a similar liberalisation programme (Estellano 1994: 34-35).

dollar (Dunkerley 1992: 191). Government spending was cut by freezing wages and reducing employment in state enterprises, to the extent that the state-owned tin mines were effectively closed down. Public sector prices were raised to world market levels. All government subsidies were abolished, including subsidies on food, public services, as well as the bonuses in cash and in kind to employees of state enterprises. The commercial banks were allowed to set their own interest rates, import and investment permit requirements were eliminated, economic activities which had been reserved for government corporations were opened to private investment. Non-tariff barriers, such as quotas, were eliminated immediately, and import tariffs were reduced to 20 percent (van Dijck: 32)⁵⁷.

Although international financial institutions did not directly impose the NPE, it was almost identical to the generic structural adjustment programme that was prescribed and supported by the IMF, the World Bank, the Inter-American Development Bank (IDB), the USAID (van Dijck: 27). In fact, a year after the announcement of the NPE, in June 1986, the Bolivian government signed a standby programme with the IMF. The IMF signed another standby programme with Bolivian government in 1987 and a three-year Structural Adjustment Facility (SAF) programme in 1988 (van Dijck: 33). In this sense the NPE marked the beginning of direct IMF interference into the Bolivian economy through SAF programmes (See Table 3.12: ‘The IMF Transactions with Bolivia, 1984 – 2003’). It is also worth noting that the Bolivian government also signed international agreements to allow foreign guarantees for foreign investors such as those provided by the Overseas Private Investment Corporation and the Multilateral Guarantee Agency. Moreover, new settlements were made with official foreign creditors in the Paris Club and with the World Bank and the IDB (van Dijck: 32).

⁵⁷ In 1990, import duties were further reduced to 10 percent in general and 5 percent for capital goods (Jenkins 1997: 314).

Table 3.12: 'The IMF Transactions with Bolivia, 1984 – 2003'

(in SDRs)⁵⁸

	Total Disbursements	Total Repayments	Charges/Interest Paid
2003	64.320.000	16.183.000	670.592
2002	0	21.171.500	784.045
2001	19.000.000	22.925.000	848.190
2000	11.210.000	22.411.000	901.424
1999	16.826.500	24.489.000	929.271
1998	33.646.500	29.931.000	937.689
1997	16.830.000	24.942.500	926.250
1996	33.660.000	21.768.000	1.343.701
1995	16.830.000	17.233.000	861.290
1994	30.425.000	10.430.500	402.718
1993	0	20.608.000	1.327.005
1992	36.280.000	26.268.000	3.077.541
1991	22.675.000	32.218.454	6.382.035
1990	22.675.000	33.595.900	9.557.679
1989	45.350.000	9.067.282	9.546.763
1988	67.955.000	43.541.778	6.289.702
1987	0	26.349.846	6.692.267
1986	114.940.000	32.535.756	3.657.474
1985	0	23.182.817	5.214.202
1984	0	16.120.203	6.912.952
<i>Total</i>	<i>552.623.000</i>	<i>474.972.536</i>	<i>67.262.790</i>

Source: The IMF website, available at <http://www.imf.org/external/fin.htm>

With the implementation of the NPE, the inflationary spiral was broken (as seen in Table 3.9). However, in essence what happened was that the economy had gone into instant recession, with enormous social costs, with unemployment being the most visible one. Combined with the effects of the crash of the tin market, the NPE's austerity programme led to an estimated unemployment rate of 21.5 percent by 1987 (Hudson 1991). Just in the mining sector, the government laid-off 23,000 of COMIBOL's 28,000 employees⁵⁹ (Jenkins 1997: 313). Consequently, unequal income

⁵⁸ Effective 1 January 2001, the value of the SDR is the sum of the values of the following amounts of each currency: 0.577 US dollar, 0.426 Euro, 21.0 Japanese yen, 0.0984 Pound sterling (IMF 2000).

⁵⁹ As Oscar Olivera notes, the decree 21060, which implemented the NPE, was also a political decree that served to destroy the unions (Multinational Monitor 2000). Bolivian miners were among the most

distribution was heavily aggravated (van Dijck: 47-49) and real incomes decreased sharply, by about 70 percent between 1982 and 1990 (Emmerij 1998: 11). Although some segments of private sector were granted generous credits, these investments did not contribute to productive capacity, as the opening of the domestic market to imported goods with the lifting of import tariffs had moved investment incentives away from industrial production (Estellano 1994: 39). The sudden opening up of the economy multiplied the levels of import both of manufactured and agricultural goods, which in turn was a process that further aggravated the dependent and vulnerable economic position of Bolivia. The manufacturing sector was unable to reach the production levels achieved during the 1970s (Pérez-Crespo 1991: 16), and contrary to neo-liberal economic logic, new export-oriented production did not expand (Jenkins 1997: 315-6). As for the rural economy, the influx of cheap food imports and dramatic increases in transport costs contributed to undermining the real prices of domestically produced food staples (Chosudowski 1997: 217-219).

The NPE did not bring bad luck to all though. The new loans provided to the Bolivian government by the international financial institutions and by other governments were used to buy back the credits of all foreign commercial banks that had heavily lent to Bolivia since the 1970s. This buy-back scheme was conditional upon the adoption of an IMF programme (Chosudowski 1997: 216). In 1987, commercial banks allowed Bolivia to pay back its debts with 11 percent interest on condition that foreign governments would finance the payment. Thus, as Pitou van Dijck notes, ‘the Bolivian government used resources made available by foreign governments to repurchase its debts outstanding with foreign commercial banks’ (van Dijck 1998: 39). By 1993, Bolivia had repurchased all of its debts to foreign commercial banks.

The Workings of the Coca Economy in Bolivia

disciplined, organised and class-conscious of all workers in Latin America and through their union they had fought for better conditions of work (Crabtree, Duffy & Pearce 1987: 61). For that, their union the Trade Union Federation of Bolivian Mineworkers (FSTMB), had been accused by international institutions of being responsible for many of COMIBOL’s problems (Crabtree, Duffy & Pearce 1987: 64). Since THE 1964 military take-over, almost all of military rulers and civilian governments had tried to destroy the trade unions, in particular the FSTMB, but without success. Finally the NPE achieved that aim.

The exterior debt burden, the crash of the world tin market and the implementation of the NPE had caused abrupt changes in the structure of the economy and these, as has been already signalled, in turn increased coca production in Bolivia. In fact, as Dunkerley notes, the coca and cocaine sector ‘provided a critical support’ for the implementation of NPE (Dunkerley 1992: 212). The ‘informal’ sector was now the ‘safety-valve’ of the Bolivian economy (Dunkerley 1992: 226).

During the 1980s, most of the new cultivation took place in the tropical zones of the Cochabamba department, in an area known as Chapare (Atkins 1998: 98). Chapare, formed by parts of the provinces of Chapare, Carrasco, and Tiraque, became the main coca-growing region of Bolivia, producing between 90-95 percent of Bolivia’s coca in the 1980s (Painter 1994: 3). The expansion of coca cultivation was accompanied with a population change in the area. Population estimates of the last two decades for the Chapare greatly vary according to the different sources, yet it is commonly agreed that there has been an enormous increase in the population of the region; from between 40,000 and 50,000 at the end of 1970s to between 191,000 and 234,000 at the end of 1980s (Pérez-Crespo 1991: 22). As James Painter points out, ‘there was nothing new in large scale migration’ to Chapare, as this was ‘the latest chapter in a long history of migration and settlement by rural people from *altiplano* looking for off-farm income for the survival’ (Painter 1994: 5). However, this time, the migration patterns were compounded by the virtual collapse of Bolivia’s formal economy. Also, in contrast to earlier patterns, this time the migration had an urban-to-rural dimension: newly unemployed people, mostly sacked miners, migrated permanently to the Chapare region from urban (and mostly mining) districts such as Potosi and Oruro (Painter 1994: 7). The main expectation of migrants to Chapare, without doubt, was to have the better incomes associated with coca cultivation (Painter 1994: 9).

Despite the fact that the figures about the income generated by coca production vary greatly it is known that, even when the coca prices are low, it generates much more than other crops. For example, a study carried out by the Organisation of American States (OAS) in 1984, suggested that 1 hectare of coca would yield an annual income of \$9,000, which would be nineteen times higher than the income generated by citrus fruit, the second most profitable crop in Chapare (Painter 1994: 10). Other sources give different figures, mostly because coca prices vary across time, but even the minimum

estimate of \$2,600 is much higher than the yearly average per capita income (Painter 1994: 10). In addition to the actual farmers that own coca farms, thousands of unemployed farmers and farm labourers were, and continue to be, involved in coca-related production (picking, selling, transporting), allowing them to earn three to five times more than what they could have earned in other agricultural activities (Painter 1994: 14). That is why, for example, in 1990, it was moderately estimated that around 10 percent of the economically active population of Bolivia were employed in the coca-cocaine sector, a very large proportion of them being in only coca-related lines (Painter 1994: 41).

Apart from its higher income-generating features, coca had many other advantages for the producers. It is relatively easy to grow and to harvest; it is a very hardy crop; it is readily marketable; and has an instant convertibility to cash at anytime. Painter summarises these advantages (Painter 1994: 12):

“A farmer can expect to have some sort of income within twelve months of planting coca, full production after two to three years, and an average plant lifespan of fifteen years (in some cases twenty-five years). Coca gives four crops a year, requires less attention and investment than other crops once it has been planted, and requires only manual labour to pick. It is also easy to pack and transport (often on the back of a bicycle) and has a virtually assured nearby market right through the year. In many cases, comerciantes (merchants) will even come to the farm to buy the coca. It is also a crop with which generations of rural Bolivian families are familiar. In short, as many development economists have pointed out, in other circumstances it would be the ideal income-generating crop to alleviate poverty and underdevelopment” (Painter 1994: 12).

Parallel to coca cultivation, cocaine production was also taking off in Bolivia, though most of the coca was exported to Colombia, which produced almost 90 percent of world cocaine production during 1980s. Researchers of cocaine production (as opposed to coca cultivation) in Bolivia agree that it was not the *cocaleros* but the rural elite who were responsible for the manufacture and distribution of cocaine paste and cocaine base in the 1980s. This group particularly consisted of *latifundistas*, big landowning agro-industrial elite, and cattle ranchers and merchants (such as Roberto Suarez), all of whom had benefited from generous financial support from the central governments in the late

1960s and 1970s. This group of rural elite was also joined by another group, significantly dominated by ex-military personnel, who controlled the transportation of the cocaine base and paste (Painter 1994: 26-27). In the late 1980s and early 1990s, these groups became involved in the production of the end product, i.e. the cocaine, as they had the crucial advantages of having the capital and credit to invest in the chemical inputs, already established networks of infrastructure and transport, and local and political power to control members of police and politicians (Painter 1994: 27). As Painter notes, in 1989 Bolivian governmental officials stated that thirteen organisations were controlling between 75 and 85 percent of Bolivia's drug trade — including its production (Painter 1994: 31). Similarly, in 1990, the US State Department and the DEA estimated that only thirty or forty organisations controlled the drug business (Painter 1994: 29).

Therefore, it is highly plausible that only a very small minority of those of mostly wealthy origin, as opposed to the poor *cocaleros*, have been controlling the cocaine business, with the exception of the cultivation of the coca leaf. This small group, 'capitalists *par excellence*', had the lion's share of the income generated by the coca-cocaine economy. Consequently, it is also plausible to state that very little of the total end-value of coca-cocaine production is retained or returned to the *cocaleros*. Painter, for example, calculates that the coca farmers share only between 0.65 and 2.1 percent of the final street value of their product once fully processed (Painter 1994: 40). Painter rightly concludes that:

"That is to say, even though coca provides a higher income than other crops, the level of exploitation by intermediaries of coca producers is sufficiently entrenched to deny producers a large share of the profit. And Bolivia, as with so many of the commodities it has produced in the past, is not the major beneficiary of the raw materials it produces" (Painter 1994: 40).

IV. Conclusion: The Coca Economy Consolidated

This chapter has shown that the rise of coca economy in Bolivia can only be understood in historical context. Since its colonisation in the sixteenth century, Bolivia has been consistently subjected to political disorientation and economical dispossession. Independence from colonial rule in the nineteenth century did not change this general feature. Bolivia remained a primary source provider for the capitalist development of the West. Although the country tried to break away from this dependence by shifting to the model of state capitalism, the structures of the capitalist world economy and international politics did not allow a full transition, and international economic dependence persisted until the economy virtually went bankrupt in the mid-1980s. Faced with economic bankruptcy, Bolivia had to bow to the pressures of the international financial institutions and implement the hegemonic neo-liberal economic policies, with detrimental social implications.

In a way, the coca-cocaine economy helped Bolivia to avert a major social collapse during times of economic and political collapse. As James Painter puts it, the production of coca and cocaine in Bolivia

“is inextricably linked to the country’s long-term structural poverty and underdevelopment, which has made it the second-poorest country (after Haiti) in the Western Hemisphere, with society statistics more similar to those of sub-Saharan Africa. Thousands of landless and land-hungry farmers migrated to Chapare in the early 1980s to take advantage of the improved incomes offered by coca, at the time when Bolivia was suffering from society costs, first, of a prolonged economic recession, and then after 1985, a radical economic restructuring designed to escape it” (Painter 1994: 139).

Furthermore, this informal economy provided critical, perhaps decisive, support for the implementation of the country’s, and arguably the world’s, harshest economic adjustment programme. The coca-cocaine economy not only acted as a huge social safety net, absorbing labour from the collapsed mining and industrial sectors, but it also provided foreign exchange that was previously generated by minerals, gas and other exports. The foreign exchange generated by the informal sector provided the

government both some flexibility to manage its exchange rate and monetary policy, and an additional economic source to decrease the trade balance deficit.

Yet, as the informal coca-cocaine sector became established during the 1980s in Bolivia, US administrations were feeling the need to act against the soaring use of cocaine within its borders. Consequently, the US began to put pressure on coca and cocaine producing countries, including Bolivia, and what then became known as the War on Drugs, was launched in 1989 by the Bush administration. In the next chapter, we will elaborate the evolution of the US-led War on Drugs in Bolivia.



Chapter IV: The Simultaneous Application of the War on Drugs and Neoliberalism in Bolivia

I. Introduction

With the decline of the formal economy in the early 1980s, coca increasingly became an important element of the Bolivian informal economy. Simultaneously, US administrations began to get 'tougher' regarding drugs, as the use of cocaine within its borders was soaring. Consequently, what then became known as the War on Drugs was launched in 1989 by the Bush administration and, gradually, various measures were taken by the US to put pressure upon coca and cocaine producing Andean countries, including Bolivia. The War on Drugs has structurally challenged, and in fact, most often changed, the Bolivian political, economic and social system through different measures forced upon it by successive US administrations. These measures displayed a rich variety of instruments: they ranged from legal advice, political support and military cooperation to the international certification programme, alternative development projects, and economic aid.

This chapter will elaborate the evolution of the US-led War on Drugs in Bolivia, by specific reference to the policies adopted by successive Bolivian governments. While doing so it will elucidate different applications through which the US imposed the terms and conditions of its War on Drugs upon the Bolivian political, economic and social system. This analysis will demonstrate the enormous implications and costs of the War on Drugs for Bolivia, but it will also argue that the US agenda for the War on Drugs can only be understood in conjunction with the other major US agenda in the region in general and in Bolivia specifically: the institutionalisation of neoliberalism. We will show that the neoliberal transformation co-evolved with, and mutually reinforced and constituted the War on Drugs. In its conclusion the chapter will assess the success of the US' War on Drugs, and will open up a new line of enquiry centred on the relationship between the US War on Drugs and world order.

II. Application of War on Drugs

Setting up the Legal infrastructure

Parallel to the increase in the coca cultivation in the country (as shown in Table 3.7), Bolivian governments were increasingly becoming the target of US pressure. At the beginning of 1980s, the gradual intensification of American pressure yielded some concrete results and the preliminary steps of the US-led War on Drugs had thereby been taken in Bolivia. The first bilateral agreement between the US and Bolivia to reduce coca production was made in April 1983 (Dunkerley 1992: 222). The Siles administration agreed to eradicate 10,000 hectares of coca in return for \$14.1 million in US aid (Gamarra 1999: 189). By August 1983, Bolivia had signed a further three similar treaties (Cockcroft 1996: 506), one of which imposed the establishment of a paramilitary unit, the Rural Mobile Rural Patrol Unit (UMOPAR, *Unidad Móvil de Patrullaje*), to conduct counter-narcotics operations. UMOPAR, also later notoriously known as the Leopards, was funded by the US State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), and was trained under the supervision of the former ex-director of the Air Force's Special Operation School, Major Clarence Edgar Merwin (Cockcroft 1996: 506). The Unit, which initially consisted of 300 heavily armed members, was closely 'supervised' by the DEA and 'politically protected' in its operations by the US ambassador to La Paz Edwin Corr⁶⁰ (Nadelmann 1987/1988: 11). It is also worth noting that, as Eduardo Gamarra points out, the Siles administration 'became the first to play host to a series of roving fact-finding [US] congressional delegations, which called for everything including economic sanctions' (Gamarra 1999: 191).

On 24 February 1987, the Paz Estenssoro government (1986-1989) signed a landmark bilateral agreement with the US, which was the prototype of future agreements that framed the War on Drugs. In the 'Agreement on Narcotic Drugs' both parties agreed to share joint and reciprocal responsibility for the campaign against coca cultivation, cocaine production and consumption (Hallums 1997: 847). The agreement set the

⁶⁰ In 1984, much to the chagrins of US officials, several UMOPAR officers were involved in the kidnapping of President Siles. Soon after, with the intervention of US ambassador Corr, President Siles was released unharmed and the unit's commanders were replaced (Nadelmann 1987/1988: 12). The fiasco was a sign of what was to come in US counter-narcotics policies in Bolivia.

framework for the ‘Three-Year Anti-Narcotics Plan’, which had the ambitious aim of eradicating 50,000 hectares of coca by 1990 (Painter 1994: 79). Under the treaty, the US agreed to lend Bolivia military equipment, support Bolivian forces responsible for eradicating coca crops and interdicting cocaine, and provide other operational support. The Bolivian government, in return, agreed to implement both voluntary and compulsory coca eradication programmes, with financial and technical support from the US. In a way, the agreement not only ‘produced even greater Bolivian reliance on US assistance’ but also ‘ushered in a period of significant US military presence without congressional authorisation’ (Gamarra 1999: 191). More worryingly, under US pressure, the Bolivian government agreed to enact a national narcotics law prohibiting the cultivation of coca, except for the amount necessary to meet the demand for traditional use (Hallums 1997: 847).

Following the concessions made in the ‘Three-Year Anti-Narcotics Plan’, the Bolivian Congress passed an anti-coca law, the Coca and Controlled Substances Law, *Ley 1008*, on 19 July 1988. *Ley 1008*, referred to by Bolivians as the ‘*Ley de Extranjeros*’ — the ‘Law of Foreigners’ — was written with the direct assistance of USAID (Hallums 1997: 835). As a direct result of US pressure, the law demanded the gradual eradication of coca through voluntary and forced removal of plants, in return for international development assistance. With the law, the US sought to ensure that drug trafficking would be defined as a crime in Bolivia and that the growth of coca leaf cultivation would be stopped (Hallums 1997: 830).

Ley 1008 identified three zones of coca production in Bolivia: the zone of traditional production; the zone of excess production or transitional zone; and the zone of illicit production. The traditional zone was defined as the areas where coca growing had historically been a common practice and made specific reference to the Yungas. The production from these areas were to be used only for legal consumption of coca leaf, including for the traditional social and cultural practices of Bolivian society, such as *acullico* (coca-chewing), and medicinal and ritualistic uses (Hallums 1997: 831). The second zone — the zone of excess production or transitional zone — was defined as areas where the cultivation had originally aimed to fulfil the demand for traditional uses, but had sustained the expansion of excess cultivation throughout the increase in demand for illegal uses. The law placed the Chapare region in this second zone. The law stated that

coca cultivation in Chapare would be subject to annual plans for reduction, substitution and development. The third zone comprised those areas where the cultivation of coca would be prohibited with the new law. Basically, the zone of illicit production, where coca plantations were subject to mandatory eradication without any compensation, encompassed all areas that were not included in the first two zones (Hallums 1997: 831, fn. 76).

The new law stated that crop substitution would be implemented gradually and in conjunction with socio-economic development programmes. Article 10 of the law clearly stipulated that the meeting of eradication targets was to be conditional on the disbursement of technical and financial cooperation from multilateral and bilateral sources for alternative development. Article 22 also supported the importance of an overall socio-economic approach: ‘coca substitution will be planned in a gradual, progressive form and be simultaneous to the execution of sustained programmes and plans of socio-economic development’ in traditional and transitional zones. Article 25 of the law also established an ‘Integrated Development and Substitution Plan’, which aimed to ensure that coca producers eradicating their coca would receive adequate compensation, financial facilities and the necessary technical assistance (Painter 1994: 105).

The law also set forth new enforcement measures regarding coca cultivation and cocaine production. However these measures, which were extremely strong handed, established a new system outside the normal criminal process for prosecuting the traffickers, producers and users of drugs. The length of investigations by the police and prosecutions, as well as the length of trials, periods for closing arguments and sentencing proceedings were all reduced (Hallums 1997: 832). The instructional stage of trial, during which the prosecutor and the defence attorney present additional proof before the court, was also eliminated (Hallums 1997: 832, fn. 84). Under *Ley 1008*, accused drug offenders remained in jail during the entire judicial process. Automatic pre-trial incarceration, coupled with mandatory sentencing provisions, allowed prosecutors and judges — who were provided equipment, facilities and bonuses by the US — almost no obstacles in the prosecution of the alleged offenders.

Ley 1008 had severe consequences for Bolivia. Firstly, the new law basically implemented a separate judicial system having sole jurisdiction over narcotics offences. Not only did it create a duality within the judicial system, but also it generated major inconsistencies. For example, the law presumed the guilt of the accused, contrary to the Bolivian Constitution, the Penal Code and the Code of Criminal Procedure, all of which required the presumption of innocence (Hallums 1997: 833, fn. 87). Secondly, the law changed the national legislation in such a way that US pressure, and interference, with respect to the War on Drugs, was internalised by the Bolivian political system. Thanks to the new law, the US could pressurise Bolivia, not solely through the responsibilities arising from bilateral agreements between the two countries, but also through the requirements of Bolivia's own national legislation. In this sense the law marked a definite loss of Bolivian political sovereignty. Thirdly, the law established the infrastructure of a harsh, forceful and coercive strategy with regard to the eradication of coca. Not surprisingly, as Coletta Youngers notes, in the following years 'social unrest, conflict and violence in the Chapare have clearly increased as a result of US pressure on the Bolivian government to comply with Law 1008 and to meet annual coca eradication targets' (Youngers 2001). The increasing social conflicts and violence generated by the application of the *Ley 1008* will be illustrated throughout the latter part of this chapter, but suffice it to say for the moment that the net result was gross violations of human rights and the overcrowding of Bolivian jails (AIN 2002).

It must also be noted that one of the most important consequences of the implementation of *Ley 1008* was that it gave the Bolivian state the legal means to undertake more repressive law enforcement measures against any social movements. As mentioned in the previous chapter, especially in the 1960s and 1970s, Bolivian military governments had systematically tried to undermine and weaken the unions, which have always been one of the most influential groups in Bolivian political system. However, the most detrimental blow to labour unions came from civilian governments during the 1980s, and the most significant damage was achieved as a result of the implementation of neoliberal economic policies. Since the NPE, the relative power of the national labour union (COB) was significantly reduced. Simultaneously, peasant federations representing the *cocaleros* 'grew to be probably the most powerful pressure group from the popular sector in the country, partly filling the gap left by the decline of the traditionally most militant miner's union' (Painter 1994: 24). Since then, as will be

shown later in this chapter, the federations have become one of the centres of public opposition, not only in terms of government policies regarding the War on Drugs, but also for other policies — mainly privatisation. The involvement of the *cocaleros* in acts of public opposition meant that any action could be seen under the jurisdiction of *Ley 1008* and, thus, harsher measures could be taken against social opposition. In this manner, *Ley 1008* had opened up the way for more authoritarian and repressive means of social control in Bolivian society. Yet the internal repressive control set up by *Ley 1008* was to be enhanced further by the *militarisation* of the War on Drugs.

Militarisation of the War on Drugs in Bolivia

In the period following the passing of *Ley 1008*, the Paz Zamora government (1989-1993) was heavily pressurised by the US to achieve what the new national law set forth: to start an effective and swift campaign of eradication of coca fields in the zones of excess production and illicit production. Before that time, the Bolivian legal system had assigned the enforcement of eradication efforts to UMOPAR, which had grown from 300 in 1983 to 2000 members by 1989. The US administration was arguing that unless a larger law enforcement group, namely the military, was used, it would be practically impossible to achieve the required eradication goals (Perl 1990: 136-141).

The use of the Bolivian military in the War on Drugs began in 1990 as a direct outcome of the pressure applied by the Bush administration through the Andean Strategy. In May 1990, shortly after the Cartagena Summit, the president of Bolivia, Jaime Paz Zamora, and his American counterpart, George Bush, signed a separate bilateral agreement in Washington. The ‘US-Bolivian Counter Narcotics Programme’ demanded an expansion in the participation of the Bolivian military, especially the army, in the anti-coca fight in exchange for military aid from the US (WOLA 1991: 141-149). According to this agreement the US would provide financial support to the Bolivian army: in the first year of the agreement, the US provided nearly US\$ 45 million’s worth of military aid — which in itself was a fivefold increase over the 1989 value — and which represented no less than a 40 percent increase in the Bolivian army’s *total* military budget (Painter 1994: 95). In addition to financial support, 112 US ‘advisers’ would train and equip four infantry battalions, two of them specifically for the anti-coca fight (Gamarra 1999: 194). This would be the first direct US training of the Bolivian army since an infantry

battalion had received instructions on fighting the followers of Ché Guevera in 1967 (Painter 1994: 97).

Not unexpectedly, there was immense public opposition in Bolivia to the ‘US-Bolivian Counter Narcotics Programme’. The main reason for this opposition was that the increase in American military aid would strengthen the hand of the army. After all, as mentioned in the previous chapters, since its independence in 1825 the country had undergone many military regimes. In addition to the risk associated with boosting the army’s strength, it was feared that the involvement of the military could ‘Colombianize’ the War on Drugs in Bolivia by creating more violence and human rights violations (Tullis 1995: 168). Another reason for the public opposition was that ‘militarisation’ would de-prioritise other solutions to the problem, such as the alternative development projects (Painter 1994: 98). Maybe more importantly, Bolivians were aware of the history of the US’ involvement in other Latin America countries, such as in Nicaragua, El Salvador, Guatemala and Panama (Hallums 1997: 852).

Since the exact content of the agreement was not made public, Paz Zamora denied the charge of the militarisation of the War on Drugs. Upon his return from the US, Zamora responded thus to the critics:

“When I arrive in Bolivia after my trip to the United States and announced the victory of dignity and the negotiating capacity [of our government], I was surprised [to find] that every day militarisation is spoken about. (...) He who continues to speak about [militarisation] is either stupid or anti-Bolivian, because without a doubt it is a way of damaging the dignity of the nation and its armed forces’ (quoted in Gamarra 1999: 193).

Yet the politics of secrecy and denial did not stop massive public opposition to the agreement, and the Bolivian government could not secure congressional approval for ten months. Meanwhile, the US, through its ambassador to La Paz Robert Gerald⁶¹, was

⁶¹ The US ambassador, Robert Gelbard, was, as Eduardo Gamarra points out, highly influential not only in the framing of the militarised War on Drugs, but also in Bolivian internal politics: “Robert S. Gelbard became the most significant political figure in the country, deciding not only the extent of US assistance but also inserting himself into daily domestic squabbles between political parties. Gelbard also presided over the establishment of a huge US bureaucratic enforcement complex housed in the US embassy” (Gamarra 1999: 192-193).

publicly warning the Bolivian Government that ‘the army could lose its US\$ 14 million of aid and that the US would not wait for years for a decision’ (Painter 1994: 96). Moreover, Gerald threatened the Bolivian government that the country could be ‘de-certified’, a procedure that tied all US aid and international credits to the ‘success’ on anti-drug objectives. ‘Edged on by the US embassy’, the government began to label any opposition to militarisation, and specifically that of the coca growers’ federations, as ‘cooperation with narcotics traffickers’ (Gamarra 1999: 194). Congress could not resist for long beneath these pressures and, in April 1991, it approved the agreement. As explained by a Bolivian minister of the time, the ‘Bolivian economy was so dependent on bilateral aid from the US and on multilateral aid from the World Bank, the Inter-American Development Bank and the International Monetary Fund, that it was virtually impossible to resist the pressure’ (Painter 1994: 93).

As was to be expected, since the signing of the ‘US-Bolivian Counter Narcotics Programme’ in 1990, there had been a continuous interaction between the two militaries. Although military cooperation between the US and Bolivia ‘stems from a tangled web of training and aid programmes administered by a variety of the US government agencies, making it difficult to ascertain the exact extent and nature of US anti-drug assistance’, it is possible to frame the general structure and extent of the cooperation (Zirnite 1998b: 2).

The principal programme that funds and supports many distinct counter-drug activities in Bolivia is the INL’s International Narcotics Control (INC) programme. The INC programme includes four different sub-programmes: Narcotics Law Enforcement and Eradication; Alternative Development and Economic Incentives; Rule of Law and Administration of Justice; and Program Development and Support (INL 1999: 14). We will focus on the INC’s first sub-programme, i.e. ‘Narcotics Law Enforcement and Eradication’, which encompasses the majority of the assistance to Bolivia’s police and armed forces. Table 4.1 ‘Institutions Assisted by the INC Programme and the Forms of Assistance’ summarises the Bolivian police and military units that receive assistance under the framework of the INC.

Table 4.1 Institutions Assisted by the INC Programme and the Forms of Assistance

Institution	Description of the Unit and the Forms of Assistance
The Special Force for the Fight Against Narcotics Trafficking (FELCN)	FELCN (<i>Fuerzas Especiales Para la Lucha Contra Narco-Trafico</i>) is the unit created in 1987 following the ‘Agreement on Narcotic Drugs’ of 1987. It initially consisted of both police and military personnel. In 1989 FELCN was given the leadership of Bolivia’s anti-drug efforts, and UMOPAR was placed under its command as the main interdiction force. The FELCN was completely reorganized in February 1996 to a primarily police based organization. An active duty police officer, instead of a retired senior military officer, started to serve as the unit’s director general (INL 1998). According to WOLA report the ‘DEA works closely with FELCN to carry out drug enforcement and intelligence operations, as well as with the units that FELCN exercises operational control’ (WOLA 2002). In 2001 the US government began a two-year programme under the framework of INC to expand the size of FELCN and its specialized operational units to protect the Bolivian coca eradication forces. This expansion includes an increase in personnel of more than 15 percent, upgrading the FELCN’s existing physical infrastructure and building at least 14 new bases throughout the country (WOLA 2002). The INC programme also fund three FELCN controlled units: Chemical Substances Investigation Group (GISUQ, <i>Grupo Investigaciones de Substancias Quimicas</i>), Special Intelligence and Operations Group (GIOE, <i>Grupo de Inteligencia y Operaciones Especial</i>) and Financial Investigations and Analysis Group (GIAF, <i>Grupo de Investigaciones y Analsis Financiamiento</i>) (INL 2002: 19-23).
UMOPAR	Created by funding from the INL in 1983, these units specialize in jungle patrol, reconnaissance, air insertions, mobile roadblocks and river operations. They are stationed throughout Bolivia but based primarily in Chapare, Trinidad and Yungas. Since 1989, UMOPAR has been placed under the command of the FELCN and acts as the FELCN’s uniformed mobile interdiction force. INC also indirectly funds UMOPAR’s Special Prosecutors of Controlled Substances, who were paid \$1200 a month by the American embassy until 1995 (OGDD 1995/1996).

Table 4.1 Institutions Assisted by the INC Programme and the Forms of Assistance
(Continued)

Institution	Description of the Unit and the forms of Assistance
Joint Eradication Task Force (JET)	In April 1998, a joint military-police task force was sent to the Chapare coca-growing region to deal with rioting in response to stepped-up eradication efforts. With INC assistance, this joint force was converted into an 'eradication/security' unit. The force, which includes 2,000 army personnel, reportedly provides protection for the UMOPAR units eliminating coca on the ground in Chapare (Olson & Isacson 1999).
Bolivian Air Forces' Red Devil Task Force (RDFT)	The RDFT provides air transportation for eradication and counter-narcotics law-enforcement operations that take place beyond the reach of roads. RDFT pilots fly US-owned aircraft maintained in Bolivia through the inter-regional aviation programme of the INL (Olson & Isacson 1999). In addition to these aircrafts, RDFT uses UH-1H Huey helicopters and C-130 cargo planes provided and maintained by the US (Olson & Isacson 1999).
Bolivian Navy's Blue Devil Task Force (BDTF)	The INC programme helps BDTF to develop, equip and train four task groups, which are located in the Amazon basin cities of Trinidad, Puerto Villaroel, Riberalta, and Guayaramerin. BDTF provides logistical support to the police, and monitors and interdicts river-traffic in drugs and precursor chemicals. In December 1997, the unit was granted law enforcement authority by the Bolivian government, which meant its members have the power to arrest suspects and make seizures. BDTF receives aid under the INC programme (Olson & Isacson 1999).
Bolivian Army's Green Devil Task Force (GDTF)	GDTF's main task is to provide vehicle and logistical support to police counter-narcotics efforts. It transports personnel, fuel and commodities. GDTF receives aid under the INC programme (Olson & Isacson 1999).
Ecological Police (EP)	EP, which carry out manual eradication of coca, together with army conscripts, receives US training and equipment under the INC programme (Olson & Isacson 1999).

Source: The institutions are listed in (INL 2002: 19-23). The sources regarding the description of the institutions and the form of assistance is given within the table.

The INC programme also supports two police schools, the International Anti-Narcotics Training Center and the International Waterways Law Enforcement Training School (Olson & Isacson 1999). Through the US embassy's Narcotics Affairs Section (NAS), the INC's 'Program Development and Support' subprogram pays for the administrative and operating expenses of Bolivian counter-narcotics agencies that do not fall within the other sub-programs (INL 1999: 21). The INL documents do not list these agencies, but in Bolivia it is publicly known that the INC funds other paramilitary units:

"Not mentioned in the US government documents is support for the Expeditionary Task Force — a 1,500 man strong unit comprised of former Bolivian soldiers armed with assault rifles. The unit, reportedly established by the US embassy in early 2001 and based in three camps around Chimore, is paid, fed, clothed and trained by the NAS. Soldiers' salaries are paid out of the US embassy through a private financial company. Total expenses for the unit are \$200,000 per month. The unit is commanded by a few dozen US trained officers, who are paid by the Bolivian military, but who consult often with the NAS" (WOLA 2002).

The INC is not the only programme that provides funds, equipment and trainings to the Bolivian counter-narcotics forces. Several others US programmes,, for instance, pay for the training of Bolivian military and police personnel in counter-narcotics and other skills. Bolivia is a significant recipient of Department of Defense (DOD) 'Section 1004' assistance, part of 1991 National Defense Authorization Act. Section 1004 authorizes operational expenses and allows the military to provide specific types of support to US and foreign law-enforcement agencies (Olson & Isacson 1999). The assistance funds an undetermined amount of training, much of it through visits from Special Forces (SOF) teams, under the name of Joint Combined Exchange Training (JCET) exercises (Zirnite 1998b: 2). Many of the approximately ten annual JCET deployments to Bolivia in recent years have often involved police and military units with no counter-drug role and thus that do not receive assistance through the INC programme. Other JCET exercises focused on counter-terrorism, on 'improving the capabilities of the Bolivian counter-terrorism police unit' and on the training of UMOPAR units in light infantry skills (Olson & Isacson 1999).

In-country training is also supplemented by instruction at US military facilities, under the framework of another DOD programme, namely International Military Education and Training (IMET) — a grant programme established by Congress as part of the Arms Export Control Act of 1976. Under the framework of IMET, in a typical year, Latin American trainees take courses at over 100 military institutions on US soil, such as the SOA (renamed the Western Hemisphere Institute for Security Cooperation in January 2001) at Fort Benning in Georgia and the Center for Hemispheric Defense Studies (CHDS) in Washington (Isacson 2001: 1). The SOA offers officers an 11-week course that provides instruction in planning, leading and executing drug interdiction operations, including weapons, infiltration, and surveillance techniques; patrolling; demolition; and close-quarters combat (Zirnite 1998a). In CHDS, the training takes place through a robust programme of about a dozen multilateral military exercises, regular exchanges, and courses (Isacson 2001: 1). In 1999, with 2152 students, Bolivia was the region's third largest provider of students to the IMET programme (DOD 2000).

In short, as briefly documented above the military cooperation between the US and Bolivia, under the framework of the War on Drugs, is extensive, intensive and complex. Moreover, as seen in the case of the Expeditionary Task Force (ETF) — reported by WOLA, some information is not always made public, thus, the exact extent and nature of the full cooperation is not known. Yet, the information which is made available to the public illustrates that, over the years, US funds allocated to the military and police forces are steadily increasing (See Table 4.2 'US Total Funding to Bolivian Police and Military Units, 1996 – 2004'). Later in this chapter, we will show how strongly the Bolivian society reacted to the ever-increasing process of militarisation of the War on Drugs, and how costly it has been for Bolivia. Why the Bolivian governments opted for the US-led militarisation, despite huge public opposition, requires further enquiry, specifically with regard to alternative development projects and the US certification process.

Table 4.2 US Total Funding to Bolivian Police and Military Units, 1996 – 2004

(in \$US million)

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004*
Total	13.27	17.95	33.81	41.93	48.98	35.12	51.89	52.98	54.82

Source: (INL 2003),

*The figure for the year 2004 is not the actual figure, but an estimate from the INL report.

Alternative Development Projects in the Context of the War on Drugs

A few days before the Bolivian Congress approved the ‘US-Bolivian Counter Narcotics Programme’ in April 1991, peasant leaders from Bolivia and Peru met for four days to plan a joint strategy to counter the efforts to militarise the War on Drugs. Bolivian farmers, particularly, were explicit in saying that they would mobilise opposition to the government’s planned militarisation campaign, and this could lead to ‘generalised violence throughout the coca growing regions’ (Gamarra 1999: 194). Unable to underestimate the power of peasant federations, Zamora’s government came up with a plan to appease their discontent. The six-year plan, known also as ‘Coca for Development’, aimed to substitute the coca economy with alternative development projects through the financial support of the US, channelled by the USAID (Gamarra 1999: 195). However, the idea was old wine in a new bottle. Back in 1988 *Ley 1008* had already specifically set out that the eradication of coca in the traditional and transitional zones, including the Chapare region, would gradually be implemented in conjunction with socio-economic development programmes, such as alternative development schemes. Yet, since the beginning of the War on Drugs in the late 1980s, the issue of the alternative development had always been a factor that caused increasing frustration amongst *cocaleros*. In order to be able to understand this frustration, which also contributed to spiralling social tension in Bolivia, it is necessary to elaborate how the alternative development system had been set up in Bolivia

The money to fund alternative development projects in Bolivia comes from three main sources: USAID, United Nations Drug Control Programme (UNDCP), and the Bolivian government. While the financial contributions of the economically struggling Bolivian government are negligible, the UNDCP’s share, which is provided mainly by European governments, is also small compared to the USAID. Indeed, as James Painter notes, ‘USAID provides virtually all the funding for the nominally Bolivian organisations in charge of the eradication and alternative development effort’ (Painter 1994: 108). The historical record shows that the USAID-led alternative development programme has been highly unsuccessful. The studies on the subject point out several structural problems with USAID alternative development projects in Bolivia, and specifically in the Chapare region where the most of the coca cultivation is centred.

One fundamental problem was the fact that USAID always tied alternative development projects in Bolivia to the eradication of coca, and even more so to the interdiction of cocaine (Ledebur 2002). In other words, any alternative development was made dependent on ‘progress’ on the drug front. Technically, this conditionality has been very easy to institute: US assistance for the Bolivian balance-of-payments deficit is linked to cooperation in the drug war directly through conditional disbursements of USAID funds — and indirectly through US approval of IMF loans (Arganaras 1997: 72). Conditionality has always been so evident that, according to some Bolivians, interdiction both logically and in practice predominated over development, ‘making it a form of *desarrollo interdictivo* — repressive development’ (Painter 1994: 106). But the constitution or form of the conditionality was even more problematic than the fact that there was a conditionality in the first place: the order of priorities were set up as *first* eradication and interdiction, *then* development. This order was not only in contradiction with all kinds of bilateral agreements (such as ‘Agreement of Narcotic Drugs’ of 1987) and international declarations (such as The Declaration of Cartagena of 1990), but was also at odds with Bolivian national legislation (such as *Ley 1008*), which clearly placed development before eradication and interdiction (Arganaras 1997: 63). In a way, the ‘aggressive eradication demands of overall American policies have consistently outpaced the income-generating capacity of alternative development’, if this development was achievable at all — which constituted another structural problem, as we now will see (Ledebur 2002).

The plan, reach and finance of USAID-led alternative development projects were highly troublesome. First of all, the planning of these projects was not quite right. Although the term ‘alternative development’⁶² generally refers to a more integral programme including a set of infrastructural, credit and agro-industrial projects (see for example ODCCP 2001: 7-10), the practice in Bolivia was quite different. During the 1980s, USAID was hesitant about investing in basic infrastructure (such as transportation and energy networks) and basic social services in the major centre of coca cultivation, the

⁶² In its resolution, S-20/4E of 10 June 1998, on the Action Plan on International Cooperation in the Eradication of Illicit Drug Crops and on Alternative Development, the UN General Assembly defined alternative development as: “... a process to prevent and eliminate the illicit cultivation of plants containing narcotic drugs and psychotropic substances through specifically designed rural development measures in the context of sustained national economic growth and sustainable development efforts in countries taking action against drugs, recognizing the particular socio-cultural characteristics of the target communities and groups, within the framework of a comprehensive and permanent solution to the problem of illicit drugs” (ODCCP 2001: 7).

Chapare, fearing that, first, these would attract more migration to the region — thus providing more and cheaper labour for coca-cocaine production and, second, that these infrastructural investments would facilitate the drug traffickers' operations. In that vein, USAID concentrated their infrastructural and social projects *outside* the Chapare region (Tullis 1995: 163-164). Therefore, the alternative development concept for the Chapare region was heavily formulated around crop substitution, i.e. replacing coca with another crop. Consequently, a vast array of crops, many alien to the region, were tried and tested: citrus, pineapples, bananas, macadamia nuts, ginger, black pepper, hearts of palm, and so on (Painter 1994: 116-118). However, for all of these crops there were important setbacks. Apart from the fact that these crops could not yield as much income as that generated by coca, most of them require a long time before they reach full production. For example, pineapples first bear fruit after two years, citrus fruit trees become productive after eight years and macadamia nuts only provide an income after more than ten years (Painter 1994: 118). In addition, compared to coca, their production is costly. While coca bushes can be harvested three or four times a year and the leaves are light and easily transported to market, production of alternative crops is much more costly and difficult. Requirements for additional labour, imported fertilizers and pesticides, higher transportation costs and falling international prices, also impeded positive results with other crops (Ledebur 2002).

On the other hand, Bolivia could produce up to 300,000 tonnes of soy a year, which would not only bring some income levels closer to the one generated by coca, but also could serve as an alternative to coca in employing large numbers of seasonal workers (Painter 1994: 136). Soy is also highly suitable for export: soybeans, grown in the Andean countries with a lucrative market in the US, offer an immediate return on investment (van Wert 1992: 27-28). However, US farm lobbies blocked crop substitution programmes, especially that of soy, which could have reduced Bolivia's dependence on coca exports. According to the General Accounting Office (GAO), between 1988 and 1991 American soy producers, lobbying through the US Department of Agriculture, succeeded in blocking any aid for the development of soy crops in the Andes on the grounds that they would increase competition with US products. 'Despite concerns that Bolivian soybeans crops might compete with US crops' reported the GAO, 'Bolivia's current production and exports are insignificant'. Nonetheless, USAID, regarding these crops as 'politically sensitive', succeeded in cutting its budget

(for Bolivia) by \$100 million, in order to block promotion of soy as alternatives to coca in the Andes (GOA report quoted in McCoy & Block 1992: 4-5).

The reach of the alternative development projects, also, was problematic. They were not designed to reach out to most of the coca growers. As recently as November 2001, Bolivian government officials expressed the inadequacies of alternative development and claimed that only about 12,000 of the total 35,000 coca-growing families benefited, not just from USAID, but from all alternative development projects (Ledebur 2002). Moreover, within the families that were included in different development projects, only a small minority said that they had actually benefited from these projects. For example, in a 1998 survey on Chapare alternative development projects it was found that 'sixty-seven percent said that they had not benefited in any way and an additional nineteen percent stated that they had suffered losses' (Ledebur 2002).

USAID development projects did not provide enough funds either. As James Painter notes, when the financial figures of USAID projects are investigated, it becomes apparent that 'the actual amount of money spent on alternative development that directly aids or reaches coca producers since 1983 has been remarkably small, the amount spent in the Chapare even smaller' (Painter 1994: 109). For example, when in 1990 the *cocaleros* eradicated 8,000 hectares of coca, worth at least US \$30 million in future revenue according to their estimate, 'USAID probably invested no more than US \$3 million in the Chapare' (Painter 1994: 143). Even if one was able to argue that USAID funds were enough to replace the income generated by coca cultivation, it is a fact that the emphasis of the overall American policy in the War on Drugs has favoured another tool, i.e. the military option, as opposed to the alternative development option (Gamarra 1999: 195). Funds allocated to alternative development projects by USAID were always minuscule compared to the ones provided to Bolivian armed forces for its role in the drug war (Painter 1994: 109).

Another structural problem with USAID activities in Bolivia was evident in the actual decision-making processes involved in alternative development projects. USAID-sponsored alternative development programmes officials refused to work with *cocalero* federations and instead formed alternative producers' associations that require total eradication if the farmers wanted to participate in the projects (Ledebur 2002). The coca

growers consistently expressed their concerns about USAID, complaining that they were treated as ‘passive recipients’, and that USAID did not allow them an effective role in participation in the planning and enactment of its alternative development projects (Painter 1994: 133). It must also be noted that, along with the very people who were supposed to benefit from these alternative development projects, the Bolivian governments also had very little control over these projects. With ultimate financial control, some Bolivians argued that, ‘USAID has created a “superstructure of alternative development” in which the Bolivian state has little control and little capacity to decide its own development priorities or projects’ (Painter 1994: 108).

Arguably the most important structural problem regarding the USAID-led alternative development projects was that they were heavily constructed according to neo-liberal economic premises. In fact, the linkage between the market-oriented economy and alternative development projects has always been explicitly emphasised in all bilateral agreements between the US and Bolivia with regard to the War on Drugs. For instance, the 1987 Declaration of Principles of the US-Bolivian Agreement for a basic anti-narcotics programme, one of the first documents in which the issue of alternative development was included, described ‘alternative development’ as a tool to achieve a transition from ‘an economy resting on coca’ to a new economy ‘oriented towards exports’ (Arganaras 1997: 60). In practice, the same logic prevailed, as expressed by one USAID manager: ‘more farmers in the Chapare can take advantage of market opportunities if they follow the example of the more advanced banana associations and move away from atomised farm plots of a few hectares towards larger consolidated holdings’ (Hellin & Higman 2000: 12). In a way, as Arganaras points out, the alternative development that the US initiated through USAID sought ‘maximum privatisation and maximum expansion of the rules of the market’ (Arganaras 1997: 64). However, this approach has never been welcomed by the *cocaleros*.

In short, alternative development projects, in general, and Zamora’s Coca for Development programme, specifically, were doomed to failure. The alternative development projects did not achieve any substantial improvement for the lives of *cocaleros*, who did not stop planting coca in order to sustain their livelihoods (as evident in Table 3.7). Consequently, as Gamarra notes, ‘Bolivia’s only choice during Paz Zamora’s rule may have been to accept military assistance and push ahead with

ordering the army into the drug fray' (Gamarra 1999: 195). Yet the failure of alternative development projects might possibly not be the only explanation for why the Bolivian political establishment militarised the War on Drugs. In fact, there were direct pressures applied by the US through the certification process, as we now will see.

The US Certification Card

This section will elaborate the certification process, to show how the repressive legal infrastructure and militarisation described above was forced on to the Bolivian political system by the US. The US Drug Certification procedures, which were passed in 1961 (the Foreign Assistance Act of 1961) and have been exercised since 1986, have been used as an effective tool by the US to force Bolivian governments to comply with coca eradication goals; as with other countries targeted by the War on Drugs. The process requires that the President of the US submit to Congress, every year, a list of all countries that fail 'to take legal measures to outlaw and punish all forms of illicit drug production, trafficking, and drug money laundering, to control chemicals that can be used to process illicit drugs, and to cooperate in international efforts to this end' ('The US Foreign Assistance Act' 1961). The standard criteria for certification, stated in the introduction of yearly presidential memoranda, is set out as 'to cooperate fully with the USA' or to take 'adequate steps on their own to achieve full compliance with the goals and objectives of the UN Vienna Convention⁶³'. Thus, the cooperation regarding the fight against drugs is assessed not only on the basis of the requirements of bilateral and regional agreements with the US but also through the requirements of the general international legal framework. Elizabeth Joyce argues that 'the impression that the USA may be acting as a self-appointed arbiter of global drug control is deceptive', as the presidential memoranda emphasise the success on accomplishing the goals laid out in bilateral counter-narcotics agreements involving the United States (Joyce 1999: 211). 'Yet', Joyce continues, 'the process also helps confirm the central position of the USA in global cooperation on drugs':

“With the certification results, the US State Department publishes at the beginning of March its annual International Narcotics Control Strategy Report, a 500-page document

⁶³ The 1998 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, know also as the UN Vienna Convention'.

which details in a country-by-country format the state of illicit drug production, trafficking and control in almost every country in the world and is an important source of data about international drug control used by other governments and the United Nations” (Joyce 1999: 211).

The countries identified by a presidential memorandum then are: (1) Certified, if the administration concludes the country is fully cooperating with US counter-drug efforts; (2) Conditionally certified, if the administration concludes country’s performance in counter-drug cooperation does not qualify for full certification, but US national interest prevails; or (3) Decertified, if the administration concludes that the country is not cooperating fully ('The US Foreign Assistance Act' 1961). Countries deemed uncooperative are ‘decertified’, with the result that all US financial assistance is blocked, with the exception of specified humanitarian and counter-narcotics aid. The amendment also cuts off financing from the US Export-Import Bank and Overseas Private Investment Corporation, and requires the US to vote against the decertified country’s aid requests to six international development banks, including the World Bank and the IMF. The President also has the option of exercising ‘discretionary’ trade sanctions, such as the removal of trade preferences and the suspension of quotas. These sanctions remain in effect until a country is re-certified. Decisions to re-certify a country must be accompanied by a description of improvements made since the original decertification decision. These improvements may include either a ‘change of government’ in the country in question or a fundamental change in conditions since the original decertification decision was made. Or, alternatively, these sanctions may be waived if the US government determines that the national interest depends on delivery of the assistance ('The US Foreign Assistance Act' 1961).

The application of the American certification process in the context of the War on Drugs has been fuelling the process of militarisation and the vicious cycle of violence in the Andean countries by pushing the governments to focus on ‘quick-fix’ military solutions to drug production. Not unexpectedly, Bolivia was no exception to this. As explained in the previous chapter, since the transition to the neo-liberal economic model, Bolivian governments have been extremely dependent on international funds and, thus, they have repeatedly bowed to US certification pressures. The social costs of

certification, and how it enforced militarisation, were especially evident during the presidency of Sanchez de Lozada (1993-1997), the architect of NPE with Jeffrey Sachs.

As soon as Lozada came to power, he developed, again with the assistance of Sachs, a new strategy regarding the coca cultivation (Gamarra 1999: 196). The new strategy, known as Option Zero (*Opción Cero*), was constructed on the argument that the solution to the coca problem was not military but rather economic. Given the past practices (i.e. the NPE) of its architects, it was not surprising that Option Zero was heavily constructed on neo-liberal economic premises: the plan proposed that, in return for personal compensations to the *cocaleros*, all coca fields should be reverted to the state for the establishment of either a huge national park or a labour-intensive industrial zone (Gamarra 1999: 196). The proposal, which was assumed would cost around one billion dollars, would be funded by the US, either through direct financial aids or through increasing Bolivia's export quotas and, thus, increasing export revenues (Gamarra 1999: 196). In this sense, Option Zero was the continuation of the logic of export-oriented alternative development projects, seeking maximum expansion of the rules of the market. There was a problem though: the US was not willing to take on its high financial costs, and neither was the plan supported by the *cocaleros* (Gamarra 1999: 196).

Lozada's plan, Option Zero, never materialised and coca cultivation continued in Bolivia. In March 1995, Lozada's government faced the Clinton Administration's ultimatum to eradicate 1,750 hectares of coca fields in the Chapare by the deadline of 30 June. Washington said that if the target was not met by that date, US\$ 87.4 million in economic aid would be suspended (Joyce 1999: 218). With only two months, it was practically impossible to conduct negotiations with the *cocaleros* in order to reach an agreement with them to eradicate the required hectares of coca fields. The *cocaleros*, understandably, were against any proposal, unless the income generated by coca cultivation was replaced with other sources of income. Lozada government resorted to forced eradication, and conflict erupted in the Chapare. On 14 April 1995, the government declared a three-month state of emergency in response to widespread social protest and in order to complete the required eradication efforts. The state of emergency, which lasted six months, established a curfew, banned meetings and resulted in mass detentions of coca growers and other leaders (Ledebur 2002). During

these six months, seven *cocaleros* were left dead and scores were wounded. Similarly in 1997, faced with the de-certification threat, the Bolivian government conducted another wave of forced eradication. Violent clashes between peasant protesters and state forces led to six deaths and 90 injuries, as well as hundreds of illegal detentions (Youngers 2001: 32).

In short, US administrations have used certification procedures to pressurise Bolivian governments to achieve quick results in coca eradication, and the only way that could happen was to conduct eradication by forceful means and without the consent of the *cocaleros*. Yet, as Gamarra points out, by resorting to forced eradication, under pressure from the threat of US de-certification, the Lozada government had crossed an important threshold:

“It had not only initiated the forceful eradication of coca fields in the Chapare, but the government also admitted for the first time that the coca grown in the Chapare was exclusively for the use by the cocaine industry’ (Gamarra 1999: 196).

The Cost of the War on Drugs for Bolivia: Towards Social Collapse

Following the end of Lozada’s term in 1997 ex-dictator Hugo Banzer won the presidency. Banzer, under whose military rule coca leaf production and cocaine production had exponentially risen, ironically continued and escalated Lozada’s forced eradication policies. In early 1998, Banzer launched a new and highly aggressive five-year plan; Plan Dignity (*Plan Dignidad*). Lauded by the US, the five-year plan, which has never been debated or approved by the Bolivian National Congress (AIN 2002), proposed the total elimination of all coca fields in the Chapare by 2002.

The Plan had four pillars of action: alternative development, prevention and rehabilitation, eradication of illegal excess coca, and interdiction based on a ‘shared responsibility’ with the international community to reach these goals. However, with no viable alternative development support — or with an alternative development framework bound to fail — forceful eradication meant more militarisation, which also meant more social tension and increasing levels of violence. Indeed, Plan Dignity brought a spiral of

protest and confrontation, and the War on Drugs in Bolivia took on an unprecedented pace and turned into, what can be described, as profound social turmoil.

Following the first wave of forceful eradication in April 1998, authorised by Plan Dignity, the violence in Chapare erupted during a general strike called by the national labour federation, COB. Over the course of the next few months, fourteen people were reported killed, including two policemen, and over sixty wounded in violent confrontations between local residents, and the army and police forces carrying out forced coca eradication (Youngers 2001). In response to the *cocaleros'* anger, President Banzer announced the transfer of the Armed Forces High Command to Cochabamba in May 1998. This decision, advocated and sponsored by the US, was taken to reinforce the Bolivian military's existing infrastructure in the Chapare region to house and train its troops, ensuring military control of the region for the foreseeable future (Youngers 2001). The Clinton administration's agreement to provide \$2 million in funding to build three new Bolivian military bases from which to conduct coca eradication efforts in the Chapare region sparked protests in May 2000. Amidst construction activity thousands of peasants effectively blocked the Pan-American Highway between Cochabamba and Santa Cruz for one month, calling for an end to forced eradication. The military responded with its strongest use of force, firing indiscriminately into the crowds of protesters. Two civilians were killed, 78 wounded, 48 illegally detained (Youngers 2001). The Banzer administration conceded, fearing that a violent conflict might destabilize Bolivia's fragile democracy. However, as a result of constant US pressure, the Bolivian government's concession did not last long.

In response to the increasing protests against forced eradication, in January 2001 the Banzer government, again without the approval of Congress, formed a new paramilitary force — the Expeditionary Task Force (ETF). Human rights monitors, and even military officers, have expressed concern about the irregular status of ETF, which expanded to 1,500 members in January 2002 (Ledebur 2002: 12). As pointed out earlier, the ETF, which was not part of the Bolivian police or military, was receiving funding for transportation, food, uniforms and a salary bonus of approximately one-hundred dollars directly from the NAS of the US embassy in Bolivia, as well as training from the US Military Group (Ledebur 2002: 12).

It is recorded that members of the ETF, who were seen by most Bolivians as ‘mercenaries’, have been implicated in various human rights violations in the Chapare region, including the deaths of some *cocaleros* (Ledebur 2002: 12). However, the ETF was neither the only nor the first group that had committed gross human rights violations in Bolivia. The anti-narcotics police, UMOPAR, trained and completely funded by the US government, had already acquired, through the authority of *Ley 1008*, the power to detain anyone under ‘suspicion’ of being involved in the drug business, including coca plant farming. Under considerable pressure to make numerous arrests in order to demonstrate success to Washington, this power had been used on many occasions (Potter & Farthing 2000).

Detentions were targeting anyone actively opposing coca eradication activities. As noted by Youngers, Human Rights Watch/Americas concluded that anti-narcotics police carry out arrests ‘intended to suppress peaceful and lawful protest activity’ and detain coca grower federation leaders in order ‘to secure advantage in negotiations with them over government policy’ (Youngers 2001: 31). Detainees were typically held for several days, often without any notification to family members, and then released without being charged or presented before judicial authorities. During the detention, abuses of human rights were commonplace: ‘a 1997 study conducted in Chapare, Bolivia, revealed startling statistics: 60 percent of those detained stated that they were threatened by the police during their arrest and 44 percent affirmed that they had been tortured and beaten’ (Youngers 2001: 31). More worryingly, since March 2001, the Bolivian government has begun to refer some of the cases of human rights violations committed by the military personnel to its military tribunal, contrary to the requirements of the Bolivian judicial system⁶⁴.

Following Banzer’s resignation due to health problems, the new president Jorge Quiroga wanted to revise the targets of Plan Dignity, not only because of the increasing

⁶⁴ As Ledebur notes, Bolivian law does not authorize military jurisdiction in human rights cases: ‘Article 12 of the Bolivian Constitution states: “All types of torture, coercion, demands or any form of physical or psychological violence are prohibited under penalty of immediate dismissal and without prejudice to any punishment to which those who inflicted, ordered, incited or allowed them to occur may be liable.” Article 34 of the Bolivian Constitution establishes that, “those who violate constitutional rights and guarantees are subject to prosecution by the civilian court system.” Furthermore, Article 48 of the new criminal procedures code states, “If there is doubt about the appropriate jurisdiction, as a result of concurrence or connection between special and civilian jurisdictions, the crimes should be addressed by the civilian jurisdiction. Civilians can never be submitted to military jurisdiction....’ (Ledebur 2002).

levels of violence, but also because of its obvious failure to provide an alternative income source to the *cocaleros*. President Quiroga began to negotiate with coca growers, despite the fact that the US embassy had already made it clear that the importance of forced eradication outweighed the need to negotiate with coca growers (Ledebur 2002: 8). The US ambassador, Manuel Rocha, used the certification card just as the Bolivian government was holding negotiations with the *cocaleros*, and stated that, if Bolivia did not continue to carry out Plan Dignity, the country would lose a significant amount of US funding. Ambassador Rocha indicated his concern regarding concessions made to protestors and suggested that funds for 2002 would be withheld unless Bolivian authorities immediately ceased their dialogue with the *cocaleros* and stringently enforced eradication (Ledebur 2002: 8). The US ambassador's comments pressured the Bolivian government to confirm that eradication efforts in the Chapare would continue (Ledebur 2002). In January 2002, two months before the announcement of US anti-drug certification decisions, the Bolivian government made aggressive moves to clamp down on the *cocaleros*. The government began to enforce Supreme Decree 26415, passed on 27 November 2001, which prohibited the drying, transport and sale of coca leaf grown in the Chapare region and in the previously legal markets. The law also established a potential jail sentence of about eight years for those convicted (Ledebur 2002: 9).

Ironically, the 2002 elections proved that US pressure could backfire in other ways. Manuel Rocha stated, just before the 2002 presidential elections, that if Evo Morales, the coca union leader and the candidate from Movement Towards Socialism, became president, the country would lose international aid (Ledebur 2003: 6). The statement infuriated Bolivian voters and Evo Morales nearly won the presidency in May 2002 elections, on the platform of returning coca cultivation and expelling the DEA from Bolivia⁶⁵. Morales' large support base indicated the level of frustration, anger and desperation among peasant farmers vis-à-vis the forced eradication efforts.

⁶⁵ Morales gained 20.92 percent of the votes, second after former president Gonzalo Sanchez de Lozada's 22.46 percent (BBC News 2002).

III. The Simultaneous Neoliberal Agenda

Towards a ‘Healthier Economy’: The Gradual Dispossession of Public Goods

The evolution and the workings of the War on Drugs in Bolivia cannot be extracted from the wider social conditions within which it took place. Rising levels of social conflict, as a result of militarisation and forced eradication, the absolute dependency on foreign aid and credits, capitalised on by the US certification process, and the failure of market-oriented alternative development projects are more significant when the intensity of the implementation of neo-liberal economic policies during the 1990s is taken into consideration, and it is to this matter that we now turn. We will argue and show that the neo-liberal transformation co-evolved with, and mutually reinforced and constituted, the War on Drugs.

Throughout 1990s, the Bolivian economy continued steadily to ‘liberalise’. This move was supposedly in accordance with the War on Drugs, as the main argument — which was clearly visible in the alternative development programme — was that a healthier economy, i.e. the liberal market economy, would put an end to Bolivia’s dependence on coca (see for example van Wert 1992). As a result of this hegemonic economic thinking, successive Bolivian governments further liberalised the economy during the 1990s, without taking into account that the passage to the neo-liberal economic model under the NPE had already given way to the emergence of coca economy in the country in the first place. In this sense, while the War on Drugs was getting tougher, the conditions that had created the coca-dependent economy were getting deeper and deeper in Bolivia.

In 1994, Sanchez de Lozada’s government adopted a ‘privatisation’ programme as a means of privatising publicly-owned companies⁶⁶. The ‘Capitalization Law’ of March 1994 was specifically aimed at Bolivia’s six major public companies, which together

⁶⁶ Before Lozada, in late 1990 and early 1991, during the Presidency of Paz Zamora, Bolivian congress approved three laws that the president had pushed hard in order to promote private investment. The new investment laws established many guarantees, such as remission of profits, freedom to set prices, convertibility of currency, etc., that had been previously authorized by Presidential decree. That law essentially guaranteed national treatment for foreign investors and authorised international arbitration. The government also reduced tariffs from 16 to 10 percent for all imports, except for capital goods, for which the tariff was five percent (van Dijk 1998).

generated over 15 percent of GDP: YPFB (hydrocarbons), ENDE (electricity), ENFE (railways), LAB (national airline), ENAF (foundry) and ENTEL (telecommunications). Leaving all details to each individual sale contract, the law only framed the general principles of privatisation of state-owned companies. The law allowed a foreign partner to acquire 50 percent ownership, in return for direct investment in the company, and granted a long-term management contract (i.e. full administrative control) and the control of all assets to the investor (van Dijck: 36-37). Following this legislation, Bolivia witnessed probably the fastest privatisation process ever recorded in the world, and has been subjected to an exemplar model of what David Harvey calls ‘accumulation by dispossession’ (Harvey 2004: 157).

Between 1995 and 1997, virtually all of Bolivia’s hydroelectric generating companies were sold to US companies: Compañía Boliviana de Energía Eléctrica (COBEE), which is 100 percent owned by the US power company NRG Energy; Hidroelectrica Boliviana S.A. (a subsidiary of US-based Tenaska Inc.); and Empresa Electrica Corani S.A., which is owned by US-based Duke Energy (US Department of Energy 2003). In 1997, the electric transmission company Transportadora de Electricidad (TDE), which owned the national grid of electricity, was sold to the Spanish company Union Fenosa, while the distribution company was awarded to five different foreign companies (US Department of Energy 2003). In 1995, the Italian telecommunications company, STET International, bought 50 percent of the assets of ENTEL, the Bolivian telecommunications company. In 1995, the Chilean company, Cruz Blanca, bought 50 percent interest in the shares of the Bolivian railway company, ENFE. The same year, the Bolivian airline (LAB) was sold to the Brazilian aircraft company, VASP. The privatisation of YPFB (the Bolivian State Petroleum Company, Yacimientos Petrolíferos Fiscales Bolivianos), which was the most precious state-owned enterprise, generating about 9 percent of GDP (van Dijck: 37), was also accomplished by 1998; a case study that will be further elaborated later in this chapter. At this juncture, the elaboration of the privatisation of water services in Cochabamba would be highly illustrative for exposing the twin US agendas in Bolivia — economic liberalisation and the War on Drugs. The case will also show to what extent international financial institutions, such as the IMF and the World Bank, have been instrumental in the privatisations in Bolivia.

Where Two Agendas Meet: the Privatisation of Water Services in Cochabamba

As Greg Palast puts it ‘the IMF, World Bank and Inter-American Development Bank had insistently written water system sell-offs into what they modestly term “master plans” for each Latin American nation’ (Palast 2002: 179). Since 1985, under pressure from these same international financial institutions to pay off mounting debts, the Bolivian government had sold its electricity utilities, oil and gas pipelines, and national airline and train systems, but had not dared to implement plans to sell-off of its water networks due to fears about mass opposition. However, as expected, in 1999 the privatisation of water in Bolivia was finally realised by ex-military dictator Hugo Banzer’s government (1997-2001), as one of the latest steps in a nearly decade-long process of selling off public enterprises to multinational investors.

The most influential actor in the privatisation process appears to be the World Bank. That year, World Bank officials refused the mayor of Cochabamba’s request for financial aid for a local water development without privatisation of his city’s water system. The following year, the Bank’s officials indicated to Bolivian President Gonzalo Sanchez de Losada that privatisation of municipal water systems, including that of Cochabamba, was a prerequisite for receiving debt relief assistance from the World Bank and IMF. Following the advice of World Bank officials, in July 1997, the Bolivian government began selling water and sanitation rights, beginning with the awarding of high-profile concessions for the cities of La Paz and El Alto, granted to French water provider Suez-Lyonnaise des Eaux (Finnegan 2002)⁶⁷. Nevertheless, afraid of strong public reaction, the government did not dare to privatise Cochabamba’s municipal water company, SEMAPA. Despite this, the World Bank continued pressuring Bolivia on the issue. In its *Bolivia Public Expenditure Review*, an economic

⁶⁷ In order to illustrate the World Bank’s attitude towards and expectations from the privatisation of water, William Finnegan’s account of the Suez privatisation case is very striking: “This area, known as El Alto, is home to nearly three quarters of a million people, virtually all of them Indians recently arrived from the countryside. But a problem emerged. It seemed that the people in El Alto weren’t using enough water. Accustomed to Andean peasant life, they were extremely careful with water, never wasting a drop, and they continued to be so even after they had taps installed in their homes. This was good conservation, but it was bad for Suez’s bottom line, and the corporation was disappointed in the return on its investment. After it appeared to raise its rates, which were pegged to the dollar, when the local currency was devalued the general happiness with the contract evaporated and residents began to complain about the service. When I was in La Paz, the people of El Alto were marching against Suez. When I asked a World Bank official about the situation, she agreed that there was a basic problem: those Indians needed to learn to use more water” (Finnegan 2002).

report prepared for the country and published in 1999, the World Bank openly discouraged water subsidies, with specific reference to Cochabamba: ‘no subsidies should be given to ameliorate the increase in water tariffs in Cochabamba’ (Lobina 2000).

The World Bank was not the only international institution that was pushing for the privatisation of water networks. On 25 August 1998, the Bolivian government, in collaboration with IMF staff, published the Enhanced Structural Adjustment Facility (ESAF) Policy Framework Paper, 1998-2001. The report made specific mention of the government’s intention to sell SEMAPA by December 1998 (PBS 2002b). The following month, the IMF approved a \$138 million loan to Bolivia under the conditionality of selling off all public water networks, including Cochabamba’s local water agency, SEMAPA (PBS 2002a).

Given the leverage of this conditionalities, the Bolivian government was not able to resist the constant pressure of the IMF and the World Bank. In October 1999, the Bolivian Congress, under President Hugo Banzer, passed Law 2029 (the Drinking Water and Sanitation Law — *Ley de Agua Potable y Acantarillado Sanitorio*) that ended state support and regulation of water and sanitation services and communal control of water in places such as Cochabamba, where wells had been built and managed by residents (Multinational Monitor 2000). This law opened the way for the privatisation of Cochabamba’s municipally run water system.

Following the legislation of Law 2029, the Bolivian government signed a \$2.5 billion contract to hand over Cochabamba’s municipal water system to Aguas del Tunari, a multinational consortium of private investors. The consortium was formed by some Bolivian companies, such as ICE Ingenieros and the cement maker Soboco, but mostly by foreign companies, such as Spanish engineering and construction firm Abengoa, Italian utilities giant Edison SpA and International Water Ltd. (IWL), a subsidiary of the

Bechtel Corporation⁶⁸. The latter company had the majority shareholder interest in the consortium (PBS 2002b)⁶⁹.

Aguas del Tunari, the sole bidder for the privatisation of Cochabamba's water system, was granted exclusive 40-year concession rights to provide water and sanitation services to the city of Cochabamba, and a related project, called the Misicuni Project⁷⁰ (Lobina 2000). According to the deal, the consortium would take over the municipal water network and all the smaller systems — industrial, agricultural, and residential — in the metropolitan area, and would have exclusive rights to all the water in the district, even in the aquifer (Finnegan 2002). The contract also guaranteed to the consortium an average 16 percent annual return (Palast 2002: 179).

After the deal, Aguas del Tunari announced that it would generate electrical energy and irrigation water for the region's agricultural sector. The major shareholder of Aguas del Tunari, Bechtel's subsidiary IWL, claimed that water delivery coverage and sewage connection would increase by at least 93 percent by the fifth year of private water management in Cochabamba. The consortium also informed Bolivian officials that water rates would increase only by 35 percent, to cover the cost of expanding water delivery and to upgrade the city's water infrastructure (PBS 2002a). However, in the first two months of Aguas del Tunari's operation, the water bills of Cochabamba's residents doubled or tripled (Multinational Monitor 2000), and even government sources revealed that increases amounted to 200 percent or more⁷¹ (Lobina 2000).

Throughout January and February 2000, rising water prices sparked massive public protests in Cochabamba. Under the banner of the Coalition for the Defence of Water

⁶⁸ Founded in 1898, San Francisco-based Bechtel Corporation is the world's largest engineering and construction company. Bechtel is currently affiliated with projects in over 60 countries and had an annual revenue of \$14.3 billion in 2000 (PBS 2002b).

⁶⁹ Initially, the consortium's main partner, International Water Ltd. was registered in the Caymen Islands, and Aguas de Tunari, as Oscar Olivera puts it, was a kind of phantom corporation to the people of Cochabamba (Multinational Monitor 2000). IWL moved its registration to Amsterdam soon after the Cochabamba contract was signed, for the Cayman Islands had no comparable investment treaty with Bolivia (Finnegan 2002).

⁷⁰ The Misicuni Project involves the construction of a dam, the construction and operation of a hydroelectric power station, and the digging of a tunnel to bring water from the river Misicuni to Cochabamba through a mountain. (Lobina 2000)

⁷¹ Greg Palast argues that the price hikes were 'driven by IWL's need to recover the cost of the huge Misicuni Dam project'. The dam was constructed despite the fact that it would provide water roughly six times more expensive than that of alternative sources. Palast notes that IWL was willing to opt for this expensive source because it owned a part of the Misicuni Project (Palast 2002: 176-7).

and Life — *La Coordinadora de Defensa del Agua y la Vida*, residents of Cochabamba protested against the privatisation of their municipally running-water system and Aguas del Tunari's rate hikes. In the following months, the protests originating in Cochabamba spread to La Paz, as well as other cities and outlying rural communities (PBS 2002a). Thousands clashed with riot police, erected roadblocks and protested, not only about water-rate hikes, but also about the country's overall economic malaise and high unemployment. In the first 10 days of April, protests left six dead and dozens injured and forcibly detained by authorities (Palast 2002: 174). On 8 April, President Hugo Banzer declared a state of emergency, which allowed for the arrest and detention of individuals without warrants and the enforcement of curfews and travel restrictions. However on 10 April 2000, faced with spiralling protests and increasing violence, the Bolivian government had to change its position vis-à-vis water privatisation in Cochabamba. That day, the Banzer government signed an agreement with Oscar Olivera, the leader of *La Coordinadora*, guaranteeing the withdrawal of Aguas del Tunari⁷² and promising the repeal of water privatisation legislation. After the Bechtel consortium's exit, the management of Cochabamba's water was returned to SEMAPA and the new board of directors included *Coordinadora* representatives (Finnegan 2002).

The Virtual Collapse of Bolivian Politics: The Final Blow — Gas Wars

Since the discovery of huge natural gas resources in Bolivia in the 1980s, successive Bolivian governments thought that they could replace the coca economy with a new export -based economy. For the US too, this was an excellent scenario as it would meet the requirements of both liberalising the economy and achieving the complete eradication of coca. The final decision for privatising the Bolivian State Petroleum Company (YPFB) was taken following President Sanchez de Lozada's economic programme and was approved by the Bolivian Congress in April 1994. Following the privatisation legislation, the same year (1994) YPFB was split into three upstream companies specialising on exploration (Andina), production (Chaco) and transport (TBH, *Transportadora Boliviana de Hidrocarburos*). Both Andina, the new exploration

⁷² In December 2001, the Bechtel Corporation appealed to the World Bank to recoup \$25 million in compensation it claimed was owed as a result of the Bolivian government's cancellation of Aguas del Tunari's contract. The corporation denies that it is suing Bolivia, saying that, 'resolving this issue in an orderly way through an independent body such as ICSID [the World Bank-affiliated International Centre for Settlement of Investment Disputes] preserves both the rule of law and the incentive for governments to honour agreements...' (PBS 2002a)

company and Chaco the new production company, were already known to hold significant reserves of natural gas (US Department of Energy 2003). The new natural gas transportation company, TBH, was also rich in its assets, as it was holding several gas pipelines. In addition, these three major companies, and several other smaller service companies that held storage facilities, multi-purpose pipelines, gas distribution grids, liquid petroleum gas (LPG) bottling plants, service stations, airport fuel terminals and refineries, were also formed. Between 1996-1997, half of the equities of Andina, Chaco and TBH were respectively sold to an Argentinean/Spanish consortium (YPF/Perez/Pluspetrol), BP-Amoco and Transredes, an Enron/Royal Dutch/Shell joint venture (US Department of Energy 2003). In addition, a consortium comprised of the Brazilian state-owned company, Petrobras, together with BTB, a consortium that includes British Gas and El Paso, Transredes, Shell, Enron, and Gaspart, was contracted to build the Bolivia-Brazil natural gas pipeline (US Department of Energy 2003).

However, ‘the terms of the sale were not based on legislation but on a presidential decree issued by President Gonzalo Sanchez de Lozada just two days before he left office at the end of his first term in 1997’ (Garver 2003). According to the decree, the royalty rate for all oil and gas extracted in the following 20 years was reduced from 50 percent to 18 percent (Andersen & Faris 2002) and very favourable terms were provided for the investors. For example, when the reserves were contracted to the YPF/Perez/Pluspetrol consortium for 20 years, ‘the sale was on a lump sum basis rather than on the amount of gas extracted, and the lump sum was based on only 2 trillion cubic feet (tcf.), the proven reserve at the time but a very small fraction of the true reserve’⁷³ (Garver 2003). Another example is the case of Petrobras, which was able to acquire a 20-year export gas sales agreement in exchange for the financing of the Bolivia-to-Brazil pipeline. Not only did the company secure a stake in eight of Bolivia’s natural gas fields, but it also acquired 42.6 percent ownership of the entire pipeline. The Bolivian government now having no stake, the rest of the pipeline was shared by other firms that were in the construction consortium; British Gas, El Paso, Transredes, Shell, Enron and Gaspart (US Department of Energy 2003).

⁷³ Bolivia has South America’s second largest reserves of natural gas, after Venezuela. The Bolivian government’s 2001 figures for proven reserves were 46.83 tcf and, with the inclusion of probable reserves, the official figures would go up around 70 tcf (US Department of Energy 2003). However, as some Bolivian non-governmental organisations claim, the actual reserves are likely to reach up to 150 tcf (Garver 2003).

Following the first wave of privatisation, the Bolivian government sought to further increase domestic oil and gas production, and continued with a further privatisation of YPFB. In September 1998, the government granted six licenses to explore for oil and gas in low-output fields in the southeast of Bolivia. These licenses were granted to five different oil companies and the joint venture contracts were signed with YPFB by the end of 1998. By the time much of Bolivia's major natural gas reserves were discovered during the 1990s, foreign companies, such as Petrobras, TotalFinaElf, BP Amoco, British Gas, ExxonMobil, and Repsol YPF, had already dominated the Bolivian natural gas industry (US Department of Energy 2003).

Since 1998, new discoveries of natural gas reserves urged multinational companies already operating in the Bolivian market to come up with more profitable projects. Pacific LNG, a consortium headed by Repsol YPF and including BP Amoco and British Gas, proposed to export natural gas to California. The plan intended to transport the natural gas via a 510 miles pipeline from south-eastern Bolivia to the port of Mejillones on the Chilean coast. The gas would then be liquefied and shipped in LNG tankers to Baja California via Mexico. The LNG export scheme has since attracted more attention with Chevron, Shell, and ExxonMobil all having expressed interest in participating (US Department of Energy 2003).

Huge public discontent arose in early 2002, when the administration of President Jorge Quiroga agreed to the LNG proposal of building the pipeline through the port of Mejillones of Chile. The Bolivian public was very much against the project for four main reasons. The first reason was that they wanted the gas to be used locally, rather than exported. Evo Morales, a *cocalero* and the leader of the Movement to Socialism (MAS) party, who finished a narrow second in the 2002 elections, proposed that a plant should be built to process the gas in Bolivia and that 250,000 homes be supplied with gas for free before any of it was exported (Multinational Monitor 2000). However, the dilemma here was that, as Bolivia had no processing industries in place, foreign investors (i.e. LNG) would be very unlikely to put up more up-front costs to develop processing facilities within Bolivia.

The second reason was that the export of natural gas through Chile, which had annexed Bolivia's coastal area in the War of the Pacific and, thus, landlocked it, was not an acceptable option for Bolivian people. If the natural gas was to be exported at all, Bolivians expressed a preference for another pipeline route that would use the Peruvian port of Ilo, 260 km further away from the gas fields than Mejillones. According to Chilean estimates, the Mejillones option would be \$600 million cheaper, but Peru claimed that the difference in cost would be no more than \$300 million. The Peruvian government had also offered a 'territorial and economic integration' plan – a special economic zone for 99 years for exporting the gas at Ilo, the right of free passage and the concession of a 1,000-hectare area, including a port, that would be exclusively under Bolivian administration (Petras 2004).

Thirdly, Bolivians were aware of the possibility of being rendered more dependent economically, as had happened before with other primary export commodities, such as silver, guano, rubber and tin (Andersen & Faris 2002). They thought that exporting the gas would simply be the latest case in many centuries of exploitation of Bolivia's natural resources by foreigners. They were aware, and thus against, the general terms under which their natural gas was to be exploited, such as the contract price based on only 2 tcf of gas and the royalty rate of 18 percent (Garver 2003). Tom Kruse summarises clearly the feelings of the Bolivians (Kruse 2003):

“Bolivia has enormous reserves of natural gas. However, how the gas is to be exploited, and who the benefits will accrue to, are heated political issues in Bolivia. There is good reason for the heated debate: Bolivia has passed through 3 major cycles of non-renewable commodity exports: silver through the 19th century, guano and rubber later that century, tin in the 20th century. These cycles for exports never laid the basis for a prosperous, productive and just society. On the contrary, Bolivia is one of the least prosperous and most unjust societies in Latin America. The question Bolivians are rightly asking is, ‘how will this next round of non-renewable commodity exports be turned into real development?’”

The last, but not the least of the reasons why Bolivians were opposed to the project, was simply that they were very strongly against the idea that their natural gas was being exported to the US. Feelings of anti-Americanism were high, especially because of the

culmination of the previous two decades' of pro-US, free-market policies, imposed by the IMF and the World Bank. Apart from enforced neo-liberalism, Bolivians also had had enough of the US' War on Drugs and its effects on their lives.

Bolivians began vociferously campaigning against the project and, shortly before leaving office in July 2002, Quiroga postponed his decision on the issue. The following president, Gonzalo Sánchez de Lozada, just after the 2002 presidential election, indicated that he would pursue the natural gas export project. His preference was for the option of the site at Mejillones, as the LNG was pushing the Bolivian government for the Chilean option. The government, under pressure from the LNG, had asked Intec, a multinational engineering firm, to carry out an 'impartial' study to determine how Bolivia could export natural gas to the US most profitably. Intec's study concluded that the best option was the use of the Chilean port, rather than the Peruvian one. Soon after it became apparent that, 'Intec, whose study was subsidised to the sum of \$386,000 by the US Trade and Development Agency, had close links not only with the Bechtel Group, but also with Repsol-YPF, British Gas and British Petroleum Amoco' (Chavez 2003), all partners of the Pacific LNG consortium. Consequently, huge public demonstrations protesting the insistence of Lozada began to take place again. On 13 October 2003, in the aftermath of numerous casualties, Lozada announced he was suspending the gas deal. But the protests continued and, eventually, he had to resign and flee the country (BBC News 2003a). He was replaced by Vice-President Carlos Mesa on 17 September 2003 (BBC News 2003b).

As a final note to conclude this section, it must be noted that, in spite of the political instability during the September-October 2003 conflict, 'high ranking US officials continued to pressure for compliance with counter-narcotics goals and blamed the clashes on drug-trafficking interests' (Ledebur 2003: 6). Soon after the resignation of Sanchez de Lozada and the inauguration of Carlos Mesa, General James T. Hill, commander of the US Southern Command, stated that, 'in Bolivia, *narco-terrorists* and a *radical political party* have combined efforts to undermine the elected government' (emphasis added, Ledebur 2003: 6). These evidently arrogant comments were indicative of the hypocrisy and immorality of the entirety of the US' War on Drugs:

“ [T]he entire strategy of attacking production and supply, rather than the demand and consumption, stemmed from a North American determination to transfer the blame and cost from its own rich citizens and state to their impoverished counterparts in Bolivia. The opprobrium attached to this was further sharpened by the fact that the US was viewed as directly responsible for generating the broader economy crisis that prompted the upsurge of popular involvement in *narcotráfico*, by its strenuous resistance to provision of adequate recompense for the sacrifices incurred on its behalf for adhering to free market (outlaw) forces. Such a position was not only hypocritical; its immorality was decidedly imperialist” (Dunkerley 1992: 227).

IV. Conclusion: The Success of the War on Drugs

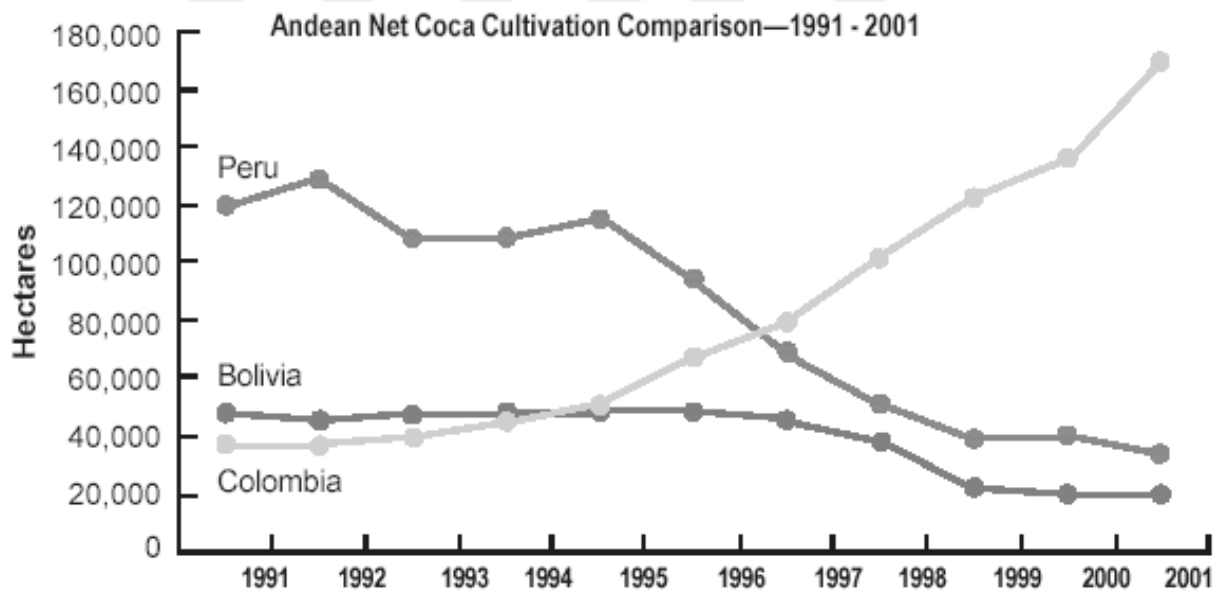
In 2001, the US ambassador to Bolivia, Manuel Rocha, declared, ‘Bolivia has done in the past two to three years what no other country has done in the drug war in Latin America. This is a success story’ (Faiola 2001). Rocha was referring to the fact that Banzer’s Plan Dignity had almost achieved its goal of total eradication in Chapare and, in a sense, he was announcing the vindication of the War on Drugs in Bolivia. Has the War on Drugs really been successful in achieving its targets, as Rocha claimed? In this section, we will briefly answer this question.

Drawing on the premise of demand and supply of liberal economic theory, the first and foremost objective of the War on Drugs was to decrease the availability (supply) of drugs in the US, i.e. cocaine in our case⁷⁴. The idea was that reduced supply would inflate the price of cocaine, which would deter users from demanding (or buying) it. However, all available data suggest that what was aimed at did not materialise: as a result of the War on Drugs the availability cocaine neither has been reduced nor has its price increased.

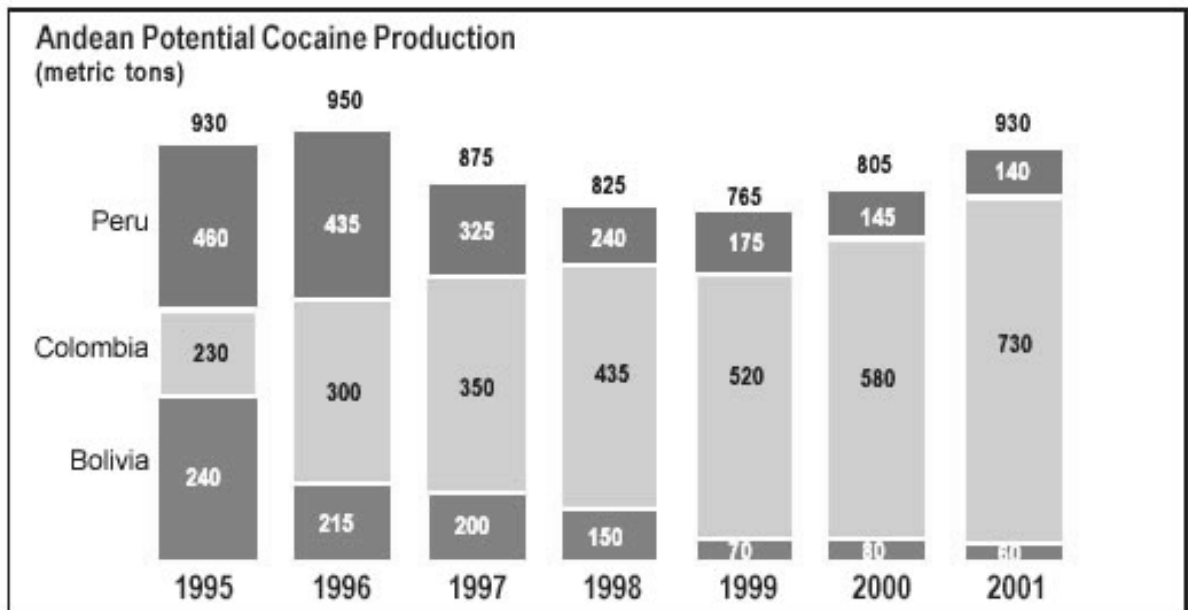
⁷⁴ Since the latest phase of the War on Drugs was launched in 1989 by the administration of Bush Sr. the stated aims and objectives of the US-declared War on Drugs have been clustered around three main pillars that are briefly summarised by James M. van Wert, who was the controller/executive director of the Bureau of International Narcotics Matters, US Department of State when the War on Drugs was initiated: “(1) Reducing drug supplies may have a positive affect on reducing the demands for narcotics. (2) Reducing drug supplies may also reduce the level of organised crime and lawlessness in the US. (3) Promoting effective counter-narcotics efforts can serve to enhance the democratic strength of friendly nations, thus enabling the growth of healthy economies which, in turn, creates higher standards of living within the country and attractive trading partners for US business interests. Reducing the drug production in source countries can also result in reduced levels of corruption, political instability– and violence” (van Wert 1992: 22-3)

Despite the significant decreases in coca cultivation in both Bolivia — as a result of Plan Dignity — and in Peru, the total amount of coca harvest stayed stable in the Andean region as Colombia filled the gap (see Graph 4.3: ‘Andean Net Coca Cultivation Comparison, 1991 – 2001’). Since 1995, net coca cultivation in Colombia has more than tripled, from 50,000 hectares in 1995 to 169,800 hectares in 2001 (DEA 2002). Stated differently, the physical land area under coca cultivation in Colombia in 2001 was three times the size of the Peru–Bolivia crop combined. It is obvious that Colombia had replaced the Bolivian and Peruvian coca production. Consequently, overall cocaine production has not changed in the Andean Region (see Graph 4.4: ‘Andean Potential Cocaine Production, 1995 – 2001’). Again Colombian cocaine production replaced those of Bolivia and Peru, and the overall production of cocaine in the region remained fairly stable. In sum, there is no doubt that the War on Drugs has failed to reduce the supply of cocaine.

Graph 4.3: ‘Andean Net Coca Cultivation Comparison, 1991 – 2001’



Source: (DEA 2002)

Graph 4.4: 'Andean Potential Cocaine Production, 1995 – 2001'

Source: (DEA 2002)

There is other important evidence that enables us to conclude that the US War on Drugs has failed in its first objective: since the War on Drugs began, the price of cocaine available in the US has declined sharply and its quality has improved significantly. The retail cost of cocaine declined from an estimated \$423.09 per gram in 1981, at 36 percent purity, to \$211.70 per gram at 61 percent purity in 2000. At the wholesale level, the drop went from \$125.43 per gram at 73 percent purity in 1981 to \$26.03 per gram at 67 percent purity in 2000 (CSDP 2001). United Nations' figures also support this evidence: 'Over the past decade, inflation-adjusted prices in the United States fell about 50 percent for cocaine' (UN 2000 cited CSDP 2001). In sum, there is no doubt that the War on Drugs has failed in increasing the price of cocaine.

One might argue that the War on Drugs has worked out well in Bolivia (and in Peru), but not in other countries, especially in Colombia. That view would be mistaken given the recent trends of coca cultivation in Bolivia (and in Peru). The 'success stories' of Bolivia and Peru in curbing the supply-side have entered a reverse trend. Recent US based reports indicate that Bolivian coca farmers are replanting coca at an increasing rate since 2001 (DEA 2002). This replanting is not surprising considering that coca leaf prices in Bolivia are at record highs. Similarly, in 2001, the US Government reported the first increase in Peru's coca cultivation since 1995, as the prices for Peruvian coca

leaf have rebounded (DEA 2002). In addition to these, the War on Drugs caused drug-related activities to spread throughout the continent: cocaine production spread to Brazil and Venezuela; Chile, Ecuador, Paraguay and the Central American states became new key transit countries; following Panama, many Central American and Caribbean countries, Argentina and Uruguay become centres of money laundering (CIIR 1993: 25). In short, the War on Drugs not only did not achieve its main objective, but it complicated the 'supply side' of the problem.

The analysis so far makes it possible to conclude that the American War on Drugs has been a stark failure in achieving its primary objective, i.e. ending the supply of cocaine in the US. Therefore, the analysis should turn to another research question: What are the reasons for continuing to pursue the War on Drugs in the same failing format, i.e. without changing its objectives or its instruments?

This chapter has documented that the US-led War on Drugs has structurally challenged, and, in fact, changed, the Bolivian political, economic and social system, through a variety of tools, ranging from legal advice, political support and military cooperation to the international certification programme, alternative development projects and economic aid. All these tools have been used by successive American administrations in such a way as to also reinforce the expansion of US interference in the region and the institutionalisation of the neo-liberal economic model. What has happened in the context of the War on Drugs is actually not surprising at all when it is viewed through the lens of US political establishments' perception of world order. The following, chapter will demonstrate 'what actually are US political establishments' perception of the current world order', and 'how that perception relates to the War on Drugs'. The next chapter will show that the War on Drugs is an ideal framework by which US political establishments' perception of the current world order can be achieved, reinforced and reproduced.

Chapter V: The US Vision of World Order And its Relationship to the War on Drugs

I. Introduction

For providing a better understanding of the War on Drugs' persistence despite its blatant failures, this chapter will put forward the basic relationship between the War on Drugs and the US political establishment's perception of world order. In order to achieve this purpose, first the US vision on the current world order has to be found out, and then, the practice of War on Drugs should be viewed through the lens of that vision.

As Stephen Walt points out 'policymakers who are contemptuous of "theory" must rely on their own —often unstated— ideas about *how the world works* in order to decide *what to do*' (Walt 1998: 54-55, emphasis added). It is possible to find out the US policymakers' perspectives on (a) 'how the world works', which reflects their understanding about the nature and the state of the current world order, and (b) 'what to do', which reflects their understanding of constitutive actions/policies that are necessary *to order* (v.) the world accordingly. For that purpose, a brief elaboration of some internal US documents of strategic importance might prove to be very useful. We will argue and show that the US vision regarding the current world order has increasingly been evident in these documents, as also pointed out by Naom Chomsky (Chomsky 1998):

“[W]hat’s interesting about the recent years is that [US] official doctrine expresses with great clarity and precision the utter contempt for the principles of world order that are of course grandly proclaimed when they serve some power interest. This has been going on since the Reagan years and it is a change, a doctrinal change; you might say it’s a change toward greater honesty.”

The first section of this chapter will frame out the US political establishment's perception of the current world order, by reviewing the 'national security strategies' of successive US administrations. The strategies are prepared and published by each administration since 1986 in accordance with Section 603 of the 'Goldwater-Nichols

Defense Department Reorganization Act'⁷⁵. These national security strategy reports not only summarise the ultimate guidelines of US foreign policies but also give some concrete evidence on the US political establishment's vision of the current world order. The review will start with the first National Security Strategy document that has been made public in 1988 by the Reagan Administration. The starting date (i.e. 1988) is also convenient for our enquiry since it coincides with the start of the recent War on Drugs.

The second section of this chapter will evaluate the significance of the War on Drugs in the lights of data provided in the previous section, namely the US vision of the current world order. Consequently, it will try to establish the basic relationship between the War on Drugs and world order. The analysis will arguably explain why successive US administrations have continuously resorted to the War on Drugs. It will try to demonstrate that the War on Drugs is an ideal framework by which US vision of world order can be achieved, reinforced and reproduced.

II. The US Vision of the Current World Order

The Principle Objectives of the National Security Strategies and the US Interests

President Reagan in the preface of his 1988 national security report stated that at the outset of his administration he had four broad objectives that underpinned the US' national strategy. They were (WH 1988: iv):

- “ — to restore [the] nation's military strength after a period of decline in which the Soviet Union overtook [the US] in many critical categories of military power;
- to restore [the US'] economic strength and reinvigorate the world economic system;
- to restore [the US'] international prestige as a world leader;
- to restore pride among all Americans and carry [the US'] message to the world that individuals and not governments should control their economic, spiritual and political destinies.”

⁷⁵ Although the Act was passed the Congress in 1986, the first National Security Strategy document has been made public in 1988 by the Reagan Administration.

President Reagan also added that the US' national security strategy 'continues to be aimed at reinforcing the gains [the US has] achieved in each of these areas, while employing all the elements of [the US'] national power — political, economic and military — in a coordinated way to advance the full range of national security interests' (WH 1988: iv). He then went on to list these interests (WH 1988: 3):

- “ — The survival of the US as a free and independent nation, with its fundamental values intact and its institutions and people secure.
- A healthy and growing U.S. economy to provide opportunity for individual prosperity and a resource base for our national endeavors.
- A stable and secure world, free of major threats to U.S. interests.
- The growth of human freedom, democratic institutions, and free market economics throughout the world, linked by a fair and open international trading system.
- Healthy and vigorous alliance relationships.”

Following the Reagan era, the George Bush Sr. administration repeated the same 'basic objective and interest' of the US, i.e. 'the survival of the United States as a free and independent nation, with its fundamental values intact and its institutions and people secure', in its national security report titled '*National Security Strategy of the US*' published in 1991 by the National Security Council. In a similar line, the national security strategy report published by the first Clinton administration in 1996, three goals were cited: "To enhance our security with military forces that are ready to fight and with effective representation abroad, to bolster America's economic revitalization, to promote democracy abroad" (WH 1996)⁷⁶. In the preface of the document titled '*National Security Strategy of Engagement and Enlargement*' Bill Clinton wrote:

“We believe that our goals of enhancing our security, bolstering our economic prosperity and promoting democracy are mutually supportive. Secure nations are more likely to support free trade and maintain democratic structures. Free market nations with growing economies and strong and open trade ties are more likely to feel secure and to work toward freedom. And democratic states are less likely to threaten our interests and more likely to cooperate with the United States to meet security threats and promote free trade and sustainable development. These goals are supported by ensuring America

⁷⁶ The same goals are re-cited by the 2nd Clinton administration in its 1998 national security strategy document. See (WH 1997).

remains engaged in the world and by enlarging the community of secure, free market and democratic nations.” (WH 1996)

The objectives of the national security strategy of the George W. Bush’s administration, published in 2002, are listed as ‘political and economic freedom, peaceful relations with other states, and respect for human dignity’ (WH 2002). The document states that ‘the U.S. national security strategy will be based on a distinctly American internationalism that reflects the union of [US’] values and [US’] national interests. According to the report, the aim of this strategy is ‘to help make the world not just safer but better’ (WH 2002).

As it is apparent from these objectives, there has been a consistency in all the documents about the central goals of the US’ national security since the first public appearance of the national security strategy of the US in 1988. Although the paraphrasing of these goals have changed from one administration to another, the goals have focused on three broad issues: to keep up the US’ political-military strength to lead the world, to promote the liberal democracy in all corners of the world; and to bolster the US economy and to introduce economic liberalism around the world. In the following sections we will further analyse this three-tiers approach by a systematic and detailed elaboration of the national security strategies of the successive American administrations.

The Military-Political Order

As it is the case for most other states and their individual national security doctrines, the first and foremost emphasised goal of the national security strategy of the US is to keep its military strength, which is seen vital for the attainment of its national interests. Before the end of the Cold War, military strength was seen as crucial by the American political establishment for the mere reason of deterring the ‘expansionist’ Soviet Union and keeping the communist threat at bay. With the end of Cold War, although the central importance attached to the military strength did not change at all, the rhetoric about its *raison d’être* changed dramatically. This change in the rhetoric can be best seen in the 1991 ‘*National Security Strategy*’ report published by the National Security Council for the George Bush Sr. Administration (NSC 1991):

“As we seek to build a new world order in the aftermath of the Cold War, we will likely discover that the enemy we face is less an expansionist communism than it is instability itself. And, in the face of multiple and varied threats to stability, we will increasingly find our military strength a source of reassurance and a foundation for security, regionally and globally.”

The national security strategy report of the first Clinton administration published in 1996 with the title of *'National Security Strategy of Engagement and Enlargement'* provides a good typology of national interests 'that might require the use of military means'. The report states that '[T]here are three basic categories of national interests that can merit the use of our armed forces' The first category is called 'America's vital interests' and explained as 'interests that are of broad, overriding importance to the survival, security and vitality of [the US'] national entity', such as 'the defense of U.S. territory, citizens, allies and our economic well-being'. To defend these kinds of interests, the report emphasised that the US 'will do whatever it takes', including 'when necessary, the *unilateral* and decisive use of military power' (emphasis added). Examples of these kinds of incidences are given as the Operation Desert Storm in 1991 (the first Gulf War) and Operation Vigilant Warrior in 1994 (again against Iraq) (WH 1996).

According to the same report, the second category of the use of military power includes 'cases in which important, but not vital, U.S. interests are threatened'. The report states that these kinds of national interests do not affect 'the national survival', but 'they do affect importantly the [US'] national well-being and the character of the world'. In such cases, the report goes on to say, 'military forces should only be used if they advance U.S. interests, they are likely to be able to accomplish their objectives, the costs and risks of their employment are commensurate with the interests at stake and other means have been tried and have failed to achieve our objectives' (WH 1996). For such incidences, the cases of Haiti (1994-1996) and Bosnia (1993-1995) are given as examples.

The third category of US national interests that might need the use of military power involves primarily humanitarian interests: 'under certain conditions, the use of our

armed forces may be appropriate: when a humanitarian catastrophe dwarfs the ability of civilian relief agencies to respond; when the need for relief is urgent and only the military has the ability to jump-start the longer-term response to the disaster; when the response requires resources unique to the military; and when the risk to American troops is minimal'. The 'relief operation in Rwanda' (1996) is given as example, where, according to the report, 'U.S. military forces performed unique and essential roles, stabilized the situation and then got out, turning the operation over to the international relief community' (WH 1996).

This typology of national interests that might require the use of military power is very useful because it reflects American political establishment's perceptions about the world's political order. In *all* the national security strategy reports since 1988, it is clearly stated that the US' decision on 'whether and when to use force is dictated first and foremost by its national interests', and that use of force can be used, 'if necessary', unilaterally. Yet, the same reports emphasise the importance of the global political institutions, mainly the UN and other forms of multilateral ways of acting. For example, in the 1991 '*National Security Strategy*' report published by the National Security Council for the George Bush Sr. Administration, it is noted that the US should seek to 'strengthen international institutions like the United Nations to make them more effective in promoting peace, world order and political, economic and social progress' (NSC 1991). According to the report, after '40 years political differences and bloc politics and demagogic rhetoric', 'freed from the superpower antagonisms' and 'less hobbled by the ritualistic anti-Americanism', the UN was 'beginning to act as it was designed' (NSC 1991). In addition to the UN, the importance of other kinds of coalitions/partnerships is also mentioned. The 1991 report states that the US should 'establish a more balanced partnership with allies and a greater sharing of global leadership and responsibilities' (NSC 1991).

Looking at what is stated in the national security strategy documents, the political order of the world from the view of the US' political establishment seems rather conflicting at first glance. On the one hand, the US undermines the UN and its Charter: it is emphasised that the US has the right to act militarily on a unilateral basis in the cases that involve vital American national interests such as economic well-being, which has nothing to do with any attack to the US in the military sense and thus does not

necessitate a self-defence in the military sense. On the other hand the need for multilateral actions, especially under the roof of the UN, is consistently emphasised. It can be argued that these two —rhetorically— different views actually are *not* conflicting, especially if one contemplates two interrelated issues: pragmatism in the US policy-making system (especially in the case of foreign policy) and ‘leadership’ in the world affaires.

The pragmatism in the American foreign policy-making system is obvious in all the national security documents. A clear example of this pragmatism is paraphrased in the 1996 report of *National Security Strategy of Engagement and Enlargement* as such:

“Our engagement must be selective, focusing on the challenges that are most important to our own interests and focusing our resources where we can make the most difference. We must also use the right tools — being willing to act unilaterally when our direct national interests are most at stake; in alliance and partnership when our interests are shared by others; and multilaterally when our interests are more general and the problems are best addressed by the international community” (WH 1996).

As it is obvious from the quote, American foreign policy ‘pragmatically’ evaluates its actions, not according to any international political norms and regulations (set, for instance, in the UN Charter), but rather according to its national interests. In other words, the American political establishment’s evaluation of what the US’ national interests are determines the specific nature of that action, i.e. unilateral, partly multilateral or completely multilateral. In any case of international issues (such as crises), especially the ones that involve ‘general’ (as opposed to vital) kinds of US national interests, if the world community is in agreement with the American political establishment’s view, then the action will be multilateral. However, this multilateralism does not come from any kind of concern to the international political norms and regulations, but simply comes from the fact that the rest of the world happen to agree with American political establishment’s evaluation of the situation. That is also, arguably, why the American national interest is qualified as *general*, as opposed to vital.

On the other hand, if the issue at stake is not of a general kind or the world community does not agree with America’s perception, then the US will try to pursue the way of

cooperation in the form of ‘alliances’, ‘partnerships’ or ‘coalitions’ with others, who share the same interests. The American national security documents explain the principle of this partly multilateral cooperation: ‘This vision of the world is also one in which the United States has close cooperative relations with the world’s most influential countries and has the ability to influence the policies and actions of those who can affect our national well-being’ (WH 1997). This approach is a clear indicator of the US political establishment’s stance regarding the ‘national sovereignty’ of other ‘less influential’ countries.

Even in cases where there is no international support for America’s evaluation of the situation, then the US claims the right to act unilaterally. This right is clearly recorded in all the national security strategy documents since 1988. The last example of this is the National Security Strategy report of 2002 (George W. Bush Administration):

“In exercising our leadership, we will respect the values, judgment, and interests of our friends and partners. Still, we will be prepared to act apart when our interests and unique responsibilities require. When we disagree on particulars, we will explain forthrightly the grounds for our concerns and strive to forge viable alternatives. We will not allow such disagreements to obscure our determination to secure together, with our allies and our friends, our shared fundamental interests and values” (WH 2002).

At this juncture, the issue of ‘leading’ comes into the play. In 1997, President Clinton wrote in the preface of his second term administration’s national security document titled ‘*A National Security Strategy for A New Century*’ that: ‘[The US] can — and must — use America’s leadership to harness global forces of integration, *reshape* existing security, economic and political structures, and *build new ones* that help create the conditions necessary for [American] interests and values to thrive’ (WH 1997, emphasis added). To lead the world would mean that the US would be able to capitalise on opportunities: ‘Never has American leadership been more essential — to navigate the shoals of the world’s new dangers and to capitalize on its opportunities’ (WH 1996). Through the lens of this completely self-centred pragmatism, the US political establishment emphasises the importance of being the political leader of the world: ‘To be secure and prosperous, America must continue to lead’ (WH 1997).

However, the rhetoric about the American leadership is formulated in such a way that it openly argues that the demand for its leadership comes from the world community. For example, *'the National Security Strategy'* report of 1991 (Bush Sr. Administration) argues that: 'As we move toward the 21st century, this interdependence of peoples will grow and will continue to demand responsible American leadership. Guided by the values that have inspired and nurtured our democracy at home, we will work for a new world in which peace, security and cooperation finally replace the confrontation of the Cold War' (NSC 1991). In a similar vein, 1997 report (2nd Clinton Administration) first gives some historical examples of American leadership: 'The contemporary era was forged by steadfast American leadership over the last half century — through efforts such as the Marshall Plan, NATO, the United Nations and the World Bank' (WH 1997). Then it goes on to argue that 'the international community is often reluctant to act forcefully without American leadership (WH 1997). In short, according to the American political establishment, the historical evidence clearly shows that the American leadership is not only 'demanded' but also 'needed' for the management of world politics.

As the natural result of the self-claimed assumption of being the demanded and needed leader of world politics, the American political establishment finds in itself the right to deny and even change the international political norms and rules (for a similar analysis see Achcar 2002). Although the signs of this 'above-the-law' attitude can be seen in all the national security documents, it is most obvious in the National Security Strategy report of 2002. Below are two quotations taken from the report, the first one showing the 'change it' and the second one showing '[or] deny it' attitudes:

"For centuries, international law recognized that nations need not suffer an attack before they can lawfully take action to defend themselves against forces that present an imminent danger of attack. Legal scholars and international jurists often conditioned the legitimacy of preemption on the existence of an imminent threat - most often a visible mobilization of armies, navies, and air forces preparing to attack. We must adapt the concept of imminent threat to the capabilities and objectives of today's adversaries. (...) The United States has long maintained the option of preemptive actions to counter a sufficient threat to our national security. The greater the threat, the greater is the risk of inaction - and the more compelling the case for taking anticipatory action to defend

ourselves, even if uncertainty remains as to the time and place of the enemy's attack. To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act preemptively" (WH 2002).

"We will take the actions necessary to ensure that our efforts to meet our global security commitments and protect Americans are not impaired by the potential for investigations, inquiry, or prosecution by the International Criminal Court, whose jurisdiction does not extend to Americans and which we do not accept" (WH 2002).

The Normative Order

In all the national security documents since 1988, there is a steady consistency in the emphasis on the normative values such as human rights, freedoms and democracy. For example, in the 1991 National Security Strategy report of George Bush Sr. Administration it is stated that 'a stable and secure world' is achievable through the flourishing of 'political and economic freedom, human rights and democratic institutions' (NSC 1991). Similar kinds of statements are abundant throughout all national security documents of all successive American administrations. However, the purpose of spreading democracy, freedom or decent human rights all around the world seems to more than serve the purpose of 'a stable and secure world'. President Clinton's statement in the preface of his 2nd term administration's national security document titled '*A National Security Strategy for A New Century*' best exemplifies the ulterior purpose:

"Underpinning that international leadership is the power of our democratic ideals and values. In designing our strategy, we recognize that the spread of democracy supports American values and enhances both our security and prosperity. Democratic governments are more likely to cooperate with each other against common threats and to encourage free and open trade and economic development — and less likely to wage war or abuse the rights of their people. Hence, the trend toward democracy and free markets throughout the world advances American interests. The United States must support this trend by remaining actively engaged in the world. This is the strategy to take us into the next century" (WH 1997).

To start with, it must be noted that in this statement there is one obvious self-claimed responsibility: the US should be the leader of the worldwide struggle for democracy, human rights and freedoms. As noted in the 1991 document, in order to build and sustain ‘healthy, cooperative and politically vigorous relations with allies and friendly nations’, the US should seek to ‘strengthen and enlarge the commonwealth of free nations that share a commitment to democracy and individual rights’ (NSC 1991). This self-claimed responsibility is expressed in a much more explicit manner in the National Security Strategy report of 2002. ‘[The US] will champion the cause of human dignity and oppose those who resist it. (...) [The US] will actively work to bring the hope of democracy, development, free markets, and free trade to every corner of the world’ (WH 2002).

For the purpose of promoting ‘the growth of free, democratic political institutions as the surest guarantors of both human rights and economic and social progress’, it is frequently stated that the US should seek to ‘aid in combating threats to democratic institutions from aggression, coercion, insurgencies, subversion, terrorism and illicit drug trafficking’ and ‘support aid, trade and investment policies that promote economic development and social and political progress’ (NSC 1991). ‘The electoral defeat of the Sandinista government in Nicaragua’ is given as an example of such a successful case of promoting democracy, with the pretext that ‘[this] has led to the end of Soviet and Cuban military assistance, thereby increasing the security of all of Central America’ (NSC 1991).

Another important point, which is also apparent from the last example of Nicaragua, is that the focus of this promotion activity has to be decided again on ‘strategic interests’: ‘While democracy will not soon take hold everywhere, it is in our interest to do all that we can to enlarge the community of free and open societies, especially in areas of greatest strategic interest, as in Central and Eastern Europe and the new independent states of the former Soviet Union’ (WH 1996). It is openly emphasised that the choices are made with pragmatism:

“The core of our strategy is to help democracy and free-markets expand and survive in other places where we have the strongest security concerns and where we can make the

greatest difference. This is not a democratic crusade; it is a pragmatic commitment to see freedom take hold where that will help us most. Thus, we must target our effort to assist states that affect our strategic interests, such as those with large economies, critical locations, nuclear weapons or the potential to generate refugee flows into our own nation or into key friends and allies. We must focus our efforts where we have the most leverage” (WH 1996).

The US’ efforts ‘to press for political liberalization and respect for basic human rights worldwide, including in countries that continue to defy democratic advances’ should, according to the American political establishment, *also* be supported by multilateral institutions, such as the UN and other organisations. It is pointed out that the American efforts in these multilateral institutions ‘are helping to make’ these principles (democracy, freedom and human rights) ‘the governing standards for acceptable international behavior’ (WH 1997). Other private and nongovernmental groups, such as ‘private firms, associations, labor unions, human rights groups, environmental advocates, chambers of commerce and election monitors’ are stated to be ‘natural allies in activities and efforts intended to bolster market economies’ and ‘in promoting democracy and respect for human rights and in providing international humanitarian assistance’ (WH 1997).

In addition to the self-appointed responsibility of being the leader of the democratic crusade, there are two underlying assumptions regarding the normative order envisaged by the American political establishment. The first one is ‘what is seen ‘right and true’ from the US’ point of view, is also ‘right and true’ for the rest of the world. In this regard, the most obvious statement is available in the 2002 document: ‘The United States must defend liberty and justice because these principles are right and true for all people everywhere. No nation owns these aspirations, and no nation is exempt from them (WH 2002)’. The second assumption is that democracy and economic liberalism in the form of market economies and the international free trade are inherently interrelated. This assumption, which is consistently seen in all the documents, is paraphrased in these classical lines: ‘Democracies create free markets that offer economic opportunity, make for more reliable trading partners and are far less likely to wage war on one another’ (WH 1996). This assumption, the pillar of liberal thinking,

will be elaborated in the next section that deals with the economic order pictured in the US national security documents.

The Economic Order

1991 the '*National Security Strategy*' report states that the link between the American national security and American economic strength is '*indivisible*' (NSC 1991). The report goes on to argue that in order to have a 'strong, prosperous and competitive U.S. economy', the US has 'to ensure access to foreign markets, energy, mineral resources, the oceans and space' and has 'to promote an open and expanding international economic system, based on market principles, with minimal distortions to trade and investment, stable currencies, and broadly respected rules for managing and resolving economic disputes'. These remarks made in 1991 document, which can be found in all the national security strategy documents since 1988 in different formulations, summarises the economic order envisaged by the American political establishment: free market economies and free trade across the world. However, the National Security Strategy of 2002 published by the George W. Bush Administration deals with the philosophical, historical and moral foundations of free market economy and free trade in a much more detailed manner:

“The lessons of history are clear: market economies, not command-and-control economies with the heavy hand of government, are the best way to promote prosperity and reduce poverty. Policies that further strengthen market incentives and market institutions are relevant for all economies — industrialized countries, emerging markets, and the developing world. (...) The concept of ‘free trade’ arose as a moral principle even before it became a pillar of economics. If you can make something that others value, you should be able to sell it to them. If others make something that you value, you should be able to buy it. This is real freedom, the freedom for a person — or a nation — to make a living” (WH 2002).

The ‘free trade’ vision set in the American national security strategies about the economic order, which is global by definition, is formulated, again in a very pragmatic way, on the basis of its ‘benefits’ for the US economy, and thus for the US’ society. As noted in 1996 report, ‘the success of [the US] security strategy’ has to be judged ‘by its

impact on the domestic lives of [the US] citizens' (WH 1996). In order to show to what extent the economic vision in the national security strategy 'has made a real difference in the day to day lives of Americans', the report gives various examples. One of the many examples, ranging from Haiti to Bosnia, is the case of new independent states of the former Soviet Union and in Central Europe. It is noted that in these countries the US support for the transition to free markets 'promoted stability and prosperity in an area that will become a vast market for the United States, creating jobs in America' (WH 1996).

The 2002 document states that to promote free trade, the US developed and has been using for a long time a 'comprehensive strategy' that includes policies such as '[to] seize the global initiative', '[to] press regional initiatives' and '[to] move ahead with bilateral free trade agreements' (WH 2002). The 1996 document supports this argument that this proactive strategy is in use and has worked out well. It notes that 'the strategy's trade initiatives, with 'over 80 separate trade agreements' including NAFTA, the Uruguay Round of GATT, the Bogor Declaration of the 1994 APEC leaders meeting, the 1995 Osaka Action Plan, the Summit of the Americas' Action Plan and the U.S.-EU Transatlantic Marketplace, 'have created more than two million American jobs' (WH 1996). The 1996 report concludes that the US should 'continue its efforts in further enhancing U.S. access to foreign markets' through bilateral, regional and multilateral arrangements (WH 1996):

"The success of American business and our ability to create quality jobs for our workers is more than ever dependent upon success in exporting to international markets. The ability to compete internationally also assures that our companies will continue to innovate and increase productivity, which in turn will lead to improvements in our own living standards. But to compete abroad, our firms need access to foreign markets, just as foreign industries have access to our open market. We vigorously pursue measures to increase access for our goods and services — through bilateral, regional and multilateral arrangements" (WH 1996).

This emphasis on working through bilateral, regional and multilateral arrangements for 'expanding free trade' and 'vigorously pursuing measures to increase access' to foreign markets is a common feature of the all American national security strategies. In various

documents it is stated that these arrangements can be reached at different levels: ‘the United States will work with individual nations, entire regions, and the entire global trading community to build a world that trades in freedom’ (WH 2002). In these efforts, the importance of different groups and institutions, such as government officials, nongovernmental and private groups (mainly private firms, which are seen as ‘natural allies in [the US]’ efforts to strengthen market economies’), is also underlined (WH 1996). However, the multilateral means are far the most widely stressed and suggested method. According to the American political establishment, a strategy to expand and strengthen market economies around the world ‘requires international efforts to open markets and expand trade; to strengthen cooperation among major industrial countries and with international financial institutions’ (NSC 1991). Aside from Development Banks, there are three international institutions that are cited frequently: the World Bank, the IMF and the World Trade Organisation (WTO).

The need to support the World Bank for the purpose of expanding and strengthening market economies across the globe is expressed very frequently: ‘[The US] must continue to help nations embrace open markets, improve living standards and advance the rule of law and [the US] must support the World Bank and other organizations that multiply our contributions to progress many times over’ (WH 1997). The IMF is also seen as an important institution that should be worked closely in order to help the US to implement its global ‘comprehensive strategy’: ‘[The US] will continue to work with the IMF to streamline the policy conditions for its lending and to focus its lending strategy on achieving economic growth through sound fiscal and monetary policy, exchange rate policy, and financial sector policy’ (WH 2002). The special attention is paid to the regulatory function of the IMF, especially in the case of financial crises that occur in the developing world:

“We are committed to policies that will help emerging markets achieve access to larger capital flows at lower cost. To this end, we will continue to pursue reforms aimed at reducing uncertainty in financial markets. We will work actively with other countries, the International Monetary Fund (IMF), and the private sector to implement the G-7 Action Plan negotiated earlier this year [2002] for preventing financial crises and more effectively resolving them when they occur. (...) The best way to deal with financial

crises is to prevent them from occurring, and we have encouraged the IMF to improve its efforts doing so” (WH 2002).

These remarks and the expressions such as ‘streamlining’, ‘supporting’, ‘working actively’, etc. provide some rather covert hints about the American political establishment’s perceptions of the functions of the international economic institutions such as World Bank and the IMF in regards to the US’ global economic vision. They also bring up the issue of the nature of the American understanding of the multilateralism in the management of the global political economy. However, this understanding becomes more obvious on the issues regarding the WTO, as the institution was recently initiated and was gradually structured since 1995. For example, in a statement made in the *National Security Strategy of Engagement and Enlargement* report of 1996, it is openly stated that the WTO will provide a new institutional lever for securing US access to foreign markets:

“The Administration intends to continue its efforts in further enhancing U.S. access to foreign markets. The World Trade Organization (WTO) will provide a new institutional lever for securing such access” (WH 1996).

In the 1997 document of the second Clinton Administration, the successful cases of securing American access to foreign markets through the WTO are vividly described:

“We [...] concluded a landmark WTO agreement that will dramatically liberalize world trade in telecommunications services. Under this agreement, covering over 99 percent of WTO member telecommunications revenues, a decades old tradition of telecommunications monopolies and closed markets will give way to market opening deregulation and competition principles championed by the United States. We would use fast track authority to negotiate agreements in other such sectors where the U.S. is most competitive. We will attempt to conclude by the end of 1997 a new agreement to open trade in financial services. The WTO agenda also envisions further negotiations to reform agriculture and liberalize trade in services in 1999” (WH 1997).

It is apparent that the US not only has the intention to shape the policies of the WTO, but also sees in itself the right to define institutional working practices. While talking about the accession negotiations of countries seeking to join the WTO, the 1997 national security report shows to what extent the US is willing to be in the driving seat of the WTO:

“As always, the United States is setting high standards for accession in terms of adherence to the rules and market access. Accessions offer an opportunity to help ground new economies in the rules-based trading system. This is why we will take an active role in the accession process dealing with the 28 applicants currently seeking WTO membership” (WH 1997).

This approach clearly shows that US’ understanding of multilateralism in the management of the global economy is actually far away from being multilateral in the real sense of the term. It seems that, as in the case of the political management of the world, the US assigns itself the role of a leader in the management of the global economy. This claim to leadership, though apparent in all documents, is summarised in a very explicit way in the preface of the 1997 national security strategy document by the President Clinton:

“First and foremost, we must exercise global leadership. [...] as the world’s premier economic and military power, and with the strength of our democratic values, U.S. engagement is indispensable to the forging of stable political relations and open trade to advance our interests” (WH 1996).

Tools for Implementing the National Security Strategies

Throughout all the American administrations, there seem to be three main instruments at the US’ disposal with which the political establishment is able ‘to shape the international environment in ways favourable to U.S. interests’ and ‘to influence the actions of other states and non-state actors’: diplomacy, international assistance and military activities (WH 1997). Although some of these tools have been mentioned so far while reviewing American national security goals (i.e. political-military, normative and economic goals), it would be useful briefly to examine them separately, as they have not

been covered in their integrity. The benefit of this separate investigation would be to contribute to a better understanding of the ways of influencing, shaping or disciplining the world's political, normative and economic structures in such a way that they conform with specific forms envisaged by the US political establishment.

Diplomacy

In all the US national security documents it is consistently stated that the diplomacy is the US' 'first line of defense against threats to national and international security' (WH 1997). According to the US political establishment this 'first line of defense' is able to shape security and economic structures of the world: 'the daily business of diplomacy conducted through [American] missions and representatives around the world is a vital shaping activity' (WH 1997). Its functions are also wide in range:

"These efforts are essential to sustaining our alliances, forcefully articulating U.S. interests, resolving regional disputes peacefully, averting humanitarian catastrophe, deterring aggression against the United States and our friends and allies, creating trade and investment opportunities for U.S. companies, and projecting U.S. influence worldwide" (WH 1997).

The US political establishment recognises the power of its diplomacy and sees it as leverage providing advantages 'on almost every global issue'. It is argued that the power of the American diplomacy originates from the 'economic and military might' of the US. Consequently, this vision leads to the assumption that US diplomats are *primus inter pares*:

"Our extraordinary diplomatic leverage to reshape existing security and economic structures and create new ones ultimately relies upon American power. Our economic and military might, as well as the power of our ideals, also makes America's diplomats the first among equals and enables us to help create the conditions necessary for U.S. interests to thrive. Our economic strength gives us a position of advantage on almost every global issue" (WH 1996).

It must be noted that the diplomacy is not seen as an activity that is conducted solely with diplomats. The American national security documents recognises that there are other channels of spreading the sphere of influence and shaping world affairs:

“Through broadcasts, academic and cultural exchanges, press briefings, publications, speakers and conferences, we engage those abroad in a dialogue about who and what we are — to inform foreign audiences about our policies, democratic traditions, pluralistic society and rich academic and cultural diversity. We will increase our efforts to clarify what America has to contribute to the solution of global problems — and to drive home democracy’s place in this process” (NSC 1991).

International Assistance

The second instrument used by the American political system to shape the international environment in favour of the US interests is international assistance. The 1991 national security document states that ‘managed wisely, [the US] aid programs can play a key role in fostering a world order that comports with [American] fundamental values’. In the report, which notes that ‘foreign assistance is a vital instrument of American foreign policy’, the functions of foreign assistance are listed in five major categories: promoting and consolidating democratic values, promoting market principles, promoting peace, protecting against transnational threats, meeting urgent human needs (NSC 1991). Under these major categories, the document states that the American international assistance programs

- are ‘a valuable instrument for fostering political choice, human rights and self-determination’ (it is also added that ‘[F]rom Central America to South Africa to Eastern Europe, [the US] has used our influence to advance these universal goals’);
- ‘must encourage economic reform and sustainable development’ (...) ‘through institutions like the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade’ [currently WTO], and ‘foster policies that break down statist barriers to enterprise and unleash the productive forces within every society’;
- ‘allow friendly states to achieve the security and stability essential for political freedom and economic growth’;
- help ‘combat’ dangers such as ‘international terrorism, narcotics, AIDS and environmental degradation’ (NSC 1991).

The 1997 national security report also comments on the successes and benefits of the American international assistance programs:

“From the U.S.-led mobilization to rebuild post-war Europe to the more recent creation of export opportunities across Asia, Latin America and Africa, U.S. foreign assistance has helped expand free markets, assisted emerging democracies, contained environmental hazards and major health threats, slowed population growth and defused humanitarian crises. (...) Where foreign aid succeeds in consolidating free market policies, substantial growth of American exports has frequently followed” (WH 1997).

Military Activities

The 1996 national security strategy document makes it clear that ‘when [US’] national security interests are threatened, [the US administration] will, as America always has, use diplomacy when [it] can, but force if [it] must’ (WH 1996). By force, obviously, is meant ‘military response’. However, ‘military response’ is in the last row of a huge matrix of ‘military activities’ that are seen as the third instrument used by the American political system to shape the international environment. The 1997 document provides a brief framework of this matrix of military activities. It states that the US military plays an ‘essential role in building coalitions and shaping the international environment in ways that protect and promote U.S. interests’ through a various range of means. These means are listed as ‘the forward stationing or deployment of forces, defense cooperation and security assistance, and training and exercises with allies and friends’. It is argued that through these means four main objectives are pursued: ‘to promote regional stability, deter aggression and coercion, prevent and reduce conflicts and threats, and serve as role models for militaries in emerging democracies’ (WH 1997).

The report explains how the American military promotes regional stability in numerous ways. It notes that in the regions ‘where the U.S. has clear, vital interests’ such as ‘Europe, East Asia and Southwest Asia’, the American military ‘helps assure the security of key allies and friends’ (WH 1997). It states that with countries that are ‘neither staunch friends nor known foes, military cooperation often serves as a positive

means of engagement, building security relationships today in an effort to keep these countries from becoming adversaries tomorrow’ (WH 1997).

The report qualifies ‘deterrence of aggression and coercion on a daily basis’ as another ‘crucial aspect of the military’s shaping role’ and it has several aspects:

“Our ability to deter potential adversaries in peacetime rests on several factors, particularly on our demonstrated will and ability to uphold our security commitments when they are challenged. We have earned this reputation through both our declaratory policy, which clearly communicates costs to potential adversaries, and the credibility of our conventional war-fighting capability, as embodied in forces and equipment strategically stationed or deployed forward, our rapidly deployable stateside-based forces, our ability to gain timely access to critical infrastructure overseas, and our demonstrated ability to form and lead effective military coalitions” (WH 1997)

Regarding the nuclear deterrence, it is noted that:

“Finally, our nuclear deterrent posture is one of the most visible and important examples of how U.S. military capabilities can be used effectively to deter aggression and coercion. Nuclear weapons serve as a hedge against an uncertain future, a guarantee of our security commitments to allies and a disincentive to those who would contemplate developing or otherwise acquiring their own nuclear weapons” (WH 1997).

The 1997 report argues that ‘through modest military-to-military activities and increasing links between the U.S. military and the military establishments’, the American armed forces ‘also serve as a role model for militaries in emerging democracies around the world’. It seeks to ‘strengthen norms for defense establishments that are supportive of democracy, transparency, respect for human rights and civilian control in defense matters’. It also adds that through continued engagement with other countries’ armed forces, American ‘modest military activities and presence (...) are helping to transform military institutions’ and ‘reinforcing the positive trend in civil-military relations’ (WH 1997).

A Summary of the US Vision of World Order

The elaboration of the national security documents published between 1988-2002 shows that there has been an outstanding consistency about the central US national security goals since 1988: to preserve and expand the US' political-military strength to lead the world, to promote the liberal democracy in all corners of the world; and to bolster the US economy and to introduce economic liberalism around the world. These goals are also indicative of the US political establishment's vision about how the current world order should be: the US should reshape existing security, economic and political structures, and to build new ones that would facilitate the realisation of the US national interests, and the US administrations should use diplomacy, international assistance and military activities singly or in combination to shape the international environment in ways favourable to US interests. In other words, an order where all the military, political, normative, economic, etc. arrangements should be determined *by* and *for* the US global leadership. The elaboration has also documented that to achieve, sustain, reinforce and extend such a world order, in other words, *to order* this specific world order, some concrete guidelines are formulated:

- On the political front: US military/political mission should be achieved through a steady expansion of the US military infrastructure globally. The general framework of US foreign policy should be characterised by its unilateral nature, not only in the sense that the US international actions would be solely determined by the US political elite, but also in the sense that supposedly multilateral institutions such as UN would be controlled by the US;
- On the normative front: The task of bringing liberal democracy, respect for human rights and civil liberties to every corner of the world should be carried out by the US; yet this task should not take the form of a democratic crusade, but rather all actions should be decided on strategic interests through the lens of pragmatism;
- On the economic front: Based on the premise that democracy and economic liberalism (in the form of market economies and the international free trade) are inherently interrelated and reinforce each other, the US should have a comprehensive strategy to seize the global initiative, to press regional initiatives and to move ahead with bilateral free trade agreements, in conjunction with international financial institutions.

The next section will specifically test if the application of US-led War on Drugs is in conformity with these guidelines. It will argue that the War on Drugs, in its totality, is operating as a perfect *world ordering* project, as it operates according to and fulfils the objectives of these guidelines.

III: War on Drugs as a World Ordering Project

Political Ordering: Military Expansionism and Unilateralism

As it has been showed in the previous chapters, the US War on Drugs has been initiated and continually structured on the premise that the drug problem is predominantly a supply side problem. Subsequently, as the historical evidence shows, the application consistently resorted to an increasing use of different law enforcement measures, which ended up in the use of military means. This gradual process of militarisation of the War on Drugs, as we have already seen in the example of Bolivia, constituted an excellent pretext for the US military expansionism. In fact, as again the historical evidence shows, the War on Drugs has definitely served as a pretext of US military expansion in the whole Latin American continent.

The timing of the declaration of the War on Drugs and the Andean Strategy that officially started the process of militarisation in 1989 is crucial: the militarised War on Drugs coincided with the end of the Cold War and the disappearance of ‘communist and subversive’ threat, a historical turning point when the Pentagon started to change its stance towards the War on Drugs. The Pentagon, which at least on their overt official line had distanced itself from the War on Drugs till that time, was worried of ‘the possible loss of budgets, power, and influence, so they became more interested in participating in the anti-drug crusade, both its surveillance and Andean aspects’ (Marby 1991).

In other words, the counter-narcotics mission served important interests of the US military in Latin America, just as it gave the military the chance to replace its Cold War strategy with a new mission in the hemisphere. That was practically easier too: ‘the new

enemy included many old foes, allowing US military personnel to employ the same tactics that they had used in fighting communism' (Zirnite 1998b). 'Like the Soviet threat', Chomsky notes, the War on Drugs provided 'a good excuse for a US military presence where there's rebel activity or other unrest' (Chomsky 1992: 82). Thus the War on Drugs has replaced the Cold War as the central US military mission in the hemisphere, a transition that Morales defines as 'a militarised reassertion of US hegemony in the region via the drug war' and names it 'narco-imperialism' (Morales 1989).

In the light of these structural global changes, it was not a coincidence that US Southern Command (SouthCom) announced that drugs are its 'number one priority' in 1990 (WOLA 1991: 1). Since then, the South and Central Americas witnessed a steady expansion of SouthCom, which embraced a new role in the War on Drugs, not only in terms of the numbers of its deployments but also in a geographical sense. Currently SouthCom is the unified command responsible for all US military activities on the landmass of Latin America south of Mexico; the waters adjacent to Central and South America; the Caribbean Sea, with its 13 island nations; the Gulf of Mexico and a portion of the Atlantic Ocean⁷⁷. SouthCom's area of responsibility encompasses 32 countries (19 in Central and South America and 13 in the Caribbean) and covers about 14.5 million square miles (23.2 million square kilometers)⁷⁸ (SouthCom 2003). As

⁷⁷ The US military presence and expansion in Latin America predates the War on Drugs or the Andean Strategy and it goes back as far as the beginning of the century, the 1940s and 1950s being the climax period when strong military relations were established between the US Southern Command (SouthCom) in Panama and the national security forces in the region. The US SouthCom traces its origins to 1903 when the first US Marines arrived in Panama to protect the Panama Railroad connecting the Atlantic and Pacific Oceans across the narrow waist of the Panamanian Isthmus. The task force which had a civilian nature at the beginning, changed from a civilian to a military project in 1907. In 1911, the first troops of the US Army's 10th Infantry Regiment arrived at Camp E. S. Otis, on the Pacific side of the Isthmus, with the primary responsibility of the defence of the Panama Canal. The Panama Canal Department was activated as a geographic command of the US Army in 1917 and it remained as the senior Army headquarters in the region until activation of the Caribbean Defense Command in 1941. Finally in 1963, reflecting the fact that the command had a responsibility for US military operations primarily in Central and South America, rather than in the Caribbean, it was formally redesigned as the SouthCom (SouthCom 2003). The command eventually assumed operational responsibility over air and naval forces assigned in its area of operations. By early 1942, a Joint Operations Center had been established at Quarry Heights. In the meantime, military strength in the area was gradually rising and reached its peak in January 1943, when 68,000 personnel were defending the Panama Canal. Military strength was reduced with the termination of World War II. Between 1946 and 1974, total military strength in Panama fluctuated between 6,600 and 20,300. From 1975 until late 1994 total military strength in Panama remained at about 10,000 personnel (SouthCom 2003).

⁷⁸ It has the following components: United States Army South (USARSO) at Fort Buchanan, Puerto Rico; Commander US Naval Forces Southern Command (COMNAVSO), at Naval Station Roosevelt Roads, Puerto Rico; US Southern Air Forces (12th Air Force at Davis-Monthan Air Force Base in

today, the US military presence in the region surpasses that of civilian diplomats. The State Department has about 16,000 direct-hire employees at posts throughout the world; Latin America accounts for a modest fraction of that total (about 4,000) (Isacson 2001). Meanwhile, the Southern Command, the unit responsible for US military activities in Latin America and the Caribbean, has a staff of 800 military and 325 civilian employees at its Miami headquarters, while two of its components —US Army South in Puerto Rico and Joint Task Force-Bravo in Honduras— combine for an additional 570 military and 1,390 civilian staff. Another 107 officers work in Milgroups, managing security assistance programs at US embassies throughout the region, and still more are assigned to Special Operations Command South in Puerto Rico and at “Forward Operating Locations” — support bases for US counter-drug aircrafts — in Ecuador, El Salvador, and the Netherlands Antilles. On temporary deployments, more than 55,000 military personnel, including National Guard troops and reservists, pass through Latin America in a typical year (Isacson 2001).

The application of recent American War on Drugs also provides a first hand proof of different dimensions of US unilateralism. The first dimension is the ‘unilateral use of multilateral institutions’. This is a long historical practice, especially when the constitution of international anti-drug regulations at the beginning and throughout the twentieth century is taken into consideration. At the beginning of the century, prohibition-based drug control grew to international proportions at the insistence of the US, as stated in the Chapter 2. Researchers of the subject point out that the US has consistently and very effectively *used* the League of Nations and the United Nations as the international agency to create, spread, and supervise world-wide drug prohibition (Bewley-Taylor 1999).

However, the unilateral use of the multilateral institutions, and mainly of the UN, is not only a thing of the past, but has also been in practice in recent times. A good example of

Arizona); US Marine Forces South (MARFORSO) in Miami, Florida; and Special Operations Command at Roosevelt Roads, Puerto Rico. In addition, under the Southern Command there are the Joint Inter-Agency Task Force-East (JIATF-East) located at Naval Air Station Key West, Florida; the Joint Task Force-Guantánamo located at US Naval Base Guantánamo Bay, Cuba; the Joint Southern Surveillance Reconnaissance Operations Center (JSSROC) located at Truman Annex, NAS Key West, Florida; the Joint Task Force-Bravo located in Honduras; and 26 Security Assistance Organizations (SAO) throughout the region. These SAOs are organized as Military Groups (MilGps), Military Liaison Offices (MLOs), Office of Defense Representative (ODRs), Offices of Defense Cooperation (ODCs), Office of Defense Assistance (ODAs) and Military Assistance Advisory Group (MAAGs) (SouthCom 2003)

this kind of use is the United Nations General Assembly Special Session on the World Drug Problem (UNGASS) held from 8 to 10 June of 1998 in New York. The session was proposed by the Commission on Narcotics Drugs (CND), which is the central policy-making body within the UN system dealing with drug-related matters, under the roof of the United Nations International Drug Control Programme (UNDCP)⁷⁹. The 1998 UNGASS was originally called to evaluate the effectiveness of the current worldwide repressive drug control regime, including the US-led War on Drugs in the Andean countries. During the preparatory phase at the CND, the efforts on re-evaluation of worldwide drug control regime backfired, despite the general tendency to do so. Eventually the UNGASS reconfirmed the continuation of repressive drug control regime, under the pressure of the US. The General Assembly in their political declaration gave the UNDCP the mandate ‘to develop strategies with a view to eliminating or significantly reducing the illicit cultivation of the coca bush, the cannabis plant and the opium poppy by the year 2008’ (UNODC 1998). David Bewley-Taylor, in an analysis on the state of the current UN drug control system, points out the working mechanisms of the CND and the influence of the US⁸⁰ (Bewley-Taylor 2002):

“The complex dynamics of the 53-member body creates considerable inertia resisting any significant change within the regime. Additionally, while perhaps not as dominant as in earlier years, the US still plays an important role in influencing the direction taken by the Commission. As a diplomat at the UN in Vienna observed only a few years ago *‘Wherever a nation seems about to break ranks [with Washington’s views on prohibition] the US will be there, cajoling or threatening’*. (...) As its staunchest defender, it is the US that maintains the regime’s disciplinary framework. Pressure from Washington has long supplemented the moral legitimacy bestowed upon the doctrine of prohibition by the UN” (italics in original).

⁷⁹ The General Assembly, in its resolution 46/185 of 20 December 1991, established the Fund of the United Nations International Drug Control Programme (UNDCP) and expanded the mandate of the CND to enable it to function as the governing body of the Programme. CND analyses the world drug situation and develops proposals to strengthen the international drug control system to combat the world drug problem (UNODC 2003).

⁸⁰ The opposition against the US in the CND became apparent when the US was voted off the Commission in May 2001 for not having paid their UN dues. Following the event, the Washington Times reported the furious reaction from the US expressed in the words of John Feehrey, spokesman for House Speaker: ‘The United Nations stuck their finger in our eye. There is a danger that the United Nations made a serious mistake here, and there will be consequences’ (Carter 2001).

The application of the US-led War on Drugs is unilateral also in the sense that the practice is predominantly, if not solely, determined by the US political establishment. The historical evidence shows that the War on Drugs in the Andes does not require any consultancy in advance or authorisation of the states that the war targets. For instance, as explained in Chapter 2, the Andean Strategy, which decided that the Andean militaries would be used in War on Drugs, was first unilaterally taken by the Bush administration and then was imposed on Andean governments by bilateral agreements. The American unilateral interference has been so intrusive that the political sovereignty of these countries has significantly been curtailed. For instance, as pointed out in Chapter 3, in the case of Bolivia the US ‘legal advice’ was to the extent that an institution of the US political system, i.e. USAID, assisted in the formulation of a national law, the *Ley 1008*.

Another obvious example of the US unilateralism is the certification process. As Jeremy Nelson points out, the process does not allow for a discussion of strategies not supported by the US, nor does it allow for any criticism of the US for its lack of progress in cutting domestic demand. Further, the process does not provide any recourse for countries that disagree with the President’s decisions (Nelson 2001: 7). Recently, the Mexican president Vicente Fox, a close ally of both the Clinton and Bush administrations, has criticized the US of being unilateral regarding the certification procedures, by stating that ‘[control on drugs] is an international issue that needs to be confronted with methods that are coordinated internationally’ (quoted in Nelson 2001: 7)⁸¹. Yet the certification process is still in place. In a way, the application of War on

⁸¹ The importance of the certification procedure is that it is used, not only as a tool of economic leverage, but also a tool of political leverage. The case of decertification of Paraguay in 1999, for instance, was principally aimed to destabilize retired General Lino Oviendo’s government. Obviously, the declared reason of decertification was on the grounds that the Paraguayan government had not cooperated enough in the fight against drug trafficking. However, there was also another ‘undeclared’ pretext: Oviendo was a retired military, ‘potentially’ endangering the country’s democratic system. This, however, did not make much sense, especially when it is remembered that the US did not apply the same to the retired general Hugo Banzer who took the presidency in Bolivia. The editorial of the Argentinean newspaper, *Pagina* (published on 2 February 1999), dispatched the contradictions resulting from the political nature of the certification procedure: “The US State Department’s annual drug ‘certification’ process (...) looks more and more like a round of Nobel Prize awards, because both ceremonies give more importance to political—or geopolitical— aspects rather than to the true merits of those who are awarded the prize. For example, Mexico is the door for 65 per cent of the cocaine entering the United States, and it produces 14 per cent of the heroin Americans consume.... Colombia, on its part, is the key drug producer in the hemisphere, together with Peru and Bolivia. Nevertheless, the State Department chooses to certify these four, at the same time it decertifies Paraguay —considered a transit country, though it does not apply the corresponding sanctions— aid suspension and blocking of international credits. (...) The reasons? Mexico is a US partner in NAFTA, Colombia is dangerously handling the guerrillas to avoid disintegration, while

Drugs not only displays the practice of American unilateralism but also works as a continuous mechanism that *reinforces* and *normalises* it.⁸²

Social Ordering: Stepping up the Social Control

All the US national security documents analysed in the previous section openly state that the responsibility of globally expanding liberal democracy, respect for human rights civil liberties, and so on, is on the shoulders of the US, as long as this mission is pragmatically prioritised in the context of strategic interests. The application of the recent War on Drugs constitutes a clear case where the US pragmatism overtakes other concerns such as the global expansion of democratic practices and determines the guidelines of the policy making. Contrary to US, policy makers claim that effective counter-narcotics efforts would serve to enhance democracy, human rights, and civil liberties (van Wert 1992: 22-23) the evidence of the Bolivian case shows that the War on Drugs, far from promoting these political goods, has continuously devaluated them (Arganaras 1997: 75-76). The facts that the negative effects of the War on Drugs on democratic norms are also recognised by the US political establishment (Ledebur 2002) and that the application is still in place suggest that pragmatism prevails and the concern about democracy stays at rhetorical level. Yet, arguably, this rhetoric is not purposeless but rather, by providing a legitimisation pretext, facilitates the realisation of different US priorities determined through the lens of self-centred pragmatism.

The detrimental effects of War on Drugs on democracy through the War on Drugs are evident in the case of Bolivia. If taken in its *narrowest* sense — i.e. the existence of regular elections and civilian governments—, it is possible to conclude that there has been democracy in Bolivia since 1982. Although the period in which civilian governments were consolidated in the Bolivian political system coincides with the period of the US-led War on Drugs has begun, there is no evidence to support the claim that there is a direct causal relationship between the two⁸³. Yet, the same lack of

Peru and Bolivia have made different deals with DEA. But in Paraguay, General Oviedo is the United States' '*bête noire*' in the region, and the embassy in Asuncion has become a conspiracy centre and a press office against the government." (quoted in U.S Information Agency 1999)

⁸² For similar arguments for the War on Terrorism see (Achcar 2002: 76-81).

⁸³ It must be noted here that it is true that in the years 1980 and 1981, the US concerns and policies over Bolivian coca/cocaine production have helped the removal of the General Luis Garcia Meza's dictatorship. Washington imposed a fifteen-month boycott 'eroded legitimacy, restricted foreign

evidence neither allows the overruling of the possibility that there is a relationship nor provides any information about the nature of that relationship — if there is any relationship at all. In this case, a *slightly* broader concept of democracy might help the accomplishment of the investigation in hand. For instance, did the War on Drugs help Bolivian democracy to broaden the base of political participation through the selection of economic and social policies? Did it increase the levels of civilian authority? Did it strengthen the rule of the law? Did it develop civil and political liberties? Did it improve the record of the human rights in Bolivia? Let us see.

As stated in the previous chapter, the US War on Drugs in Bolivian has always put forceful eradication and interdiction on the top of the list of priorities. Bolivian governments, at the expense of their political future, have opted to follow the militarisation path laid down by their American counterparts in order not to get ‘decertified’ and not to lose desperately needed international credits and financial aid. By prioritising forced eradication through the use of security forces, the US-designed War on Drugs has reinforced the involvement of the military —a group, which in the past, has been the major obstacle for Bolivian democracy— in law enforcement issues. The US administrations preference for using military and paramilitary forces in the War on Drugs worked against the democratic norm that counter-narcotics operations are a law enforcement function reserved for civilian police. In fact, ironically, the War on Drugs required the involvement of the Bolivian military in roles that would be illegal in the US⁸⁴:

US units cannot conduct domestically the types of counterdrug operations for which they train their regional counterparts. Barring extreme circumstances, the US military does not keep public order, though Special Forces frequently teach “Foreign Internal Defense” and similar domestic-control skills overseas (Isacson 2001).

assistance, and encouraged internal competition’ (Dunkerley 1984: 292). However, as James Dunkerley notes, other structural problems — independent from the US policies— have also paved the way to the downfall of García Meza’s dictatorship: an already existing ‘severe and escalating fiscal crisis of the state’, ‘decreasing production and falling prices for the country’s core exports’, ‘substantial disunity inside the ruling bloc’, ‘an inability to complement the political defeat of the left with a complete destruction of its syndicalist foundations’, and ‘lack of any serious strategy or social support’ of the government (Dunkerley 1984: 292-3).

⁸⁴ Posse Comitatus Act of 1878 outlaws military involvement in civilian law enforcement (Smith 1996)

As explained in the previous chapter, the process of militarisation of the War on Drugs dramatically increased the levels of violence in Bolivia. More importantly, it contributed to the erosion of political legitimacy of civilian authority, as the Bolivian public was aware that this process was dictated by the US in a way to contravene the political sovereignty of the country⁸⁵. In this way, there is no doubt that the War on Drugs has impeded the Bolivian democracy (Arganaras 1997: 75):

“The “political goods” of liberal democracy are well known: free and fair elections, political parties, separation of state powers, representativeness, and civil liberties. At the root of all this is the principle of popular sovereignty and participation, which legitimises this form of political rule. Counternarcotics policies have directly and indirectly devaluated these goods by fostering formal allegiance to the official features of the political system while inducing practices that minimize or preclude popular participation and control of state policy.”

The US War on Drugs has also led to the implementation of a tight social control system in Bolivia at the expense of civil liberties and human rights. Legislations, such as the *Ley 1008*, adopted exclusively for the War on Drugs brought about curtailment of civil liberties. The powers of law enforcement units, which included some military and paramilitary units, have dramatically increased: these units did legitimately go undercover anywhere and investigate anyone (Levine 2001). Government officials did use anti-drug squads to conduct surveillance operations, suppress any social opposition, and target unions and its leaders. As we have explained in the previous chapter, in the context of War on Drugs *cocaleros* have been consistently denied the right to participate in the decision-making processes regarding their livelihoods (Arganaras 1997: 66-67), they have been labelled as ‘narco-terrorist’ (Ledebur 2003: 6), and their union’s leaders have been detained.

The conduct of War on Drugs, and especially the practice of forced eradication, has also led to gross violations of human rights in Bolivia. A long list of other human right abuses, as a direct cause or side effects of the War on Drugs —such as detentions,

⁸⁵ Arguably, the social turmoil of 2003 that led to the resignation of the president Gonzalo Sanchez de Lozada is closely linked to the Bolivian political system’s gradual loss of legitimacy in the eyes of the Bolivian public.

mistreatment, torture and killing of the local population— became ‘normal’ in Bolivia’s primary coca growing Chapare region⁸⁶. Yet the US officials have consistently opted not to act against these human rights violations, despite the fact that US internal legislation such as the Leahy Amendment⁸⁷ forbidding the support of security forces that commit gross human rights violations could have been used as a powerful leverage to act, if the strengthening of democracy had been prioritised. In fact, in order to avoid the requirements of these kinds of internal legislations the US officials have consistently brushed aside evidence that the War on Drugs causes human rights abuses:

“Although embassy officers state that they consult a variety of sources when looking into human rights cases, they routinely cite the Bolivian government and security forces as their principal source. Human Rights Watch highlighted the same problem in 1995: ‘US officials dismiss or downplay abuses by US-supported counternarcotics forces’ and ‘make excuses for or attempt to justify human rights violations’” (Ledebur 2002).

The superficiality of the US human rights rhetoric is also evident in the US-led military trainings. Although US military officials stress that one of the vital components of these trainings are the issue of human rights, there are some dubious incidences that weakens this claim. For example the SOA was rocked by revelations in 1996 that as recently as 1991 it used manuals advocating torture and murder of political opponents (Zirnite 1998a). Counter-insurgents must monitor the ‘system of public education,’ and the influence of ‘politics on teachers, texts, and students’ and ‘the relations between religious leaders (domestic or missionaries), the established government and the insurgents’ (Stokes: 15). But one does not need such documents in order to see that the ‘stress on human rights’ is rather rhetorical, especially when some notorious trainees of the Cold War era are remembered. As Mauricio Saavedra puts it, ‘it was at this and other American schools that mass murderers such as Chile’s secret police chief, Manuel

⁸⁶ There have been of fifty-seven documented cases of *cocaleros*’ deaths at the hands of the security forces between 1987 and 2001 (Ledebur 2002).

⁸⁷ The Leahy Amendment provides the US government with means to ensure that US funds do not go to security forces that commit gross human rights violations. It requires that these abuses be investigated and the responsible parties face prosecution, stating: None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such a country is taking effective measures to bring the responsible members of the security forces unit to justice (WOLA 2003).

Contreras, and Argentina's military dictators, generals Roberto Viola and the recently deceased Leopoldo Galtieri, were inculcated with anti-communist doctrine' (Saavedra 2003). It must be remembered that Hugo Banzer was also a trainee of these institutions.

It is also worth noting that the War on Drugs does not only generate a system of tight social control internationally, but also domestically, i.e. in the US. For example, with the implementation of tougher law enforcement measures⁸⁸, drug-related arrests and imprisonments have skyrocketed in the US. Whereas in 1973 there were 328,670 arrests for drug law violations, in 1998 that number rose to 1,559,100. However, of those 1,559,100 arrests, only 330,529 (21.2 percent) were for the sale or manufacture of a drug. The majority of arrests (1,228,571 cases or 78.8 percent of the total) were for possession of a controlled substance (CSDP 2001: 22). The numbers of imprisonments have also followed a similar upwards trend. The incarceration rate in the US was 313 inmates per 100,000 US residents in 1985, 458 per 100,000 in 1990, 645 per 100,000 in 1998 and 682 per 100,000 in 1999 (CSDP 2001: 88-89). The largest single factor contributing to this imprisonment wave was the exponential rise in drug arrests (CSDP 2001: 88)⁸⁹.

The case of War on Drugs shows that the US concern about the institutionalisation of democracy, civil liberties, and human rights is of a secondary nature compared to other concerns, i.e. other national interests, in the overall analysis regarding policy making. Yet the rhetoric, which has taken the form of hegemonic discourse, is useful in providing a *seemingly* legitimate basis to facilitate the realisation of different US priorities, such as political intervention, military expansionism, and more importantly

⁸⁸ With the surge of crack cocaine use in the US at the end of the 1980s, federal penalties went. Dominic Streatfield explains vividly this process: 'In 1998 Senator Jesse Helms (Republican, North Carolina) lobbied for a law dictating that, since crack was a hundred times more addictive than cocaine (no one knows where this statistic came from), possession of it should merit a penalty a hundred times greater. Unbelievably, it was passed' (Streatfield 2001: 323-324).

⁸⁹ It must be noted that the 'iron fist' of the War on Drugs aggravated the racial disparities in the US. It is estimated that of 13 million drug users in the US 72 percent are whites, 15 percent are blacks and 10 percent Hispanics (CSDP 2001: 95). These figures are also parallel to the composition of the American society, which is, according to the US Census Bureau estimates in 1999, as follows: whites constitute 71.5 percent, blacks 12.2 percent, and Hispanics 11.8 percent of the total population (CSDP 2001: 94). Yet, blacks constitute 36.8 percent of those arrested for drug violations (CSDP 2001: 95). Among persons convicted of drug felonies in state courts 32 percent of convicted white defendants received a prison sentence, while 46 percent of African-American defendants received prison sentences (CSDP 2001: 95). In 1998 blacks (60 percent) and Hispanics (22.5 percent) accounted for 82.5 percent those in state prisons for drug felonies (CSDP 2001: 95). Also, the average federal drug offence sentence was 49 percent higher for blacks than whites (CSDP 2001: 97).

social disciplining, as shown so far. However, the rhetoric is also extremely instrumental in the global expansion and thus constitution of neoliberal market relations, as it will be explained in the following section.

Economic Ordering: Expansion Neoliberal Market Relations

One of the official objectives of the War on Drugs is that it can ‘serve to enhance the democratic strength ... *thus* enabling the growth of healthy economies which, in turn, creates higher standards of living within the country and attractive trading partners for US business interests’ (van Wert 1992: 23). In other words, the objective has two components: the War on Drugs can a) generate a healthier economy and b) achieve the expansion of market economies and free trade arrangements favourable to the US business.

The evaluation of the first part of the objective is relatively straightforward in the context of Bolivia. A brief observation of some crucial macro and micro economic indicators, such as per capita income, external debt, population living below the poverty line, and so on will show that the War on Drugs did not generate a growth of healthy economy. In its general economic indicators Bolivia is still ‘closer to sub-Saharan African than Latin American levels’, as was the case before the War on Drugs (Potter & Farthing 2000). With more than US\$ 6 billion external debt, Bolivia is still one of the world’s most indebted nations. As was mentioned in previous chapters, the Bolivian economy has always been dependent on external debt and the War on Drugs has not changed this fact by any means. Indeed, even the opposite might be argued. The external debt of Bolivia grew from an average of US\$ 1,243 million between 1970 and 1979, to US\$ 4,288 million between 1980-1989, and to US\$ 5,005 million between 1990-1999⁹⁰. It is not surprising that the Bolivian debt bill continues to rise as imports are increasing, and exports are decreasing (see table 3.2). Yet this is not the only problem: Bolivia is still heavily dependent on its primary exports, i.e. the exports of its natural resources. The share of primary exports as a percentage of all exports was 78

⁹⁰ The averages are calculated from the data provided by Oxford Latin American Economic History Database. Total External Debt comprises total debt, (including the sum of public, publicly guaranteed, and private non-guaranteed long-term external debt, use of IMF credit, and short-term debt), owed to non-residents repayable in foreign currency, goods, or services; expressed in million US dollars. Data is available online at <http://oxlad.thedesignfly.net/search.php>.

percent in 2001, a significantly high rate underlying the dangerous international dependency of the Bolivian economy (UNDP 2003: 288). It is worth remembering that the terms of trade in 2000 was 53 (base 1980=100), meaning that the price of exports has halved relative to the price of imports in the last two decades (UNDP 2003: 288).

In micro-economic terms, things have not changed for the better either. In 2001, the per capita income has only increased to \$936 from \$835 in 1990 (UNDP 2003: 280). During the period between 1990 and 2001, 14.4 percent of the population were still living below \$1 a day (UNDP 2003: 199). The percentage of undernourished people of the total population was 23 percent in 2000, only 3 percent less than 1990 (UNDP 2003: 199). The figures showing income distribution demonstrate that economic equality in the Bolivian society has not improved: the poorest 10 percent of the population gets only 1.3 percent and the poorest 20 percent gets only 4 percent of the total incomes generated in Bolivia, as opposed to the richest 20 percent and richest 10 percent 49.1 percent and 32 percent receiving respectively (UNDP 2003: 284). In short, it would be fair to conclude that there has been no significant change in the general economic structure of Bolivia and no significant change for the majority of Bolivian people.

On the other hand, despite the failure of achieving a 'healthy economy', the second component of the objective, that is to achieve the expansion of market economies and free trade arrangements favourable to the US business, has been realised. In many ways, the War on Drugs helped the institutionalisation of market economies in Bolivia. One major instrument of this development, as explained in the previous chapter, was the certification process. As George Ann Potter and Linda Farthing rightly point out, 'the twin US agendas —economic liberalization and the War on Drugs— unite[d] through the annual drug certification process' (Potter & Farthing 2000). The certification processes, with the strings linked to the anti-drug efforts, ensured that the country stays on the liberal track —initiated by the NPE, which required opening its markets to foreign goods and investors, privatising public goods, and cutting down social services. As was shown in previous chapters, while the War on Drugs was conducted all the valuable assets of Bolivia were sold under the direction of the IMF and the World Bank to multinational companies, most of the being the North American ones. Another instrument used in the context of the War on Drugs to expand market relations was the USAID-designed alternative development projects. These alternative development policies 'have been

contingent on Bolivia's liberalisation of the economy, its integration into the world markets as an exporter of primary products' (Arganaras 1997: 72).

Consequently, the War on Drugs worked as a perfect mechanism to oblige Bolivia to adopt a neoliberal economic model, which has been costly in social terms, especially in terms of impoverishment of the society. The strings attached to USAID assistance, to IMF and WB loans, bilateral trade agreements and counter-narcotics efforts have not all, in and of themselves, aimed consciously at the impoverishment of the Bolivian society. Yet they have achieved this result 'by the virtue of their collective —and individual— weight in support of Bolivia's accommodation to the new world order on the basis of the alternative economy of the NPE' (Arganaras 1997: 73). In this sense, the War on Drugs worked as an instrument of 'the US' comprehensive strategy' to spread globally the neoliberal economic orthodoxy, as described in the national security documents.

IV. Conclusion: the War on Drugs as a World Ordering Project

From a political economy perspective, David Courtwright argues that the drugs have always been very influential in the making of different world orders and its power relations:

“Tobacco financed the American Revolution and helped underwrite Europe's dynastic conflicts. Sugar and rum sustained transatlantic slavery; opium subsidized imperialism in Asia. The alcohol-and-fur trade created great family fortunes and capital for industrial investment; the coffee boom stimulated railroad construction and drew a million impoverished immigrants to Brazil. In these and countless other ways drugs (...) shaped the emerging modern world and its power relationships”. (Courtwright 2001: 167).

In this chapter we have tried to show that the US preoccupation with drugs is also instrumental in shaping the current world order, in a historically specific and different way. What manifests itself under the generic title of the War on Drugs is a set of political, social and economic policies that provides the US an ideal framework to reproduce and reinforce its vision of world order. As Noam Chomsky notes, for the US,

the War on Drugs is a cover for international intervention (Chomsky 1992: 83). In the actual practice of the War on Drugs, the US intervention politically takes the form of unilateralism; militarily takes the form of expansion; socially takes the form of a system of tight social control; and economically takes the form of widening of market relations under a neoliberal economic model. In this sense, it is evident that the War on Drugs is an effective tool to implement the US foreign policy objectives and thus the world order envisaged by the US political establishment. In various ways, the War on Drugs shapes and shoves, fights and alters all the social forces, institutions or ideas that are not in conformity with the US' vision of world order: in other words the War on Drugs is an actual *world ordering project* effected by the US.

Yet, in the following chapters we will argue and show that the phenomenon of the War on Drugs cannot be understood solely with a specific reference to a voluntarist explanation, i.e. to the mere formulation that 'the US political establishment effects the War on Drugs in order to attain its vision of world order'. While the latter argument of world ordering is, as we have argued in this chapter, plausible and arguably correct, to account it as the ultimate explanation of the War on Drugs would be a reduction. One has to differentiate between the constitutive efforts of world ordering (i.e. world ordering as a project), and the structural characteristics of world order (i.e. world order as a process). To develop our argument fully, first, we have to look at different approaches to world order, and this is the task of the next chapter.

Chapter VI: Identifying the Misrecognitions of Approaches to World Order

I. Introduction

In the previous chapter we have argued that the War on Drugs appears to be an ideal framework through which the US political establishment effects its vision of world order. Consequently, we have characterised the War on Drugs as a world ordering project. At this juncture two concepts, i.e. world order and world ordering, require further exploration. What is it that these two concepts refer to? What is the relationship between the two? Are world orders attained through world ordering projects? Or is there more to world orders than policy-making and the constitutive efforts of world ordering?

We will try to answer to these questions in this and the following chapter. In this chapter, we will begin our investigation by examining some of the major approaches to world order. Through the use of insights provided by critical realism, we will determine whether these approaches provide a coherent and consistent framework that can contribute to our understanding of world order. Special attention will be paid to the question of whether or not these approaches acknowledge world ordering projects, i.e. the way in which world order come into being or are effected through constitutive efforts. Furthermore, we will specifically assess whether they can provide an adequate explanation that is able to account for the concrete phenomenon of the War on Drugs.

We will show that the predominant approaches to world order are unable to provide an adequate explanation for world ordering in general and the War on Drugs specifically. It will be shown that this inadequacy originates not because of the fact that these approaches have not analysed the War on Drugs specifically, but rather because they have substantial flaws in their ontological presuppositions and their methodological premises. After detailing these flaws and misrecognitions in this chapter, we will proceed to the next one where we will undertake the task of proposing an alternative explanation of world order, based on a particular re-conceptualised notion of imperialism, which will also be distinctive from those developed in classical theories of imperialism.

II. Method of Investigation

In different ways, approaches to world order⁹¹ have tried to identify the characteristics of historically constituted patterns of human affairs at the global level, i.e. past and present world orders, with a specific focus on the nature of the power relations characterising these orders⁹². Not unexpectedly, different approaches provide different explanations for the subject of enquiry. This chapter will briefly assess the explanatory power of some of the perspectives on world order in relation to the War on Drugs⁹³: Do these perspectives provide adequate frameworks that are able to provide a consistent and coherent explanation for the War on Drugs?

In the elaboration of approaches to world order, we will be guided by the insights offered by critical realism, which provides a philosophy of sciences to evaluate the explanatory powers of theories in social science. Critical realism, first developed by Roy Bhaskar, departs from a critique of classical empiricist tradition in the philosophy of science in order to provide an alternative to positivism that dominates scientific inquiry. Bhaskar asserts that the positivist understanding of science, and, central to that Humean theory of causal laws (i.e. of universal empirical generalizations, and hence the inadequacy of the criteria of explanation, confirmation (or falsification), scientific rationality etc.) is ‘the assumption that a closure is the universal rule rather than the rare and (for the most part) artificially generated exception’ (Bhaskar 1975/1978: 14-15). However, Bhaskar points out, the world consists of *open systems* that is natural, non-

⁹¹ We purposefully use the term ‘approach’ rather than ‘theory’, as some of the works on world order that we will elaborate do not aim and claim to be theories (such as Noam Chomsky’s). Moreover, we will argue, some other ideas that pretend to be theories of world order are not actually theories (such as Hardt and Negri). On the other hand, approaches to world order are not synonymous with approaches or theories of international relations (IR). Approaches to world order deal with the patterns of social reproduction at the global level, rather than specifically focusing on the relations between the states and/or between international institutions. While most general theories of IR might be qualified to be a theory of (or approach to) world order, not all approaches to world order are IR theories. That is also the reason why we have included various perspectives that do not originate from and locate themselves in the discipline of IR (such as Wallerstein).

⁹² By the virtue of the subject of enquiry these theories also undertook more specific enquiries such as the pinpointing of the main *actors* behind the power relations that form the pattern, finding out the *mechanisms* that help the pattern to preserve and reproduce itself spatially and temporally, and accounting for the *change* in the pattern.

⁹³ The selection of the perspectives included in this elaboration is not chosen at random but rather is a result of two criterion: first they all deal with world orders; in the sense that they aim to provide a general theory to explain the way in which social reproduction takes place; and second they present a historical evolution towards a more elaborate and complex analysis. Yet, it must be noted, that by no means do the selected theories cover the totality or even the majority of the vast array of theories available in the social sciences.

experimental ‘systems where no constant conjunctions of events prevail, can be sustained’. In other words the trouble with positivism is that it ties laws to experimentally *closed systems* — ‘systems where a constant conjunction of events occurs’. Bhaskar argues that such closed systems do not occur naturally but are the outcome of a good deal of work on the part of a scientist (Bhaskar 1975/1978: 57). As a consequence, Bhaskar concludes the practical application of our knowledge in open systems cannot be sustained through the classical empiricist tradition (Bhaskar 1975/1978: 14).

Subsequently, Bhaskar identifies the crucial error that the positivist (and also the transcendental idealist) tradition commits: it falls into the tarp of ‘epistemic fallacy’, meaning that ontological questions concerning the nature of being are posed and answered in epistemological terms of reference, concerning how the mind may have knowledge. His starting point is, hence, the distinction between the ontology of scientific inquiries, in the form of theories, and real patterns of events, the subject matter of the theories:

It is a condition of the intelligibility of experimental activity that in an experiment the experimenter is a causal agent of a sequence of events but not of the causal law which the sequence of events enables him to identify. This suggests that there is a ontological distinction between scientific laws and patterns of events. Obviously this creates a *prima facie* problem for any theory of science (Bhaskar 1975/1978: 12).

From this internal critique, Bhaskar develops an alternative philosophy that puts the emphasis on ontology rather than epistemology: rather than define reality to fit a philosophy of how the mind mirrored reality, Bhaskar argues for ontology (Cruickshank 2002: 61). Critical realist ontology is *stratified* and consists of three distinct domains of the *real*, the *actual* and the *empirical*. The real consists of underlying structures and generative mechanisms; events and behaviour; and experiences. The domain of the actual consists of the events and behaviour generated by the interaction of many different structures and mechanisms. The domain of the empirical consists of experiences, a restricted range of events available for observation. Bhaskar schematised the critical realist ontology as follows (Bhaskar 1975/1978: 13):

	<i>Domain of Real</i>	<i>Domain of Actual</i>	<i>Domain of Empirical</i>
Mechanisms	X		
Events	X	X	
Experiences	X	X	X

Bhaskar points out that the experiences, i.e. restricted range of events available for observation, are part of the world. However, he rightly argues that ‘just because they are a part of the world they cannot be used to define it’ and such an act would lead to epistemic fallacy. Experiences are in a way the tip of the iceberg in that, not only are they observable, but also they arise from larger entities. And in this sense, Bhaskar concludes, experiences are ‘the end, not the beginning of a journey’ (Bhaskar 1975/1978: 58).

According to the critical realist ontology, events are ‘categorically independent of experiences’ (Bhaskar 1975/1978: 20). The reason for this categorical distinction is as follows: whereas the experiences are events available for observation (perceivable with senses), all events are not necessarily observable. As Bhaskar argues ‘[T]here is no reason why, given the possibility of a world without perceptions, which is presupposed by the intelligibility of actual scientific perceptions, there should not be events in a world containing perceptions which are unperceived and, given our current or permanent capacities, unperceivable’ (Bhaskar 1975/1978: 20). Thus the fact that there are unperceived events, different from perceived experiences, makes the events an independent category.

The events (perceived or unperceived) on the other hand are generated by the interaction of many different structures and generative mechanisms, which are not necessarily observable. These structures and generative mechanisms ‘exist and act independently of the conditions that allow men access to them’ (Bhaskar 1975/1978: 56). It is the structures and their causal powers that are real and have the powers they do independently of particular instantiations, which *should* be the object of theory:

“Such mechanisms combine to generate the flux of phenomena that constitute the actual states and happenings of the world. They may be said to be real, though it is rarely that

they are actually manifest and rarer still that they are empirically identified by men. They are the intransitive objects of scientific theory. They are quite independent of men - as thinkers, causal agents and perceivers. They are not unknowable, although knowledge of them depends upon a rare blending of intellectual, practico-technical and perceptual skills. They are not artificial constructs. But neither are they Platonic forms. For they can become manifest to men in experience. Thus we are not imprisoned in caves, either of our own or of nature's making. We are not doomed to ignorance. But neither are we spontaneously free. This is the arduous task of science: the production of the knowledge of those enduring and continually active mechanisms of nature that produce the phenomena of our world" (Bhaskar 1975/1978: 47).

Therefore according to critical realism mechanisms, events and experiences thus constitute three overlapping domains, which are the domains of the real, the actual and the empirical (Bhaskar 1975/1978: 56). The explanation of observed events demands reference to the real structures and generative mechanisms that combine to produce them, and that is task of the scientist.

To conclude our informative description of the tenets of critical realism, we will use Bhaskar's own summary regarding the status of propositions in transcendental realist philosophical ontology:

"It is not necessary that science occurs. But given that it does, it is necessary that the world is a certain way. It is contingent that the world is such that science is possible. And, given that it is possible, it is contingent upon the satisfaction of certain social conditions that science in fact occurs. But given that science does or could occur, the world *must* be a certain way. Thus, the transcendental realist asserts, that the world is structured and differentiated can be established by philosophical argument; though the particular structures it contains and the ways in which it is differentiated are matters for substantive scientific investigation. The necessity for categorical distinctions between structures and events and between open systems and closed are indices of the stratification and differentiation of the world, i.e. of the transcendental realist philosophical ontology." (Bhaskar 1975/1978: 29)

Transcendental realist philosophical ontology acts as a meta-theory to inform empirical research and the construction of specific theories. Because the emphasis is on ontology

(and that ontology is stratified and diversified), this position is realist. And because this position is arrived at via an internal critique to a transcendental question it is also critical. Yet, critical realism is fallible (and thus open to revision), firstly, because all theories are fallible (and critical realism is a meta-theory) and, secondly, because its conceptual contents are *arrived* at via a critical dialogue with alternative theories (Cruickshank 2002: 61). Thus the *departure* point is not an epistemological position (a departure that will take the theory to epistemic fallacies) but rather is alternative theories.

Obviously these alternative theories, with which critical realism is in a critical dialogue, have different epistemologies. According to the critical realist perspective all concepts and beliefs are historically generated and conditioned and thus relative to a perspective and subject to change (Bhaskar 1986: 43). In other words, critical realism defends *epistemological relativism*. Bhaskar supports epistemological relativism with *judgmental rationality*, which asserts that science is not arbitrary and that there are rational criteria for judging some theories as better and more explanatory than others. These rational criteria, on the other hand, can be made available by empirical scrutiny. In the orthodox philosophies of science, preceding critical realism, the science identified a regularity (empirical realism) and then made a plausible explanation for this regularity (transcendental idealism). Critical realism, on the other hand, goes one step further and through empirical scrutiny check whether the entities and processes that have been postulated are real or not. Critical realism's third step leads to:

“the identification of the generative (i.e., causal) mechanism at work, which now becomes the phenomenon to be explained, and so on. In this continuing process, as deeper levels or strata of reality are successively unfolded, science must construct and test its explanations with the cognitive resources and physical tools at its disposal, which in this process are themselves progressively transformed, modified and refined” (Bhaskar 1989: 12)

Thus critical realism provides us a very powerful framework with which we can assess the explanatory powers of scientific theories. Critical realism shows that the criterion for the correctness of a theory is neither its predictions nor its epistemological positions; it is rather whether the mechanisms postulated in the theory are the real mechanisms.

Critical realism provides ontology of emergent properties in open systems (i.e. stratified and differentiated ontology) that can overcome the problems with empirical realism and that can explain how science is possible. In this sense, the transcendental realist philosophical ontology is capable to remove erroneous assumptions and to act as a guide to scientists.

As mentioned earlier, Bhaskar's principal purpose was to develop a critique of classical empiricist tradition, which was predominantly apparent in natural sciences in the crude form of positivism. Yet, the fruit of his intellectual work, i.e. transcendental realist philosophical ontology, applies to science in general, therefore to social sciences as well⁹⁴. Yet, the subject matters of the two are different by the virtue of their particular nature, as Bhaskar notes (Bhaskar 1979/1998: 38):

1. Social structures, unlike natural structures, do not exist independently of the activities they govern.
2. Social structures, unlike natural structures, do not exist independently of the agent's conceptions of what they are doing in their activity.
3. Social structures, unlike natural structures, may be only relatively enduring (so that the tendencies they ground may not be universal in the sense of space-time invariant).

In short, social structures are only relatively enduring, subject to (and the unintended outcome of) continual reproduction, change and occasional transformation by the practices of people (which also means that these structures are open systems). Therefore, social structures are *historically specific* and potentially transient: historical outcomes are the result of different sets of structures conditioning outcomes in particular, contingent circumstances (Gruffydd-Jones 2001: 70-76).

Roy Bhaskar argues that the social world (and thus social structures that form it) can be seen as state of 'critical naturalism', that is one is 'denied decisive test situations' (Bhaskar & Callinious 2003: 100). Therefore one has 'to rely purely on the explanatory power of a theory' in order to reach to an understanding of these social structures. In

⁹⁴ Authors such as Andrew Sayer (Sayer 1992), John Maclean (Maclean 1981) and Andrew Collier (Collier 1994) used critical realist method in their prominent works on social sciences. For an excellent recent work (doctoral thesis) constructed on the critical realist methodology see (Gruffydd-Jones 2001).

other words, the theoretical enterprise is a necessary condition for explanation of social structures and their tendencies. Because these social structures (and their tendency) are historically specific we need a historical analysis of the particular circumstances and combinations in which they exist. And because they are potentially transient, that scientific enterprise should be continuous, dynamic and open to revision.

Thus critical realism provides a set of methodological principles for the social inquiry. First and foremost, the inquiry ought to be guided by the ontology of emergent properties in open systems (i.e. stratified and differentiated ontology). It ought to avoid epistemic fallacy, that is, it ought not pose and answer ontological questions concerning the nature of being in epistemological terms of reference. Then, it ought to acknowledge that all *episteme* are historically generated and conditioned and thus relative to a perspective and subject to change (Bhaskar 1986: 43). Yet, it ought to apply *judgmental rationality*, that is ought to assert that science is not arbitrary and that there are rational criteria for judging some theories as better and more explanatory than others. It ought to check, through empirical scrutiny, whether the entities and processes that have been postulated by the theories are real or not. It ought to adopt a historical mode of reasoning and ought to be continuous, dynamic and open to revision.

Consequently, we would argue, critical realism provides us a very powerful framework with which we can assess the explanatory powers of any theory, including theories of (and approaches to) world order. The proof of the pudding is in the eating. Therefore, while we will critically evaluate different approaches to world order to see whether they provide a framework that makes it possible to make sense of world order, world ordering and, also, our case study of the War on Drugs, we will also use and substantiate the above-mentioned critical realist principles throughout the analysis. This critical analysis will also build up the methodological principles that will lead to the construction of an alternative approach to world order.

III. Common Misrecognitions of Approaches to World Order

Epistemic Fallacy in Approaches to World Order

The Neo-Realist Theory of World Order: Kenneth Waltz

The first approach to world order that we will elaborate is the neo-Realist theory of international relations (IR) developed by Kenneth Waltz. Waltz's significance for our investigation stems from not only the fact that his approach was the most elaborate version of the first and most influential tradition in the discipline of IR — i.e. Realism, but also from the fact that, chronologically speaking, he provided one of the first elaborate analysis of world order. Waltz developed his theory in reaction to the obvious shortcomings and increasing criticisms of the Realist theory of IR formulated by Hans J. Morgenthau, whose theory is regarded as the first dedicated and systematic attempt to theorise international politics (for example see Doyle 1997). In his theory, Waltz tried to upgrade the Realist approach in two major aspects. Firstly, he wanted to remove the reference to Morgenthau's objective laws, especially the ahistorical reference to the nature of humankind⁹⁵. Secondly, Waltz wanted to provide a more elaborate analysis of the international system: Waltz's central theme was that there has been a persistent failure by theorists in the discipline of IR to ascribe an independent role to the *structural forces* 'that shapes and shoves the units' (Waltz 1979: 62; Keohane 1986: 328, 343). He argued that the international system has a precise *structure* with three important characteristics. These were (summarised in Burchill 1996: 86-89):

1. Ordering principle of the system: Ordering principle of the system is anarchical, as opposed to hierarchical —i.e. non-existence of a central command/governance

⁹⁵ Morgenthau listed 'six principles of political Realism' which summarise his theoretical approach to the study of international relations: 1) Politics is governed by objective laws, which have their root in human nature; 2) The key to understanding international politics is the concept of interest defined in terms of power, and actions are constrained by the relative power of the state; 3) The forms and nature of state power will vary in time, place and context, but the concept of interest remains consistent; 4) Universal moral principles do not guide state behaviour; 5) There is no universally agreed set of moral principles, and the use of moral language to justify external behaviour (such as human rights advocacy) is designed to confer advantage, legitimacy and further the national interests of the state; and 6) The political sphere is autonomous from every other sphere of human concern, whether they be legal, moral or economic, which enables researchers to see the international domain as analytically distinct from other fields of intellectual inquiry, with its own standards of thought and criteria for the analysis and evaluation of state behaviour (Morgenthau 1978: 3-12).

in world politics. States, which are both the units of the international political system and the foundation of its structure, exist in a self-help environment where the quest for survival requires them to seek security through the accretion of military power. The ordering principle of the system forces states to perform exactly the same primary function regardless of their capacity to do so. Thus the balance of power behaviour by states is predicted from the structure of the international system.

2. The character of the units in the system: States, which are sovereign in their internal constitution, are made functionally similar by constraints of structure. The anarchic realm imposes a discipline on states; in fact their concern about their own survival conditions much of their behaviour.
3. The distribution of the capabilities of the units of the international system: This distribution predicts variations in states' balance of power behaviour. States differ vastly in their capabilities. There is an unequal and constantly shifting distribution of power across the international system.

The aim here is not to develop a comprehensive critique of Waltz's theory of world order. We are primarily interested in testing whether Waltz's theory can provide a framework that can explain the concrete phenomenon of the War on Drugs. If we follow Waltz's theory, the War on Drugs would be seen as just a manifestation of an anarchical system, where sovereign states, with unequal distribution of power, in the quest of their own survival. This framework does not make sense for many reasons. For instance, the conceptualisation of system is problematic: it is obvious that Waltz conceptualises the system as a mere assemblage or congeries, i.e. a system characterised *only* by being made up of parts. We would argue that different parts forming a whole is not a *sufficient* condition for a system (i.e. international system) to ontologically exist: an inter-relational pattern between the parts of the system (e.g. changes in one part have effects on the other parts) is a *necessary* condition for a system to ontologically exist. This mistaken conceptualisation of system would prove extremely inadequate in providing a basic understanding of the War on Drugs. We would argue that it is not *only* the existence of sovereign states - say the US, Bolivia and Colombia - that adds up to and constitutes a system. It is *also* the fact that political, legal, economic, cultural, changes - say regarding the use, consumption and trade of *some* narcotics drugs - in the US have severe *effects* on Bolivia and Colombia that makes the assemblage of states a system.

Another problematic aspect is the reference to anarchy. The War on Drugs displays, as we have seen, a hierarchical structure (as opposed to anarchical) vis-à-vis the relations between the states involved in the application. In light of the evidence we have provided in the previous chapters, one might easily argue that there *is* a command structure, with the US at the pinnacle of it, in the application of the War on Drugs. This would also mean that Waltz's theory is ineffective in explaining the War on Drugs. It must be noted at this point that Waltz's mistaken reference to anarchy stems from a fundamental methodological problem.—By characterising the anarchical structure as the ontology of world order, Waltz commits an 'epistemic fallacy' *par excellence*: he poses an ontological question concerning the nature of world order and, then, answers it in epistemological terms of reference. Waltz's central argument that, 'there is no formal command/governance in world order', i.e. anarchy, is not the ontology itself, but rather an epistemological position (i.e. judgement) —i.e. how Waltz's *sees* and *interprets* world order. For argument's sake, following the opposite epistemological position, i.e. 'there is a command structure in world order', one could assert that world order is characterised by hierarchy. However, to draw the ontology of world order on either of these epistemological positions, or on any other specific epistemology for that matter, is simply to commit epistemic fallacy, as we have explained before. That is surely the error with Waltz's theory.

Further criticisms of Waltz's theory of world order could be developed and all these criticisms could be further elaborated⁹⁶, as our historical analysis of the War on Drugs illustrates that some of the essential presuppositions of Waltz's theory of world order are taken for granted without any critical inquiry.—However, we will focus on one of Waltz's central claim, namely the reference to sovereignty. The focus on Waltz's presupposition of sovereignty will show why Waltz' ontology of world order is flawed

⁹⁶ For instance, as another inadequacy of Waltz's theory, one can argue that the War on Drugs has nothing to do with the quest for 'survival', but rather is a trivial issue in an age of much more dangerous threats, such as the existence of weapons of mass destructions. Another issue that arises with Waltz's analysis is the way he conceptualises the concept of power. His focus on power seems to discount the configuration of authority and organisational dimensions of international politics, an exclusion that seems to bear directly on the criticisms of some who think that rules, regimes, and international institutions need to be brought into the definition of international political structure (for example Keohane 1986; Nye 1988). It seems to dismiss the importance of 'domestic politics' as the ultimate *basis* for international politics, a dismissal that seems to bear directly on the criticisms of some who think that 'class relations' need to be brought into the definition of international political structure (for example Linklater 1995).

and cannot acknowledge the dialectical relationship between world order and world ordering, and cannot contribute to our understanding of the War on Drugs.

The theories developed by all old and new forms of Realisms in IR discipline, including that of Waltz, rest on the assumption that the — current — world order consists of sovereign states, though they differ vastly in their capabilities. If the notion of sovereignty is understood in its narrowest sense, which is the case in the Realist perspectives, it refers to the ability of the state to control activities within its borders and resist external pressures on its freedom of action. Empirically speaking, it has been shown that in the case of War on Drugs Bolivia proved to be incapable of being sovereign even in the narrowest sense of the word. One of many examples is the US' unilateral decision regarding the use of Bolivian military in the context of the War on Drugs. When, the notion of sovereignty is enlarged a little to include the monopoly of the state over its juridical powers, then, once again, Bolivia would prove not to be sovereign. US influence and successful pressure regarding the legislation of *Ley 1008* is one example. In other words, the elaboration of the War on Drugs illustrates that, contrary to what Realist perspectives maintain, Bolivia is not sovereign in either in the strict political sense or legal sense.

Yet, the proponents of this perspective would be able to discredit this contradictory historical evidence on the basis that this constitutes an 'exception' to the norm, and by doing so, one could still maintain the presupposition that sovereignty reflects the social reality. Besides, Waltz's argument that states *differ vastly* in their capabilities can be used to explain differences in the levels and limits of different states' sovereignties. According to this perspective then, Bolivia, which has lower military, political and economic capabilities than other states, and especially than the US, has lower levels of sovereignty but is *still* sovereign in principle. However, the presupposition of sovereignty as consisting solely of political and legal domains, rests on the assumption that politics and economics are separate spheres of social relations. According to this perspective, the state and the economy are distinct institutional spheres, and the latter is purely non-political:

“the social functions of production and distribution, surplus extraction and appropriation, and the allocation of social labour are, so to speak, privatised and they are achieved by non-authoritative, non-political means” (Wood 1996: 29).

Thus, for the Realist approach to world order, such as the one presented by Waltz, international politics is characterised by a sovereign states-system, sovereignty referring strictly to ‘political’ aspects. Yet, this general proposition has nothing to do with *how* that specific configuration of international politics came into being. The proposition is rather about *in what state* the theorist has found the world order before theorising it (Cox 1986: 268). We would argue that the separation of politics and economics is not a natural process that characterises the current world order but rather is achieved *through* constitutive world ordering efforts. In fact, our historical analysis on Bolivia shows that the War on Drugs is operating in such a way that it is constantly reinforcing the separation of politics and economics. The War on Drugs *simultaneously* requires the maximization of the ‘political’ state authority by keeping and enlarging some political functions in the ‘public sphere’ and the minimization of ‘economic’ state authority by transferring some *other* political functions to ‘private economic sphere’, a feature of capitalist social relations as suggested by Wood:

“the differentiation of the economic and the political in capitalism is, more precisely, a differentiation of political functions themselves and their separate allocation to the private economic sphere and the public sphere of the state” (Wood 1996: 31).

Our discussion of the application of the War on Drugs in Bolivia showed—that the maximization of the ‘political’ state authority took the form of ever increasing measures of law enforcement, and the minimization of ‘economic’ state authority took the form of application of neoliberal economic policies. The transfer of politics to the private sphere was ensured through conditionalities set by various means, such as the certification process and alternative development projects, and it was supervised by various institutions, such as the IMF, USAID and the World Bank. By the implementation of harsh neoliberal economic policies since the mid-1980s and enormous privatisation programmes in the 1990s, the Bolivian state was effectively forced to hand-over the surplus appropriation of the public enterprises to ‘private entities’, most of them being transnational companies. In this process, what actually went on in Bolivia was a

continuous and constant battle over the separation of politics and economics, initiated by the expansion and deepening of capitalist social relations. In a way, the War on Drugs supervised this process and made sure that this separation was continuous. In other words, world ordering efforts, i.e. the constitutive efforts through the War on Drugs, created and reinforced the world order that Waltz et al. tried, and failed, to theorise.

Yet we must note, ironically enough, that the process of world ordering arguably helped the Bolivian people to get rid of the blurred conception of sovereignty based on the day-to-day separation between politics and economics. The case of world ordering through the War on Drugs has shown that, especially as far as Bolivians — the real constituents of the social experience — are concerned, the sovereignty of the Bolivian state is not reducible to purely political/legal terms, but also is related to all spheres of social relations, including economics. In the eyes of Bolivians, the sovereignty of their country has been eroded *not only* through the US' political and legal intrusion into the Bolivian political system, *but also* through the simultaneous imposition of neoliberal economic policies. Ever increasing industrial dispute since the mid-1980s, removed the artificial distinction between the 'political' and the 'economic' in the country. In this sense, Bolivians are arguably more in line with social reality than the Realist theorists of world order.

Why is the Realist abstraction about the sovereignty so detached from the social reality? The Realist epistemological preference of separating the 'political' from other spheres of social relations, followed by an ontological preference for assigning it 'primacy' over other aspects, are *ideological* preferences in line with capitalism as suggested by Wood. The separation of politics and economics allows some theorists, such as Waltz, to assign the uppermost significance to the practices of power that takes place only in the political sphere, and discards the practices of power that are effectively allocated to the economic private sphere⁹⁷. Consequently, Realist theories of IR are also contributing to 'the automatic reproduction of particular human social relations which bring about and sustain this institutional separation' (Rosenberg 1994: 132), let alone explaining the

⁹⁷ Some critics point out that Waltz's separation of the political and the economic stems from a simple methodological choice, i.e. from the fact that his approach is based on a positivist/empiricist methodology: 'it fixes limits or parameters to a problem area, which in turn limits the number of variables which are amenable to relatively close and precise examination' (Cox 1986: 268-269).

nature of — current or past — world orders. In this sense, the separation of politics and economics in the Realist theory of IR does not seem to be a ‘theoretically innocent assumption’ (Rosenberg 1994: 132), but rather, we would argue, might be seen as part and parcel of a wider world ordering project.

Yet, at least methodologically, one might argue that the separation of distinct spheres (such as economic, political, cultural and so on) that form the social is helpful for analytical purposes, in order to make it easier to grasp the complex nature of social realities - in other words, for the sake of methodological simplification. This is exactly what Naom Chomsky does in his approach to world order, and this is not without its problems either.

A Descriptive Approach to World Order: Naom Chomsky

In this section we will elaborate Chomsky’s approach to world order, which constitutes an elaborate descriptive analysis of current world order, and provides a systematic account of the mechanisms related to world ordering. Noam Chomsky argues that ‘there are occasional moments in human affairs (...) that actually merit the term world order’, and that the current specific historical circumstance is one these moments (Chomsky 1998). According to him, there are three basic components of the ‘institutional structure’ of the current world order: *the international political order*, *the international normative order* and *the international economic order*. He argues that the international political order is articulated in the United Nations Charter (1945); the international normative order is articulated in the Universal Declaration of Human Rights (1948); and the international economic order was designed at Bretton Woods (1944). From Chomsky’s linking of these three structural components to three specific historical moments, it is obvious that his model traces back to the timing of the formation of the current world order:

“(...) one of the most dramatic and in fact most easily timed of those moments was about 50 years ago in the aftermath of the most devastating single catastrophe in human history, which took place right in the heartland of western civilization. At the end of the war, the United States had an overwhelming share of global wealth and power and, perfectly naturally, dominant forces within the state corporate nexus in the United

States planned to use that power to organize the world as much as they could in accord with their own conceptions.” (Chomsky 1998)

The first institutional component of the world order described in Chomsky’s model is the political order. The political order is institutionalised by the UN and hence articulated in the UN Charter. The UN is given the mandate to maintain international peace and security, the main responsibility being entrusted to the Security Council. However, Chomsky points out that the ‘the whole [UN] system is null and void’, mainly for two reasons. The first one is that the UN serves as an instrument of power for the great powers, and ‘to be realistic exactly one of them, namely the United States’ (Chomsky 1998). In other words, he argues that the UN, and thus the international political order, is controlled by the US. In cases where the decisions or actions of the UN do not fit the US’ interests, the US rejects the ‘principles’ of the UN Charter ‘both in practice and in fact in doctrine’ (Chomsky 1998)⁹⁸.

According to Chomsky the second component of the world order is the normative order articulated by the Universal Declaration of Human Rights, which sets common standards for the equal and inalienable rights of all humans. However, Chomsky argues that power relations in the current world order facilitate the distortion, by the powerful, of the ‘universality’ of these normative values by using ‘relativity’. According to him, ‘the United States is a leader of the relativist camp’, not only in practise, but also in the doctrine (Chomsky 1998). For example, Chomsky argues that the United States ‘dismisses one fundamental component of the universal declaration completely as having no status: that’s the component that’s concerned with the socio-economic provisions, which have the same status as any others in the universal declaration, but the US doesn’t agree’ (Chomsky 1998).

For Chomsky’s model the most important institutional component of the world order is the international economic order — ‘the Bretton Woods system, as it’s called, and its institutions’ (Chomsky 1998). Chomsky argues that the Bretton Woods system

⁹⁸ In his speech, Chomsky gives the example of the bombing of a pharmaceutical plant in the Sudan in 1998 for the US rejection of the UN Charter principles in practice. For the rejection in doctrine, Chomsky cites the example of the famous statement by the US Ambassador to the UN Security Council, Madeleine Albright, that the US would act ‘multilaterally when we can, unilaterally when we must, in an area important for our interests’.

originally had two founding principles: to liberalise trade and to regulate capital flow. The system was in place 'to a substantial degree through the first half of this period, the first quarter century after it was established' (Chomsky 1998). Chomsky rightly notes that after that period, which is also called as 'the golden age of post-war state capitalism' (Chomsky 1998), the system was dismantled from the early 1970s. After that time, the system was taken over by new forms 'under the guise of neo-liberalism or economic rationalism or free market doctrine, which is permeated with a good deal of deceit, hypocrisy and outright fraud' (Chomsky 1998). According to Chomsky this process, which is called globalisation, was 'a specific form of international integration crafted primarily to serve the interests of its designers, the transnational corporations, financial institutions and the bureaucracies that they control and of course the major states that are part of the system' (Chomsky 1998). In this era, national governments are constrained by external factors, such as the 'huge expansion of unregulated international capital, and the radical shift of capital from productive investment and trade speculation' and they can only 'serve the interests of the rich and powerful even more than in the past' (Chomsky 1997: 185).

For Chomsky, the duality between the structure and superstructure, or namely between the society and the state, is 'pure mystification': 'Any discussion or world affairs that treats nations as actors is at best misleading, at worst pure mystification' (Chomsky 1997: 5). The main reason for this objection, he argues, is that the belief that nations and their states are the actors in the international arena is a fantasy. For him this belief is 'the standard doctrinal camouflage for the fact that within the rich nations, as within the hungry ones, there are radical differences in privilege and power' (Chomsky 1997: 5). Chomsky argues that the world is largely dominated by 'unaccountable private tyrannies' (Chomsky 1998). 'They are internally tyrannical, they are unaccountable to the public, they administer markets through their internal operations and through strategic alliances with alleged competitors, they are backed by powerful states which provide subsidies and risk protection and bailouts if needed' (Chomsky 1998). Governance is increasingly in the hands of huge private institutions and their representatives, which 'form a "*de facto* world government" with its own institutions, also insulated from public inspection or influence' (Chomsky 1997: 185). At the end of his analysis Chomsky concludes that 'there is no little merit in the description of world order (...) as "codified international piracy" ' (Chomsky 1997: 5). Drawing back to

Winston Churchill's vision of the *New World Order* of post-World War II⁹⁹, Chomsky summarises the guidelines of the world order:

“The rich men of the rich societies are to rule the world, competing among themselves for a greater share of wealth and power and mercilessly suppressing those who stand in their way, assisted by the rich men of the hungry nations who do their biddings” (Chomsky 1997: 5).

Chomsky's contribution to our understanding of world order and world ordering is extremely valuable in the sense that it defies the (IR Realist) myth of ‘anarchy’, i.e. there is no central command/governance in world order. It pinpoints the agential elements, i.e. commanding/governing groups in the workings of world order. Yet, we still have to ascertain whether Chomsky's model of world order can provide a framework that can explain the concrete phenomenon of the War on Drugs. We are lucky in the sense that Chomsky himself has provided a general explanation of the phenomenon in one of his works; *What Uncle Sam Really Wants* (1992). Chomsky argues that War on Drugs was launched in 1989 by the Bush administration due to its convenience for both domestic political order and international political order (Chomsky 1992: 82-83):

“One substitute for the disappearing Evil Empire [Soviet Union]—has been the threat of drug traffickers from Latin America. In early September 1989, a major government-media blitz was launched by the President. That month the AP [Associated Press] wires carried more stories about drugs than about Latin America, Asia, the Middle East and Africa combined. If you looked at television, every news program had a big section on how drugs were destroying our society, becoming the greatest threat to our existence, etc.

The effect on public opinion was *immediate*. When Bush won the 1988 election, people said the budget deficit was the biggest problem facing the country. Only about 3% named drugs. After the media blitz, concern over the budget was way down and drugs

⁹⁹ ‘The government of the world must be entrusted to satisfied nations, who wished nothing more for themselves than what they had. If the world-government were in the hands of hungry nations, there would always be danger. But none of us had any reason to seek for anything more. The peace would be kept by peoples who lived in their own way and were not ambitious. Our power placed us above the rest. We were like rich men dwelling at peace within their habitations’ (Churchill quoted in Chomsky 1997).

had soared to about 40% to 45%, which is highly unusual for an open question (where no specific answers are suggested).

Now, when some client state complains that the US government isn't sending it enough money, they no longer say, "*we need it to stop the Russians*" — rather, "*we need it to stop drug trafficking*." Like the Soviet threat, this enemy provides a good excuse for a US military presence where there's rebel activity or other unrest.

So internationally, "the war on drugs" provides a cover for intervention. Domestically, it has little to do with drugs but a lot to do with distracting the population, increasing repression in the inner cities, and building support for the attack on civil liberties."

It is evident that Chomsky accounts for the War on Drugs as a *political* phenomenon. However, we will argue that Chomsky cannot produce an adequate explanation of the War on Drugs due to the separation of the social into different spheres, such as political, economic and normative (as well as the separation of the social into independent levels, such as domestic and international). A comparison between Chomsky's perspective on world order and the vision of world order described by the US political establishment would be a good starting point to substantiate our argument.

In the description of the current world order, both Chomsky and the American political establishment are analytically separating distinct orders/spheres, such as political-military, normative and economic; and both are describing the internal workings of these orders/spheres. Both Chomsky and the American political establishment elaborate in detail how these orders/spheres are or should be shaped, managed and controlled. Chomsky's model ends at this point, but US national security strategies *do not*: national security documents consistently and continuously underline the interconnectedness of the political-military, normative and economic spheres, stating they are a 'whole' for US national interests. Despite being separated analytically for pragmatic reasons, these spheres are so intermingled that in any national security document it is not possible to distinguish a line between them. The best and most obvious example in the US national security documents, as we have seen in the previous chapter, is the inseparability of the normative order, i.e. democracy and human rights, and the economic order, i.e. free trade and market economy. Arguably, it is also because of the inseparability of these spheres that US national security strategies point out that the same enforcement

instruments, i.e. diplomacy, international assistance and military activities, can be applied interchangeably to any of these spheres, whenever and whichever is needed.

Why does Chomsky's model insist on separating the social reality into different spheres, such as political, normative and economic? Given the complexity of the subject matter (i.e. world order), one might argue that this method of simplification is necessary. In fact, as Marx would call it, world order is a 'chaotic conception of the whole' (Marx 1971 [1859]) built on many other abstractions. In this sense, one might maintain that Chomsky pursues a method of simplification suggested by Marx in order to arrive at simpler abstractions of world order:

'if I were to begin with (...) a chaotic conception of the whole, and I would then, by means of further determination, move analytically towards ever more simple concepts, from the imagined concrete towards ever thinner abstractions until I had arrived at the simplest determinations' (Marx 1971 [1859]).

The problem with Chomsky's analysis of world order is that he does not follow the 'journey back' until the model reaches its starting point, as suggested by Marx:

'From there the journey would have to be retraced until (...) [we reach] the chaotic conception of a whole, but as a rich totality of many determinations and relations' (Marx 1971 [1859]).

Chomsky's inertia in not following the journey back to 'the rich totality of many determinations and relations' leaves his analysis to be constructed on separate spheres, such as political, economic and normative orders. It seems that this artificial separation is the result of a method of simplification, but we would argue it is more than that. Chomsky's insistence on separating the social into distinct spheres does not originate from the failure of the method of simplification nor his ideological commitments (like Waltz and other Realists in IR), but rather it originates from his positivist understanding of social theory. Chomsky selects and organises facts, processes and relationships into separate domains so that a pattern can be identified, and for him this is the only way meaningful explanations can be reached. Furthermore, he relies heavily on the empirical, i.e. the restricted range of events available for observation. As Roy Bhaskar

points out, events available for observation are part of the world, but ‘just because they are a part of the world they cannot be used to define it’ (Bhaskar 1975/1978: 58).—In this sense, because our observations regarding the War on Drugs are of a ‘political’ nature, this does not mean that the War on Drugs is a political issue. That would be, again, an epistemic fallacy.

In fact, the War on Drugs is not about politics as such. The practice of the War on Drugs provides firm evidence that for the US political establishment these spheres (political, economic, normative, etc.) are only *analytically* separable. In the context of War on Drugs, the US *holistic* vision about social relations, and thus the awareness about the interconnectedness of different spheres of social relations, is often obviously stated, as best exemplified in the major official objective of the War on Drugs:

Promoting effective counternarcotics efforts can serve to enhance the democratic strength of friendly nations, thus enabling the growth of healthy economies which, in turn, creates higher standards of living within the country and attractive trading partners for US business interests. Reducing the drug production in source countries can also result in reduced levels of corruption, political instability, and violence” (van Wert 1992: 22-3)

The above-quoted objective of the War on Drugs is clearly not *only* about a specific political model (i.e. liberal democracy) that is ideologically associated with an economic model (i.e. open market economy), but also has social and cultural factors (which are implicit in the reference to ‘corruption, political instability, and violence’). And in this sense, the War on Drugs is not a battle against the production of drugs only, but is also instrumental in consolidating a *complete* model of social reproduction.

Structural Determinism in Approaches to World Order

An Historical Theory of World Order: Immanuel Wallerstein

Another approach to world orders that will be elaborated is Immanuel Wallerstein’s world-systems theory. The choice of Wallerstein’s theory is based not only on the fact that his approach has been very influential to social science in general, and to IR

specifically¹⁰⁰, but also, arguably, it provided an untraditional/unorthodox explanation that ‘postulates a world-system that is global in scope’ (Taylor & Flint 2000: 6). In addition to these, Wallerstein’s use of a historical perspective and some elements of Marxist analysis, such as the importance of different modes of production, make his theory an alternative mode of inquiry regarding the constitution and workings of world order¹⁰¹.

Wallerstein’s theory of world systems, which tries to account for the reasons for social change, starts its analysis from the definition of ‘social systems’. According to Wallerstein, a social system is a ‘largely self-contained’ entity whose developmental dynamic are ‘largely internal’¹⁰². Such systems are differentiated by their mode of production, ‘that includes not only the way in which productive tasks are divided up but also decisions concerning the quantities of goods to be produced, their consumption and/or accumulation, and the resulting distribution of goods’ (Taylor & Flint 2000: 7). Wallerstein identifies three different modes of production and, thus, three different social systems: ‘mini-systems’, based upon the reciprocal-lineage mode of production, the ‘world-empire’, based upon the redistributive-tributary mode of production, and the ‘world economies’, characterised by the capitalist mode of production. According to Wallerstein, capitalism, from the sixteen century to the present, has been the only long-lasting historical instance of a world economy. The basic drive of the system is the accumulation of surplus capital, and there exists multiple political sovereignties, no one of which can subsume and control the entire economic system. It is an ‘accumulate or perish’ environment, where the efficient prosper and destroy the less efficient.

The world economy requires an inter-state system, because if one state succeeds in controlling the whole world market, then the system would transform into a world-empire. The capitalist world economy is based upon a geographically differentiated division of labour, featuring three main zones —core, semiperiphery, and periphery— tied together by a world market trade in bulk commodities that are necessities for

¹⁰⁰ Wallerstein’s theory has been so influential that it has even given way to the birth of different approaches studying world politics, such as political geography. For an example, see (Taylor & Flint 2000).

¹⁰¹ It must be noted that Wallerstein’s theory was highly influenced by the French Annales School of history, and especially by Fernand Braudel (Braudel 1973), and the dependence theorists, and especially Andre Gunder Frank (Frank 1967).

¹⁰² This summary is based on (Wallerstein 1974: 387-415).

everyday consumption. Three zones of the capitalist world economy have different economic structures based upon a particular mixture of economic activities (e.g. differentiated agriculture in the core and mono-culture in the periphery), as well as its characteristic form of 'labour control' (such as wage-labour, slavery, coerced cash-crop production, share-cropping and tenancy) (Wallerstein 1974: 400-401). The different zones are differentially rewarded by the world economy, with surplus flowing disproportionately to the core areas (Wallerstein 1974: 404). Moreover, the economic structure of each supports a given type of dominant class oriented toward the world market, as well as states of certain strength (strongest in the core and weakest in the periphery), which operate in the interest of that class.

Wallerstein specifies 'three major mechanisms' that enable capitalist the world economy to 'retain political stability' — in terms of its 'systemic survival' (Wallerstein 1974: 404). The first one is 'the concentration of military strength in the hands of the dominant forces' — i.e. states. The second one is 'the pervasiveness of an ideological commitment to the system as a whole', in the sense that 'staff and cadres of the system feel that their own well-being is wrapped up in the survival of the system as such'. Finally, according to Wallerstein, the differential strength of the multiple states — i.e. three-tier structure — within the world capitalist economy is crucial for maintaining the system as a whole, for the strong states reinforce and increase the differential flow of surplus to the core zone. This happens because strong states can provide 'extra-economic' assistance to allow their capitalist classes to manipulate and enforce terms of trade in their favour on the world market.

Wallerstein's theory is very valuable for studies of world order in many respects. It attempts to conduct an historical mode of reasoning and tries to integrate the importance of social relations of production into the realm of world order. Furthermore, Wallerstein's conceptualisation of world system does not consist of 'a mere assemblage or congeries' of some parts, but rather is built on the ontology that, 'the relations between the parts *are themselves systematic* in such a way that changes in one part have effects on the other parts of the system' (Worsley 1985: 507). This conception of worldwide system can be regarded one of Wallerstein's positive contributions to our understanding of world order in that it implies the *world* is the only meaningful

framework within which the history of any particular country or group can be understood.

Another equally important contribution of Wallerstein is that he identifies the capitalist mode of production as the *differentia specifica* of current world system. By doing so Wallerstein places the capitalist mode of production into the centre of the subject of enquiry, i.e. world order. However, we must note that he does so in a different way. Rather than paying attention to ‘institutionalised *relationships* between producing and surplus-appropriating classes’ in the capitalist mode of production (Skocpol 1977: 1079), Wallerstein overemphasises *exchange*. For Wallerstein, production is for exchange and determined by the profitability, thus, the determinant difference of capitalism is exchange (or trade) and not in the relations that govern the way commodities are produced, i.e. the relations of production (Brenner 1977; Laclau 1977; Worsley 1985). In other words, Wallerstein asserts that the relations of exchange are *superior* to the relations of production in that they are the decisive relations that determine the workings (and the historical evolution) of capitalism.

Now we can turn our attention to the issue of whether Wallerstein’s theory of world order can provide a framework that can explain the concrete phenomenon of the War on Drugs. Viewed through the lens of Wallerstein’s theory, the War on Drugs can be read as a manifestation of world order characterised by economic as well as political *dependency*. According to Wallerstein, since the sixteenth century¹⁰³, all countries formed part of a world order in which a handful of those countries (i.e. the core) had/have the capacity to keep the rest dependent by incorporating them (i.e. the periphery) into the world economy as suppliers of raw materials (Wallerstein 1974: 392)¹⁰⁴. In this sense, Bolivia represents a typical dependent peripheral country.

¹⁰³ We note that Wallerstein’s *historiography* of modern world economy is highly problematic. Justin Rosenberg, for instance, argues that to assimilate the global political economy’s basic structural character to economic relations prevailing by the end of long sixteenth century and describing both as capitalist is ‘either missing something important about the modern world economy, or else is reading back modern conditions into an earlier social system’ (Rosenberg 1994: 92). Similarly, Samir Amin, despite being very sympathetic to Wallerstein’s works, argues that the world system approach has only *recently* become the most feasible analytical framework, the main reason being that now the economies of the core countries have become significantly more integrated and dependent on the global economic system (Amin 1992).

¹⁰⁴ Wallerstein uses a Marxist analysis in order to show the ‘forces’ behind the formation of the capitalist world economy, but he does so in a different way. Wallerstein implies that ‘the dominant [capitalist] classes choose freely among alternative strategies of labour control by assessing rationally the best means for maximising profits, given the geographical, demographic, technological and labour-skill conditions in

Politically too, Bolivia is dependent as she has been left disoriented by three centuries of direct colonial rule, followed by the authoritarian regimes representing the interests of bi-fractional (landed and comprador) national bourgeoisie. Thus, following Wallerstein's theory, one could explain the recent War on Drugs as one of many historically recorded applications that enable the capitalist world economy to retain its political stability, i.e. the dependent structure.

This is the only explanation of the War on Drugs that one can come to through the lens of world system theory, and, as our historical analysis showed, this explanation is far from reflecting the complexity of the phenomenon. How do we explain, for instance, the historical transformation of the attitude toward *some* narcotics drugs at the turn of nineteenth century? How do we explain the codification of *some* drugs as illegal? As we have shown in Chapter 2, this historical transformation was a highly complex social development involving political, economic and cultural dimensions. If it were the decisiveness of 'exchange' (or trade), or the decisiveness of capitalism for that matter, all drugs, including cocaine, would have been turned into a profitable business, as is the case with tobacco and alcohol. *Fortune* magazine once described the cocaine trade as 'probably the fastest growing and unquestionably the most profitable' industry in the world ('The Drug Trade' 1998). If it were the profitability of exchange, or the evolution of capitalism, why should the most profitable industry in the world be codified as 'illegal'? Unfortunately, in the world system approach, the complexity of the history of social relations, with enormous political, cultural and historical variations across the globe, is reduced to the simplicities of a grand theory.

Besides, the central claim in Wallerstein's theory, i.e. the historical constitution of dependency, is debatable since it is extremely determinist. Historically speaking, supplying (i.e. exporting) primary products is not *necessarily* a route to economic and political underdevelopment and peripheral status in the world

which they find themselves, and given the profitable possibilities they face for selling particular kinds of products on the world market' (Skocpol 1977: 1079). Rather than paying attention to 'institutionalised relationships between producing and surplus-appropriating classes', Wallerstein treats 'labour control primarily as a market-optimising strategy of the dominant class alone' (Skocpol 1977: 1079).

system, as there exist many counter-examples (Halperin 1997: 19-20)¹⁰⁵. Thus, the particular relations of exchange, i.e. supplying/exporting raw materials, through which peripheral countries have been integrated into the world economy, do not necessarily account, in themselves, for the reasons why these countries, including Bolivia, were dependent in the first place, and why they are still dependent.

In fact, our historical analysis of the War on Drugs in Bolivia has yielded a different explanation regarding the *origins* of the dependence of Bolivia. It is true that with the Spanish invasion Bolivia was integrated into the world economy as a supplier of raw materials, mainly silver and gold. That integration was conducted by methods of primitive (original) accumulation through the use of crude force. Although the process of primitive accumulation was constitutive of the conditions that made it possible for capitalism to flourish in imperial centres, the relationship between the labour and the surplus appropriating class in the colonial areas was not a capitalist one, as for the most part the production (of surplus value) was based on forced labour (*mita*). In a way, dependence was initiated by an active practice of *colonial imperialism* with mercantilist logic and some pre-capitalist overtones. In other words, the social, political and economic infrastructures set up by colonial imperialism have been crucial in the deepening and the consolidation of the dependency *before* capitalism became the dominant mode of production in Bolivia. In this sense, one might argue that dependency was introduced into the internal constitution of Bolivia not through capitalism but through old-fashioned imperialism¹⁰⁶.

Therefore, while we agree with Wallerstein that the current world order is characterised by various dependencies generated by capitalist social relations, we do not agree that these dependencies can be reduced to static formulations regarding the workings of capitalism. In fact various dependencies are historically constituted in many different

¹⁰⁵ Halperin argues that, many counties, such as Denmark, Sweden, the United States, and Canada which followed this route, ended up in the advanced capitalist core and many Latin American countries had as much opportunity to industrialise with the revenues from staple exports as did, for example, their northern American counterparts (Halperin 1997: 19-20).

¹⁰⁶ Yet there is no doubt that this internal constitution has facilitated the infusion of capitalism in such a way that it amplified the levels of dependence. As for today, as Peter Worsley points out 'the dependent economies originally implanted by political force can continue to work according to the logic of the world capitalist market, because they become capitalist in their internal constitution; not merely because they are articulated to a world capitalist market' (Worsley 1985: 510):

ways and reproduced with a great variety of applications that cannot be reduced down to the specific characteristics of capitalist mode of production. To reduce the constitution of various dependencies down to the logic of capitalism would be a rigidly structural and determinist approach to world order, ignoring different power relations and different constitutive efforts of world ordering projects.

A Neo-Marxist Approach to World Order: Michael Hardt and Antonio Negri

Michael Hardt and Antonio Negri, with their recent book '*Empire*', tried to develop a different structural approach to world order. They explicitly set forth, from the outset of their book, that the aim of their analysis is to 'grasp the constitution' of world order (Hardt & Negri 2000: 3). The whole analysis is formulated around the argument that the international system is undergoing a radical transformation, as the latest stage of a 'process of the long transition from the sovereign right of nation-states (and the international right that followed from it) to the first postmodern global figures of imperial right' (Hardt & Negri 2000: 4). For the authors, this transformation, which they label 'the imperial constitutionalization of world order', or the *Empire* (Hardt & Negri 2000: 14), constitutes a '*paradigm shift*' (Hardt & Negri 2000: 8, emphasis in original). This paradigm shift is defined, according to Hardt and Negri, 'by the recognition that only an established power, over-determined with respect to and relatively autonomous from the sovereign nation-states, is capable of functioning as the centre of the new world order, exercising over it an effective regulation and, when necessary, coercion' (Hardt & Negri 2000: 14-15).

Hardt and Negri argue that what is encountered at this juncture of the new paradigm is 'a process of the material constitution of the new planetary order, the consolidation of its administrative *machine*, and the production of new hierarchies of command over global space' (Hardt & Negri 2000: 19, emphasis added). This is a situation which resembles, what is loosely called in late IR literature, '*governance without government*': 'the systemic totality has a dominant position in the global order, breaking resolutely with every previous dialectic and developing an integration of actors that seems linear and spontaneous' (Hardt & Negri 2000: 14). This systemic totality, which works like a machine, 'creates a continuous call for authority', and 'seems to predetermine the

exercise of authority and action across the entire social space' (Hardt & Negri 2000: 14).

Who are the actors of or what are the forces behind this machine? Is it, for instance, an imperial state, e.g. the US? Their answer is 'no': the US being the only superpower left after the Cold War, 'the responsibility of exercising an international police power "fell" squarely on the shoulders of the US', which emerged as 'the only power able to manage international justice, *not as a function of its own national motives but in the name of global right*' (Hardt & Negri 2000: 180, emphasis in original). According to the authors, the international organisations – governmental or non-governmental – *ask* the US to assume the central role in a new world order: 'The US is the peace police, but only in the final instance, when the supranational organizations of peace call for an organizational activity and an articulated complex of juridical and organizational initiatives' (Hardt & Negri 2000: 181). So the US, or any state, is no more than the 'dominant subjects' of this machine (Hardt & Negri 2000: 18).

The force behind this machine, according to Hardt and Negri, is 'the shift in contemporary capitalist production and global relations of power'. The globalisation of capitalist production and its world market, which is a 'fundamentally new situation and a significant historical shift' (Hardt & Negri 2000: 8), provided 'the capitalist project to bring together economic power and political power, to realize, in other words, a properly capitalist order' (Hardt & Negri 2000: 9-10). This 'single power overdetermines' all subjects of the system — dominant or non-dominant, 'structures [them] in a unitary way, and treats [them] under one common notion of right, or rather, a new inscription of authority and a new design of the production of norms and legal instruments of coercion that guarantee contracts and resolve conflicts' (Hardt & Negri 2000: 9). Basically, at the heart of Hardt and Negri's analysis lies absolute *domination of capital* over all productive forms, a state of *total subsumption* of all of the subjects of the global system. This phenomenon comes with a new form of power, 'network' power, which is dissipated throughout the system, without a grounded territorial base; rather it envelops the globe in flows of money, ideas, internalised systems of representation and so forth¹⁰⁷.

¹⁰⁷ According to Hardt and Negri, the evolution of the domination of capital and the formation of the material constitution of its *imperial* order are easy to track down. For example, juridical transformations

We think there are two important contributions by Hardt and Negri that is conducive to a better understanding of world order. Arguably the first contribution is that they draw attention to the *ordering projects* of world order. Although their conceptualisation of world order works and operates in a mysterious way, some of its enforcement mechanisms are depicted and shown to be real: for instance, the *right to police* and *just wars*. They argue that the right to police in the current world order ‘is justified by *the appeal to essential values of justice*’, in other words, it is ‘legitimated by universal values’ (Hardt & Negri 2000:18, emphasis in original) through *a unitary power*.¹⁰⁸ That unitary power has ‘the capacity to define, every time in an exceptional way, the demands of intervention’ and ‘the capacity to set in motion the forces and instruments that in various ways can be applied to the diversity and the plurality of arrangements in crisis’ (Hardt & Negri 2000: 16-17). Secondly Hardt and Negri try to point out the novelty of the *new forms* of these old ordering projects (i.e. the right to police and just wars): in addition to ‘traditional characteristics’ of ‘the banalization of war’ and ‘the celebration of it as an ethical instrument’, current forms of the right to police and just wars have two innovative characteristics: ‘first, the legitimacy of the military apparatus insofar as it is ethically grounded, and second, the effectiveness of military action to achieve the desired order and peace’ (Hardt & Negri 2000: 12-13).

Despite these crucial contributions, we will argue that Hardt and Negri’s understanding and conceptualisation of the nature and the workings the world order do not form a coherent theory of social ontology and, thus, fail to provide a framework able to provide an explanation of the War on Drugs. We will show that their attempt fails because of two interlinked reasons (apart from many others)¹⁰⁹: the conceptualisation of power that exclusively focuses on the systemic level, which in turn brings an undifferentiated interpretation of world order. Let us substantiate these claims.

Hardt and Negri argue that the current world order is characterised by a particular (and *new*) form of systemic power relatively autonomous from the sovereign nation-states.

effectively ‘point toward changes in the material constitution of world power and order’ and ‘a first view of the tendency toward the centralised and unitary regulation of both the world market and global power relations’ (Hardt & Negri 2000: 9). In this sense, the UN (and its Charter) constitutes a ‘real historical lever that pushed forward the transition toward a proper global system’ (Hardt & Negri 2000: 5).

¹⁰⁸ It must be noted here that, according to Hardt and Negri, the unitary power in question is the UN.

¹⁰⁹ For an excellent critique of Hardt and Negri’s theory see (Morgan 2003).

Their argument is basically constructed on the premise that the current global order, i.e. Empire, is characterised by ‘systemic totality’ that imposes its terms on its subjects. The power, then, becomes the capacity of the system itself to constitute its subjects’ positions to the system: ‘the systemic totality has a dominant position in the global order, breaking resolutely with every previous dialectic and developing an integration of actors that seems linear and spontaneous’ (Hardt & Negri 2000: 14). There are two corollaries of these arguments: first the power of Empire works only in the systemic level, similar to the third dimension in Steven Lukes’ classic work on the subject (Lukes 1984 (1974): 21-25); and second the subjects of the system are increasingly moving towards a linear (i.e. horizontal) plane, suggesting that the hierarchical differences between the subjects are disappearing. We will argue that these claims, which are at the heart of Hardt and Negri’s theory, simply are unable to make sense of the range of forms of power that are exercised in the War on Drugs (Morgan 2003: 123).

Let us simply implant Hardt and Negri’s conceptualisation of power, which takes an overarching and determinant systemic form, into our case study. In the case of the War on Drugs, is it possible to characterise the power relations that have been applied on the Bolivian political system as systemic power? Or put differently, are there no other practises of power that fit Lukes’ first and second dimensions of power in the historical constitution of the War on Drugs? If the answer is yes, are these power practises insignificant, too infrequent to be ignored and/or categorically undifferentiated from (i.e. inherently the products of) the third dimension? These are the questions that need to be answered in order to test the adequacy of a framework to explain the phenomenon of the War on Drugs.

The War on Drugs is predominantly characterised by Lukes’s first dimension of power, that is the capacity of one to influence an outcome against the wishes of others (Lukes 1984 (1974): 11-15). The decision to militarise the War on Drugs is an example *par excellence*. As stated in Chapter 2, in 1989 the US drafted and announced the Andean Strategy, which required the involvement of (Andean) armed forces in the War on Drugs, without any input or any consultation from the Andean governments. Almost all segments of Bolivian society, and ironically including the government itself, were against such a move for different reasons (as explained in Chapter 4). Via the certification process, the US effectively used the threat of cutting its bilateral (military)

aid and preventing multilateral (economic) aid from the World Bank, the IDB, and the IMF. As the Bolivian economy was so dependent on this aid, the Bolivian government (immediately) and congress (eventually) had to concede to the US' demand. Clearly in this case, the US secured an outcome against the wishes of Bolivian political establishment, and this process surely fit Lukes's first dimension of power.

Yet, the first dimension of power is not the only type of power that US practices in the context of War on Drugs. There are other practices of power, which correspond to Lukes' second dimension of power. This dimension is the ability to affect what is actually on the decision-making agenda; that is to prevent an issue from being an option by ensuring it is not presented as an alternative and, thus, does not involve observable conflict as the first dimension of power does (Lukes 1984 (1974): 16-20). The gradual institutionalisation and internalisation of War on Drugs in Bolivia constitutes an example for this kind of power. As stated in Chapter 4, up until 1995, Bolivian governments generally complied with minimum eradication goals to appease US demands (as well as *cocaleros*' demands). The governments' general argument was that the drug issue was not only a supply side problem but also was a demand side problem. However, as we have pointed out in Chapter 4, in 1995, following the collapse of Lozada's plan (Option Zero), the Bolivian political establishment, for the first time, accepted that drugs were a supply side problem. In 1998, with the acceptance of Hugo Banzer's Plan Dignity which proposed the total elimination of all coca fields in Chapare by 2002, the Bolivian government further ascribed to the argument that the drug problem was a supply side problem, and that Bolivia had to completely eradicate its coca fields. Since then, at the governmental level, the policy-making process did not take into consideration the old argument, which referred to both the supply and demand side of the problem. In other words, since then, Bolivian governments began to see the drug issue in terms of a supply side problem exactly the same way as their Northern American counterparts. As explained in Chapter 4, this transformation was accomplished through direct US pressures over the course of years with various practises of overt and coercive power, i.e. the first dimension of power. Yet, once it was achieved, it operated through the second dimension of power: the argument that the drug problem is both a supply and demand side problem is no longer available to Bolivian governments. Clearly in this case, the US eventually secured the lack of

alternatives about the nature and causes of the drug problem, and this process surely fit Lukes's second dimension of power.

As discussed above, the War on Drugs is heavily characterised with overt and covert forms of power practices that are categorically different from the systemic power practices — Lukes' third dimension of power¹¹⁰. If we agree on the basic fact that the War on Drugs is a manifestation of the current world order, then, we would also agree on the fact that there are categorically different and equally significant practices of power in the workings of that world order — other than the systemic power practices. In this sense, Hardt and Negri's theory is inadequate in making sense of the range of forms of power that are exercised in world order and cannot 'accommodate the interaction of all possible conceptual dimensions of power' (Morgan 2003: 111). Consequently their determinist theory only takes into consideration systemic or structural dimensions, which in turn brings an undifferentiated interpretation of world order. The role of the states in the current world order is underplayed to the extent that they have no bearing to the system except as accidental happenings. The role of the US as the only superpower of our times, or of any other state for that matter, is consistently underplayed as a result of the desire to project Empire on a truly global scale.

3. Undifferentiated Reductionism in Approach to World Order

The Neo-Gramscian Approach to World Order: Robert Cox and Stephen Gill

Another approach attempting to provide an integrated theory regarding the subject of world order is developed by Robert W. Cox, one of the prominent members of the neo-Gramscian school of IR theory. In his article '*Social Forces, States and World Orders: Beyond International Relations Theory*' Cox tries to formulate what he calls a 'critical theory of world order' and describes it as 'an attempt to sketch a method for understanding global power relations: look at the problem of world order in the whole,

¹¹⁰ The third dimension of power involves 'the socially and culturally patterned behaviour of groups, and practices of institutions'. — In other words, this manifestation of power is one which neither those who benefit from it nor those who suffer from it, are aware it. Subjects of this power accept their position in the status quo either because they cannot envisage an alternative or because they value it as beneficial. See (Lukes 1984 (1974): 21-25).

(...), to give proper attention to social forces and processes and see how they relate to the development of states and world orders' (Cox 1986: 206).

According to Cox, a critical approach to a theory of world order would start with the framework where 'the action takes place' (Cox 1986: 217). This framework has the form of a historical structure, which is a picture of particular configuration of three forces: material capabilities, ideas and institutions (Cox 1986: 217-218). This particular configuration does not determine actions in any direct, mechanical way but imposes pressures and constraints on them (Cox 1986: 217). Cox emphasises the special importance of the institutionalisation within this configuration, as it is 'a means of stabilizing and perpetuating a particular order': 'institutions reflect the power relations at their point of origin and tend, at least initially, to encourage collective images consistent with these power relations' (Cox 1986: 219). The institution, which he specifically refers to, is the *state*. For Cox, it is evident that although the state is an instrument of the social forces, it also has autonomy in the Weberian sense: 'the world can be represented as a pattern of interacting social forces in which states play an intermediate though autonomous role between the global structure of social forces and local configurations of social forces within particular countries' (Cox 1986: 225).

Drawing on Antonio Gramsci's analyses, Cox's understanding of the social world consists of a model constructed on two pillars, or tiers: social forces and states. Following an analysis that makes an elaborate distinction between social forces, namely the society and the state, Cox argues that the 'state/society' complex constitutes the 'constituent entities of the world order': 'The sense of reciprocal relationship between structure (economic relations) and superstructure (the ethico-political sphere) in Gramsci's thinking contains the potential for considering state/society complexes as the constituent entities of a world order and for exploring the particular historical forms taken by these complexes' (Cox 1986: 216). Following this, in order to grasp the constitution of world order(s), Cox argues that one has to focus on the social relations in general *and* the relations between states: 'for the purpose of understanding world order, it is necessary to draw together knowledge about the relations in society and knowledge about the relations among entities like states that are shaped by these social power relations' (Cox 2000: 32).

Power and, following this the concept of *hegemony*, play crucial roles in Cox's analyses. Power is seen, by what Cox calls the political economy perspective of the world, 'as emerging from social processes rather than taken as given in the form of accumulated material capabilities that is the result of these processes' (Cox 1986: 225). Hegemony, which is a specific configuration of power relations, occurs when the 'power basis of the structure tends to recede into the background of consciousness' (Cox 1986: 219). This conception, which again takes its origins from Gramsci's work, maintains that hegemony 'functions mainly by the consent in accordance with universalist principles and rests upon a certain structure of power and serves to maintain that structure' (Cox 1986: 246). In short, hegemony emphasises the consensual element as opposed to the coercive element.

As hegemony depends heavily on the consensual element it uses institutions to implant itself. 'Institutions provide ways of dealing with conflicts so as to minimize the use of force. (...) Institutions may become the anchor for [such] a hegemonic strategy since they lend themselves both to the representation of diverse interests and to the universalization of policy' (Cox 1986: 219). Despite heavily stressing the importance of institutions, Cox does not reduce hegemony to an institutional dimension: 'One must beware of allowing a focus upon institutions to obscure either changes in the relationship of material forces, or the emergence of ideological challenge to an erstwhile prevailing order' (Cox 1986: 220). Hegemony, according to Cox, materialises only when 'a fit between material power, ideas and institutions' come together: 'a coherent conjunction or fit between a configuration of material power, the prevalent collective image of world order (including certain norms) and a set of institutions which administer the order with a certain semblance of universality, that is, not just as the overt instruments of a particular state's dominance' (Cox 1986: 223).

The latter point takes us to Cox's distinction between different applications of power, namely *dominance* and hegemony. Gramsci's own analysis was that a hegemonic *historical bloc* is not simply based on economic power or political-military coercion, but also requires cultural and moral leadership. Thus, his view was that 'a class is hegemonic to the extent that it offers an integrated system of values and beliefs that is supportive of the established social order and which project a particular set of class interests as the general interest' (Egan 2003: p. 2). And consequently *hegemonic power*

is not imposed on subordinates, but instead is a negotiated process and requires the *consent* of subordinate groups. Following this line of argument set up by Gramsci, Cox argues that from the 1970s onwards, the hegemonic nature of *pax-americana* began to change and it eventually transformed into a tributary system, as the consensual dimension was substituted at an increasing rate by military power (Cox 2000: 30). This transformation was, according to Cox, an ‘indication of US dominance rather than of hegemony’ (Cox 1996: 236). Is it possible to have such clear-cut lines between hegemony and dominance, or are they ontologically differentiable existences? Is it not the case that War on Drugs is one of many examples of continuous non-consensual policing/disciplining efforts (such as ‘fight with communism’ or ‘anti-subversive measures’) that hitherto existed, including hegemonic orders? Is it not also the case that the War on Drugs can be seen as one of the generic examples of the application of non-consensual power and *thus* a sign of — what Cox would call — dominance?

We would argue that the issue comes down to the lack of understanding of constitutive world ordering efforts. If it is possible to understand the formation and workings of the world order by the analyses of the social forces and the institutions, as Cox argues, then, surely there must be some enforcement mechanisms to keep it working in that specific configuration. What are these? How do they work? Arguably these unanswered questions regarding the world ordering form a major theoretical vacuum in Cox’s approach, which, partly, is attempted to be filled by another neo-Gramscian theorist Stephen Gill.

Stephen Gill has expanded on the above framework through the introduction of the concepts of ‘*market civilisation*’, *new constitutionalism* and *disciplinary neo-liberalism*. According to Stephen Gill, what he calls ‘*market civilisation*’, constitute a temporary politics of supremacy¹¹¹ in the emerging world order. The new constitutionalism involves the narrowing of the social basis of popular participation within the world order of disciplinary neo-liberalism. It is ‘the move towards the construction of legal or constitutional devices to remove or insulate substantially the new economic institutions from popular scrutiny or democratic accountability’ (Gill 1992: 165). New

¹¹¹ By a situation of supremacy, Gill means, ‘rule by a non-hegemonic bloc of forces that exercises dominance for a period over apparently fragmented populations, until a coherent form of opposition emerges’ (Gill 1995: 400).

constitutionalism results in an attempt to discipline states along a neo-liberal restructuring policy by disseminating the notion of market civilisation based on an ideology of capitalist progress and exclusionary or hierarchical patterns of social relations (Gill 1995: 399). Unlike Cox, Gill points out the disciplining mechanisms of the world order, or the tools of world ordering: the governance of this market civilisation is ‘achieved through a combination of market discipline and direct application of political power’ (Gill 1995: 399). However, like Cox, he identifies the same dominant forces of the current world order: ‘the dominant forces of contemporary world order are constituted by a neoliberal historical bloc that practices a politics of supremacy within and across nations’ (Gill 1995: 402). New constitutionalism, he argues, is ‘reflected in the conditionality policies of the Bretton Woods organisations, quasi-constitutional regional arrangements such as NAFTA or Maastricht, and the multilateral regulatory framework of the new World Trade Organisation’ (Gill 1995: 412). Gill argues that ‘ideology and market power are not enough to ensure the adequacy of neoliberal restructuring’ (Gill 1995: 412). In other words, according to him, extra enforcement mechanisms are needed. He believes that at the heart of the disciplining and enforcement process, there is an internationalisation of authority and governance that involves international organisations, transnational firms (which also include private consultancies and private bond-rating agencies), which he calls the ‘G-7 nexus’.

In order to show how this historical bloc exercises its power, Gill elaborates the different forms of disciplining mechanisms. In addition to Gramsci’s understanding of how the historical bloc exercises its power, he uses insights provided by Michel Foucault’s ‘discursive formation’: ‘a set of ideas and practices with particular conditions of existence, which are more or less institutionalised, but which may be only partially understood by those that they encompass’. He also refers to Marx and his concept of ‘commodity fetishism’: ‘the way in which capitalist commercialisation shapes outlooks, identities, time-horizons, and conceptions of social space.’ (Gill 1995: 402). He argues that both these concepts, discursive formation and commodity fetishism, allow us ‘to make sense of the way that practices and understandings come to pervade many areas of social and political life, in complex, perhaps unpredictable and contested ways’ (Gill 1995: 402). Using these insights, Gill thoroughly formulates his understanding of discipline:

The concept of discipline has macro- and micro-dimensions of power: the structural power of capital; the ability to promote uniformity and obedience within parties, cadres, organisations, and especially in class formations associated with transnational capital; and particular instances of disciplinary power in a Foucauldian sense¹¹². Thus, 'disciplinary neoliberalism' is a concrete form of structural and behavioural power; it combines the structural power of capital with 'capillary power' and 'panopticism' - a system of control which reduces the individual to a manipulable and relatively inert commodity. In other words, neoliberal forms of discipline are not universal nor consistent, but they are bureaucratised and institutionalised, and they operate with different degrees of intensity across a range of 'public' and 'private' spheres. In this sense, discipline is both transnational and a local dimension of power, and these dimensions of discipline are one dimension of the supremacist transnational historical bloc (...) (Gill 1995: 411-2).

With respect to the War on Drugs, what kind of framework does the neo-Gramscian approach to world order provide us? Let us try to answer this question starting from the original analysis of Antonio Gramsci. Gramsci, in his analysis regarding post-unification Italy (Gramsci 1971), used the concept of hegemony to describe the way in which one social group (i.e. the bourgeoisie) establishes and maintains control even in a democratic system in which other social groups (i.e. workers and peasants) might make up an electoral majority. According to him, the dominance of the bourgeoisie was not based on their control of the coercive power of the state, but rather rested upon their ability to exercise moral and political leadership, and to win consent for their world-view. In this sense, it is important to note that Gramsci's analysis of hegemony was a *historically specific* feature of the age of *national* politics in post-unification Italy rather than as a universal feature of all societies. For the neo-Gramscian perspective, however, Gramsci's concept of hegemony qualifies a definitional (and even naturally necessary) property of all human societies across the globe: hegemony, which is initially established by social forces occupying a leading role within a state, is then projected outwards on a world scale. Therefore, according to this perspective, hegemony is seen as a extremely valuable concept for explaining the way in which human affairs take

¹¹² Gill notes that, for Foucault, discipline is a term which indicates 'both a modernist framework of understanding that underpins a terrain of knowledge, and a system of social and individual control'. (Gill 1995: 411).

place at a global scale. When adapted for the international context, hegemony refers to a specific configuration of power relations that is characterised by the exercise of [global] *leadership* by the dominant group over subordinate groups in and through the construction of *consent*. In other words, according to neo-Gramscians, there are two major characteristics that form the *differentia specifica* of [global] hegemony: global leadership and the consensual element.

We will argue that the War on Drugs does not fit this characterisation as a result of two major inconsistencies and incoherencies in the neo-Gramscian conception of hegemony. The first one is that the neo-Gramscian concept of hegemony overemphasises the consensual element and consistently underplays non-consensual elements in world politics, as a result of the desire to project hegemony on a truly global scale. The second one is that, because hegemony is associated with a leadership, the key social processes are simply seen as the products of significant social actors or groups forming this leadership. We will argue and show that the War on Drugs manifests itself in a different manner, as a political process (a) in which consent is not by any means a frequently seen (let alone dominant) characteristic and (b) which can not be characterised as led by a dominant group's leadership.

First, let us elaborate our charge that neo-Gramscians overemphasise the role of consent in hegemony. To start with, we have to understand the way in which Gramsci himself used the concept in his analysis. As stated earlier, the context, if not the central focus, of Gramsci's analysis was the state of national politics in the post-unification Italy. Therefore his understanding of hegemony and the role of consent in the establishment of hegemony were not only *historically specific* but also of a *national* character¹¹³. In addition to these, Gramsci has provided an elaborate account of the relationship between the consensual and non-consensual elements of politics. Without consent the political outcome would be 'domination without [hegemonic] "leadership" ' and 'dictatorship without hegemony' (Gramsci 1971: 106). Yet, without force there can be

¹¹³ 'The "normal" exercise of hegemony on the now classical terrain of the parliamentary regime is characterised by the combination of force and consent, which balance each other reciprocally, without force predominating excessively over consent. Indeed, the attempt is always made to ensure that force will appear to be based on the consent of the majority, expressed by the so-called organs of public opinion — newspapers and associations — which, therefore, in certain situations, are artificially multiplied. Between consent and force stands corruption/fraud...' (Gramsci 1971: 80).

no hegemony either. Indeed, for Gramsci ‘the moments of force and consent’ in hegemony form a ‘dialectical unity’ (Gramsci 1971: 169):

“ (...) two fundamental levels, corresponding to the dual nature of Machiavelli’s Centaur — half-animal and half- human. They are the levels of force and of consent, authority and hegemony, violence and civilisation, of the individual moment and of the propaganda, of tactics and of strategy, etc. (...) In actual fact, it often happens that the more the first ‘perspective’ is ‘immediate’ and elementary, the more the second has to be ‘distant’ (not in time, but as a dialectical relation), complex and ambitious”.

The War on Drugs confirms Gramsci’s emphasis on the dialectical relationship between consent and force, i.e. non-consensual politics. In other words, the War on Drugs provides first hand confirmation that the attainment of consent, i.e. moral-intellectual leadership that is said to be the *differentia specifica* of hegemony, is *only* possible with an accompanying set of non-consensual means. Moreover, the War on Drugs suggests that, for a hegemonic practice, the non-consensual dimension is not only necessary but might also be more decisive than the consensual dimension.

As explained in previous chapters, Bolivia went through the implementation and the consolidation of neoliberal economic policies simultaneously with the War on Drugs. Though the two agendas were not officially linked, they were constructed in such a way that the two organically supported each other. It will be useful to remember how two agendas established themselves in Bolivia. In the mid 1980s, following the crash of the international tin market, Bolivia implemented the NPE (New Economic Policy), in line with the hegemonic neoliberal ideology. It is also worth remembering that the new neoliberal economic policy was planned by the US-educated and mine-owning Sanchez de Lozada, and his economy advisor Jeffrey Sachs of Harvard, as well as supported by the IMF, the World Bank, the Paris Club, the Overseas Private Investment Corporation and the Multilateral Guarantee Agency. With the implementation of the NPE, the Bolivian economy plunged into recession, with enormous social costs, such as immense unemployment rates, the deterioration of income distribution and a decrease in real incomes. The worsening of the economic situation in Bolivia spurred the informal sector of coca and cocaine. The latter development eventually brought about the US response called the War on Drugs, which is characterised as been an application based

on the use on non-consensual means (not only for Bolivian people through the militarisation and violent law enforcement measures, but also for Bolivian governments through arm-twisting and threats under various forms such as conditionalities and economic aids). It was thanks to this non-consensual infrastructure (supported by the War on Drugs) that the—neoliberal project could continue and achieve its total realisation (i.e. the selling of public goods) despite immense public opposition.

It is also equally important to remember that *before* neoliberalism prevailed in Bolivia non-consensual politics had already deprived the Bolivian political system from all possible defence mechanisms and, in a way, had prepared the way for the triumphant march of neoliberalism. As we documented in Chapter 3, consecutive military regimes, which violently suppressed workers' unions, have been supported by the US under the pretext that these juntas were fighting against subversives and communism (as exemplified in the case of Ché Guevara's death or Banzer's military training in the SOA). The Bolivian economy was constantly subjected to conditionalities imposed by the IMF and foreign creditors, as well as to the bitter surprises of the so-called 'invisible hand' of the international markets (e.g. tin). In other words, a long history of constant non-consensual activities has made it possible for hegemonic neoliberal ideology to be effective in Bolivia (in mid-1980s).

In short, the Bolivian case tells us that putting consensual politics ontologically above non-consensual politics is simply wrong. The former can only be realised through the constant application (not only the presence) of the latter. Thus, characterising hegemony around the concept of consent does not reflect the reality. The practices of the War on Drugs tell us that the current state of world politics is arguably characterised as much by non-consensual politics as consensual hegemony. If this is the case, that is, if the non-consensual means are equally, if not more, important than the consensual means, and if the dialectical relationship between the two is crucial, as Gramsci pointed out, then why insist on calling the state of human affairs hegemony (which is said to be characterised by consent)?

Secondly, let us turn to our charge that neo-Gramscians overemphasise the role of a dominant group's leadership in the current world order. We argue that although these approaches acknowledge multiple aspects of such leadership, even in its more complex

forms, they ontologically put agents above structure, for their emphasis is on the strategies, plans and actions of social agents, groups and individuals. This agential approach in turn, as Bob Jessop rightly points out, ‘may encourage a mistaken view of history and politics in which key social processes are simply the products of significant social actors or groups’ (Jessop 2003: 184). In other words, an overemphasis on the transnational managerial class, or G-7 nexus, or transnational capitalist class, is susceptible to the neglecting of the dialectical character of the structures, processes, and mechanisms that enable these individuals and groups to act the way they actually act¹¹⁴.

As argued before, it is impossible to make sense of the practices of the War on Drugs in terms of any dominant *group* (and its leadership). Although the process is working simultaneous with and supportive of the expansion of neoliberal market relations, it is empirically impossible to conclude that the transnational capitalist class is in charge of the various disciplining processes created by the War on Drugs. The transnational capitalist class certainly benefit from it, but, by no means, is it responsible for or in charge of it. The evidence tells us that the state apparatus of the US, not only as an institutional ensemble, or collective agent, but also as a *structure*, is the main force behind the War on Drugs (as we will discuss in the following chapter). This is to the extent that the neo-Gramscian approach posits a correspondence between the internationalisation of capital and the internationalisation of the state; it assumes ‘an idealised model of the state’ (Moran cited in Egan 2003: 4), and this fallacy creates hefty vacuums in the explanation of the social reality. In this sense, the neo-Gramscians fail to specify ‘the distinctive properties of the *state* as a structure, institutional ensemble or collective agent that enable it to play this role’ (Jessop 2003: 191-192).

In short, the evidence arising from the War on Drugs suggests that neo-Gramscians’ overemphasises on the consent and the leadership of a dominant group is problematic. Both of these problems are against the methodological core of a ‘Gramscian materialism, which asks us to see social reality as dynamic, multifaceted and

¹¹⁴ Having developed our criticism of Cox and Gill, we must note that not all schools of thought associated with the neo-Gramscian perspective commit these kinds of reductionisms. For instance, the Amsterdam approach, represented in the works of Kees van der Pijl (van der Pijl 1989) (van der Pijl 1998), Otto Holman (Holman 1996) and Henk Overbeek (Overbeek 1993) avoid determinist reductionism and voluntarism. As Otto Holman puts it, the Amsterdam school ‘through the elaboration of the analytical tool of comprehensive concepts of control’ analyses in a non-reductionist manner ‘the situation of ideology and the political articulation of (fractional) class interest in the context of the dynamics of capitalist accumulation’ (Holman in van der Pijl 1998: x).

contradictory’ (Sassoon 1987 quoted in Egan 2003: 4). One cannot overrule the case of the War on Drugs by asserting that it is irrelevant to the arguments of hegemony. The War on Drugs is effectively the major, if not the only, process that links Bolivia (and Peru and Colombia) to world politics. It is true that the neoliberal agenda is simultaneously operating in these countries, along with the War on Drugs. However we think it is highly problematic to argue that the neoliberal hegemony is taking place on a ‘consensual’ plane. To deny the antecedence of non-consensual politics prior to the emergence of hegemony, and to deny the crucial and dialectical role of non-consensual politics in the expansion, consolidation and workings of the hegemony, is not conducive for a better understanding of world order.

IV. Conclusion: A need for an Alternative Ontology

In this chapter we have examined some of the major approaches to world order to determine whether they provide an adequate explanation that is able to account for the concrete phenomenon of the War on Drugs. Our analysis, which benefited from the insights of critical realism, has shown that these approaches are unable to provide an explanation for this world ordering project. The inadequacy does not stem from the fact that these approaches have not analysed the War on Drugs specifically, but rather because they have substantial flaws in their ontological presuppositions and their methodological premises. We argued that, in one way or another, these approaches commit epistemic fallacies, structural determinism or undifferentiated reductionism.

Yet, it is not sufficient to leave the discussion here. We still have to propose, if not fully construct, an alternative social ontology that explores the grounds of world order and explains the relationship between world order (as a process) and constitutive acts of world ordering (as a project). The next chapter will undertake the task of proposing an alternative explanation of world order, predicated on critical realist presuppositions and based on a particular re-conceptualised notion of imperialism, which is distinctive from those developed in classical theories of imperialism.

Chapter VII: Bringing Imperialism Back In – World Order and World Ordering

In his 1990 article, entitled '*Whatever Happened to Imperialism?*', Prabhat Patnaik wrote in astonishment that 'hardly anybody talks about imperialism anymore' (Patnaik 1990). He notes that only fifteen years ago, 'imperialism occupied perhaps the most prominent place in any Marxist discussion' but 'now', he adds, 'the topic has virtually disappeared from the pages of Marxist journals' (Patnaik 1990: 1). Then Patnaik goes on:

'(...) a decade and a half ago, half a million US troops had only recently withdrawn from a bloody war in Vietnam, while nothing of the sort is happening now. But no Marxist ever derived the existence of imperialism from the fact of wars; on the contrary, the existence of wars was explained in terms of imperialism. Why a Vietnam has not appeared since then is thus a separate matter, but the theoretical perspective in terms of which we saw Vietnam is after all a more basic question and can not be brushed aside just because no Vietnam has happened in the last fifteen years. Moreover, while nothing on the scale of Vietnam has happened since then, plenty has happened and is happening to belie the proposition that the world today is in any way fundamentally different. There was the invasion of Grenada, and more recently the invasion of Panama, justified on the argument that the jurisdiction of a US court extends to foreign countries as well. There has been the remarkable spectacle of the United States using its domestic crisis, i.e. drug abuse among the youth, as an argument for violating the sovereignty of states across the entire Latin American continent, waging battles against peasants to alter their production decisions (even while demands for raising the prices of alternative crops to coca have met with a stubborn refusal)' (Patnaik 1990: 2).

Patnaik's explicit and central argument that discussions of imperialism have disappeared (since mid-1970s), and his rather implicit arguments that the current world order is characterised by imperialism, and that the War on Drugs is an act of imperialism are all equally interesting, and arguably spot-on, and we will come back to them in due course. What we would pick from Patnaik's comments at this juncture is his observation that, once upon a time, theories of imperialism used to be seen as promising frameworks in contributing to the understanding of world order.

We would agree with the argument that the classical theories of imperialism are, in fact, theories of world order, in the sense that they tried to uncover the patterns and processes of social reproduction at the global level. But these classical theories undertook such a task in a particular way: they placed capitalism at the heart of their analyses. In other words, different theories of imperialism, in their unique ways, tried to uncover the fundamental role that capitalism took in the making of world order. They focused on changing/evolving forms (or modes) of capital accumulation, with special emphasis on various aspects of this evolution. At this point, it would be useful to recount briefly the central tenets of some of the major classical theories of imperialism¹¹⁵.

Rudolf Hilferding's work (Hilferding 1981 [1910]), for instance, emphasised the importance of the formation a new form of capitalist enterprise — joint stock companies - as this new enterprise accelerated the centralisation of capital and the concentration of production as well as financial manipulations. This specific theme was common at the time, as Anthony Brewer points out, 'these developments were very *visible* (...) it was after all, the time when magnates like Rockefeller and Carnegie were demonstrating the full possibilities of these financial manipulations in practical terms' (Brewer 1980: 82, emphasis added). Drawing on the rapid developments of monopolies in the German banking system, Hilferding focused on the concentration and centralisation of finance capital:

'Finance capital marks the unification of capital. The previously distinct spheres of industrial capital and bank capital are henceforth under the control of high finance, in which the magnets of industry and the banks are closely associated. This association, which is founded on the suppression of competition between capitalists by the great monopolistic combines, has, of course, the effect of changing the relations between the capitalist class and the state' (Hilferding 1981 [1910]: 407).

¹¹⁵ In our brief account we will benefit from Anthony Brewer's (1980) work on Marxist theories of imperialism, as it provides a clear and compact guide to the relevant body of literature. However, the quotations used will refer to the original authors, as this researcher has read these works.

Finance capital, according to Hilferding, necessitates the continuous enlargement of the 'economic territory' for the maximum possible use of the different natural conditions and resources from all over the world and the 'export of capital' for the maximum returns (Hilferding 1981 [1910]: 428-440). These specific necessities of the epoch, argued Hilferding, were behind the developments by which less developed areas of the world were forcefully introduced into the capitalist social relations through colonialism. They, thus, effected fundamental transformations in the ideological sphere, and, consequently, in the development of the imperialist state:

'The demand for an expansionist policy [of finance capital] overthrows the entire world view of the bourgeoisie. It ceases to be pacific and humanitarian. The old free-traders saw in free trade not only the most just economic policy, but the basis for an era of peace. Finance capital gave up this belief long ago. It does not believe in the harmony of capitalist interests, but knows that competitive struggle becomes more and more a political struggle. The ideal of peace fades, and the idea of humanity is replaced by the ideal of the grandeur and power of the state' (Hilferding 1981 [1910]: 452-453).

Hilferding's ideas were further developed by Nicolai Bukharin (Bukharin 1972 [1917]) and Vladimir Ilych Lenin (Lenin 1975 [1917]). Bukharin tried to provide a systematic account of imperialism by concentrating on the contradiction of the dual processes of the *internalisation* and the *nationalisation* of capital:

'Together with the internationalisation of economy and the internationalisation of capital, there is going on a process of "national" intertwining of capital, a process of "nationalising" capital, fraught with the greatest consequences' (Bukharin 1972 [1917]: 80).

According to Bukharin, the major consequence of this dual movement was that gigantic blocks of national capital operated in the context of a world economy. Consequently, he argued, these processes 'stimulate each other, creating a very strong tendency towards transforming the entire national economy into one gigantic combined enterprise under the tutelage of the financial kings and the capitalist state, an enterprise which monopolises the national market' (Bukharin 1972 [1917]: 73). Bukharin identified the

increasing levels of international interdependence and international competition between different states, which represented (or were controlled by) their national block of finance capital. The contradiction between these opposed tendencies (i.e. internationalisation and nationalisation) and the resulting competition drove the system into breakdown, as was *visible* in the case of World War I. In short, Bukharin conceptualised imperialism as ‘the reproduction of capitalist competition on a larger scale’.

Lenin followed the path set up by Hilferding and Bukharin¹¹⁶, and tried to set out series of tendencies in the development of capitalism in his time. Although Lenin himself has paraphrased his understanding of imperialism as ‘the monopoly stage of capitalism’, his general schema regarding the tendencies in the development of capitalism reads as follows (Lenin 1975 [1917]: 525):

1. the concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life;
2. the merging bank capital with industrial capital, and the creation, on the basis of this ‘finance capital’ of a financial oligarchy;
3. the export of capital, as distinguished from the export of commodities, acquired exceptional importance;
4. the formation of international monopolist capitalist combines which share the world among themselves; and
5. the territorial division of the whole world among the biggest capitalist powers is completed.

Lenin’s observations regarding these tendencies were in line with *visible* developments at the time: a few monopoly capitalist combines of national origins were progressing towards the formation of international cartels and they were supported by their respective states which had already partitioned the world. Lenin provided a vivid description of latter, i.e. the division of the world among the great powers, within which two tendencies operated:

¹¹⁶ Lenin’s account of imperialism was also influenced by Hobson’s emphasis on under-consumption, i.e. low level of wages and high levels of profits leads to a chronic shortage of demand (stagnation) (Hobson 1965 [1902]).

‘on the one hand, the export of capital led to the internationalisation of capitalist production and the extension of capitalist relations of production to the furthest corners of the world, while on the other hand, power was concentrated into the hands of great blocks of finance capital and wealth channelled to parasitic rentier classes’ (Brewer 1980: 117)

Rosa Luxemburg’s major characterisation of imperialism, which is quite different from those developed by Hilferding, Bukharin and Lenin, was based on the idea that the *structural logic of capitalism* necessitates its expansion into other forms of economy:

‘Historically the accumulation of capital is a kind of metabolism between capitalist economy and those pre-capitalist methods of production without which it cannot go on and which, in this light, it corrodes and assimilates. (...) Only the continuous and progressive disintegration of non-capitalist organisations makes accumulation of capital possible’ (Luxemburg 1951 [1913]: 416).

‘Imperialism is the political expression of the accumulation of capital in its competitive struggle for what remains still open of the non-capitalist environment’ (Luxemburg 1951 [1913]: 449)¹¹⁷.

For Luxemburg, the world was divided into nation states and their colonies, but it was also divided into capitalist and non-capitalist sectors, and, as Brewer points out, ‘it is the latter division that is the relevant one for her purposes’ (Brewer 1980: 62). In that sense, she did not focus extensively on the developments of her own time; nevertheless she linked her arguments to the system of national states. Luxemburg’s basic argument was that since non-capitalist markets are necessary for the expansion of capitalism, there was a struggle between capitalist states to establish spheres of interests. Furthermore the need for cheap raw material, labour, and land were also fundamental in inter-imperialism rivalry. Super-imposed by the logic of capital accumulation, the imperialist states’ predominant methods, according to Luxemburg, were ‘colonial policy, an

¹¹⁷ It must be noted that Luxemburg’s analysis of imperialism was built on one of the major structural (and crisis-ridden) characteristics of capitalist accumulation, namely under-consumption. As David Harvey puts it: ‘The problem, she [Luxemburg] argues, is under-consumption, a general lack of sufficient demand to soak up the growth in output that capitalism generates (...) She concludes that trade with non-capitalist social formations provides the only systematic way to stabilize the system. If those social formations or territories are reluctant to trade then they must be compelled to do so by force of arms. This is, in her view, the heart of what imperialism is about.’ (Harvey 2004: 138)

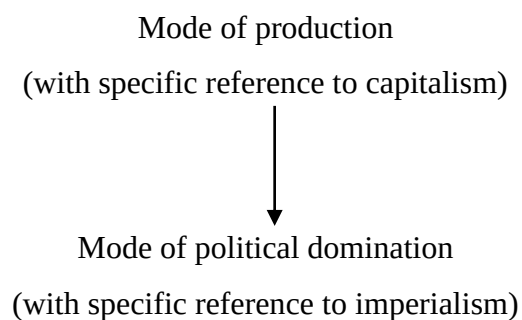
international loan system – a policy of spheres of interest – and war’ (Luxemburg 1951 [1913]: 442).

What is obvious from this short recount is the fact that classical theories of imperialism assigned capitalism the central position in explaining the nature of world order. Through the lens of critical realist methodology, from which we have benefited in the previous chapter, one would strongly agree with this central emphasis: although we cannot empirically observe, i.e. perceive with our senses, a physical entity of capitalism, through its *casual efficacy* we *know* that capitalism is *real* and we know that it *counts*, in a similar way in which, although we cannot observe gravity, we know that it is real and that it affects the course of natural actions. It is also apparent from our summary that the classical theories of imperialism focused on changing/evolving aspects of capitalism (and its mode of accumulation) and identified its crisis-ridden characteristics (such as under-consumption and over-accumulation), which — they thought — led to particular manifestations of imperialism. This approach is in harmony with our presupposition that social structures are changing and evolving, and that, at any given moment, they are historically specific and potentially transient. Yet, we must note, there are some fundamental limitations that hinder the explanatory power of classical theories of imperialism. We would argue that the limitations that we have identified with various approaches to world order elaborated in the previous chapter, i.e. epistemic fallacy, structural determinism and undifferentiated reductionism, also dominate the classical theories of imperialism — at least the ones that we have reviewed.

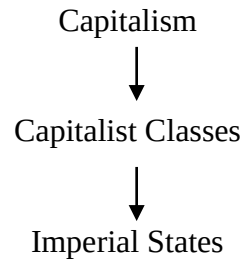
Most of the classical theories of imperialism committed epistemic fallacies in that they *first* identified *the visible* or *the empirical*, i.e. events available to observation, and *then* used them to construct their ontology of world order. In this respect these approaches constitute examples *par excellence* of the *epistemic fallacy*: in line with the developments of their age these theories have identified the formation a new forms of capitalist (e.g. joint stock companies, banks and so on), the rise of finance capital, the dominance of national and international monopolies, international competition, export capital, enlargement of the economic territory, colonialism, inter-state rivalries, and ultimately war. Following the identification of the empirical, they moved on (with some epistemological differences) to construct their ontology of world order based on these observations: ‘epoch of imperialism’.

The essential question, we would argue, should have been this: in order for x, y and z to happen, what are the conditions that must exist? In order for, for instance, colonialism to happen what are the conditions that must exist? Colonialism presupposes an ideology of racial supremacy and institutions that effect this ideology (language, education, media and so on), an infrastructure and arguably a past of militarism, an effective network of bureaucratic administration, an experience of managing the extraction and the transfer of the surplus appropriation in and from distant locations, a certain level of technological development and monopoly of it, and so on. Were all these created in the epoch of imperialism by finance capital? Surely not.

The epistemic fallacy that originates from this empiricism is not the only limitation of classical theories of imperialism. *Structural determinism*, which manifests itself in the form of *economism*, is another fundamental limitation that affects the explanatory power of these theories. These theories, from their particular analysis of capitalism, moved on to determine the *forms of political domination* that the economic base necessitates or dictates. Ultimately, they described [imperial] politics in such a way that they rested on economic laws and tendencies (Willoughby 1995). The structural determinism, i.e. economism, of the classical theories of imperialism can be schematised as follows:



Moreover classical theories of imperialism, because they were empiricist, and they constructed their ontology on the basis of visible observations, also ended up with *undifferentiated reductionism*. These theories assumed the primacy of a particular agency (i.e. capitalist class) in the formation of the forms of political domination. In this sense, they committed a class reductionism by portraying an idealised model of the state representing *only* the interests of the capitalist classes. The class reductionism committed by the classical theories of imperialism can be schematised as follows:



In short, due to these limitations classical theories of imperialism ended up with *either/or* conclusions: *either* the imperialist world order determined by the working out of capitalism (structural determinism) *or* a voluntarist explanation of imperialist world ordering conducted by capitalist classes (undifferentiated reductionism). And in both accounts they committed epistemic fallacies. Yet, as we still agree with classical theories of imperialism in their central emphasis on the role of capitalism in the making of world order, we would argue that a re-conceptualised notion of imperialism could offer a way out of this *either/or* dichotomy, and that this new notion could lead to an alternative and better explanation of world order and world ordering.

The new notion of imperialism should acknowledge that world order cannot be explained solely with reference to or reduced to empirically observable constitutive efforts of world ordering, and should be able to identify the underlying mechanisms in such a way that one can account for *world ordering as a project* simultaneous with *world order as a process*. In other words, it should conceptualise the existence of constitutive world ordering projects, which presuppose world order as a process. It should also acknowledge the ontological difference between the world ordering projects and their outcomes, which are conditioned — but not necessarily determined — by the structures of world order. In this sense, the new notion of imperialism should have an understanding of world order as, not the intentional outcome of various world ordering projects, but the unintended consequences of them. With an acknowledgement of this dual social context (i.e. world ordering as a project and world order as a process), the new notion of imperialism should also be able to account for the differentiation of the power practices that characterise patterns of social reproduction. That is, they are of structural level (e.g. similar to the power conceptualisation of Negri and Hardt) as well as of voluntarist level (e.g. similar to the power conceptualisation of Chomsky).

Therefore, we would argue that the explanation of world order requires *both* a reference to constitutive efforts of world ordering *and* a reference to the independently efficacious causal powers and tendencies arising from particular structures of world order. In this sense, we would argue that while the emphasis on capitalism as a structure and its evolving forms of accumulation as generative mechanisms must remain fundamental to a more explanatory understanding of world order, capitalism should not be detached from what it presupposes in order to materialise. In this sense, as Roy Bhaskar puts it,

“[t]he biggest (...) structure we know of is the capitalist mode of production. It’s a tyrannical structure of oppression. The extraordinary thing is, though, that we know that the capitalist mode of production is not, as its apologists hold, a self-regulating system but actually presupposes a social network, which it cannot think, outside that system it describes. It presupposes a state; it presupposes lots of things which it cannot think. But what we have is an ideology in which the capitalist mode of production, or the market system, is taken as being effectively self-regulating. This involves its being disembedded from its social context. (...) The extraordinary thing is that this disembedding of the market from social being is actually a disembedding from a dual social context in which apparatuses, such as language, the police, the state, the military etc., are all there — the international world order enforcing, if you like, the market mechanism.” (Bhaskar & Callinious 2003: 105)

Our historical analysis in previous chapters has shown that the case of War on Drugs is a constitutive world ordering project *par excellence*. But our analysis has *also* shown that this particular world ordering project took place (and was only able to take place) in a *particular* and *historically constituted* context, i.e. world order. It was this historically constituted particular context that provided the *necessary* conditions for the War on Drugs not only *to take place* but *to make sense*. For instance, it is in this historically constituted particular context that drugs were commodified and exchanged for money, and some of them were labelled as illegal and their consumption socially demonised. Yet it was in the same context that US citizens continued to buy and consume these drugs. It was in this historically constituted particular context that the US political establishment made the decision to define, and moreover found the power to define, the social problem of drug abuse as a supply side problem, rather than a demand side one. Yet it was the same context that the US political establishment effected various policies, under the rubric of the War on Drugs, in some cases consciously but in most cases

unconsciously, presupposing certain other things to be in place. It is in this historically constituted particular context that Bolivia, in the midst of the global capitalist economy, could not break away from her fragile dependent economy. Yet it was the same context that *cocaleros* were still the owners of their means of production and appropriated the surplus of their own petty commodity production. It is in this historically constituted particular context that the War on Drugs entered into a mutually evolving and mutually reinforcing relationship with the implementation of neoliberal economic policies. Yet, it was the same context that neoliberal policies had spurred the development of the informal coca/cocaine economic in Bolivia ... *It was in this historically constituted particular context that the US had launched a world ordering project. Yet it was the same context that made it possible and made it imperialist.*

To conclude, we must note that the current world order is characterised by imperialism, arguably as an unintended consequence of the continuous interactions of structures and generative mechanisms of world order, with constitutive efforts of world ordering projects. It is ironic that only after the War on Terrorism was launched, or more specifically the formal occupation of Iraq (and before that of Afghanistan) had occurred, that we have begun to encounter analyses of *new-imperialism* in ‘critical’ academic circles. However, the timing of the re-emergence of these suggests that, these analyses, as Patnaik is afraid of, ‘derive the existence of imperialism from the fact of wars’. To think that imperialism ceased to exist and then was reborn is not only a fatal (and empiricist) misreading of history, but also an insult to the Bolivian (and Peruvian, and Colombian) people who have been subjected to US imperialist policies, under the title of the War on Drugs, over the last decade and a half. Imperialism has been around for a long time and is still around. The fallacy of not recognising this historical fact arises mostly because we did not go beyond the legacy of classical theories of imperialism and we only looked at what are phenomenal—visible—manifestations of imperialism.

Over a century and a half ago, Marx asserted that we had interpreted the world and the point was to change it. Unfortunately, we have lost the interpretative gains that Marx was referring to, and we are again in a place where we have to interpret the world. Now that we are faced with another manifestation of imperialism, but this time much more intensive (i.e. violent) and extensive (i.e. world-wide), in the form of —the War on Terrorism, the task of understanding and explaining imperialism is more urgent than

ever. The ultimate obstacle to human emancipation is imperialism. But in order to fight it, first, we have to understand it. With this research, in our humble capacity and in our own way, we have attempted to take a first step in this direction, but there is much more to be done.



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