MASTER THESIS | MASTER'S THESIS

Titel | Title

Countering Transnational Organized Crime: the case of Costa Rica and Colombia

verfasst von | submitted by

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angestrebter akademischer Grad | in partial fulfilment of the requirements for the degree of

Master of Advanced International Studies (M.A.I.S.)

Wien | Vienna, 2026

Studienkennzahl lt. Studienblatt | Degree programme code as it appears on the student record sheet:	UA 992 940
Universitätslehrgang lt. Studienblatt | Degree programme as it appears on the student record sheet:	Internationale Studien | International Studies
Betreut von | Supervisor:	Professor Markus Kornprobst, M.A., Ph.D.

Abstract

Transnational organized crime, one of the biggest dangers facing the Latin American region, traces its origins to the region's structural challenges, which created the perfect environment for the development and consolidation of organized crime and drug trafficking. The vertically integrated cartels that emerged in the late 20th century, elevated drug trafficking to a regional problem. For this reason, in 1971, U.S. President Richard Nixon declared the War on Drugs, a set of policies subsequently intensified by Ronald Reagan in 1981. This thesis investigates the successes and failures of Colombia and Costa Rica in their fight against transnational organized crime. It explores how prohibitionist policies generated vertically integrated cartels in states with weak institutional capacities, whilst it uses the balloon effect to explain how organized crime redistributes to states where enforcement pressures are lower and institutions are robust and consolidated. Using a qualitative comparative research design, this analysis employs Costa Rica and Colombia as case studies, with the use of a Most Dissimilar System Design and process tracing. The findings demonstrate that countering organized crime is defined by the interaction between enforcement pressures and the institutional strength of a state. In Colombia, it is represented by the consolidation of cartels, armed conflict, and militarization. Costa Rica, characterized by its institutional resilience and democratic stability, functions as a transit, logistical, and financial hub. Countering efforts should be understood as relative, not absolute, since even the most resilient states are vulnerable to criminal adaptability and penetration. This thesis challenges the traditional approach of transnational organized crime and sheds light on smaller, more consolidated states and their criminal realities. From a policy perspective, eradication, interdiction and militarization is not enough to counter organized crime; instead, the focus should lay on institutional and democratic strengthening, and anti-corruption policies.

Keywords: Transnational organized crime, war on drugs, drug trafficking, Colombia, Costa Rica, cocaine, enforcement pressures, institutional strength, successes, failures, vertical integration, balloon effect, cartels, criminal realities, producer country, logistical hub, financial hub.

Abstract (DE)

Die transnationale organisierte Kriminalität, eine der größten Gefahren für Lateinamerika, hat ihren Ursprung in den strukturellen Herausforderungen der Region. Diese schufen ideale Bedingungen für die Entwicklung und Konsolidierung organisierter Kriminalität und des Drogenhandels. Die im späten 20. Jahrhundert entstandenen vertikal integrierten Kartelle machten den Drogenhandel zu einem regionalen Problem. Aus diesem Grund rief US-Präsident Richard Nixon 1971 den „Krieg gegen Drogen" aus, dessen Maßnahmen Ronald Reagan 1981 noch verschärfte. Diese Arbeit untersucht die Erfolge und Misserfolge Kolumbiens und Costa Ricas im Kampf gegen die transnationale organisierte Kriminalität. Sie analysiert, wie prohibitionistische Maßnahmen in Staaten mit schwachen institutionellen Kapazitäten zur Entstehung vertikal integrierter Kartelle führten, und erklärt anhand des Ballon-Effekts, wie sich die organisierte Kriminalität in Staaten mit geringerem Strafverfolgungsdruck und robusten, gefestigten Institutionen verlagert. Die Ergebnisse zeigen, dass die Bekämpfung der organisierten Kriminalität durch das Zusammenspiel von Strafverfolgungsmaßnahmen und der institutionellen Stärke eines Staates bestimmt wird. In Kolumbien manifestiert sich dies in der Konsolidierung von Kartellen, bewaffneten Konflikten und der Militarisierung. Costa Rica, geprägt durch seine institutionelle Widerstandsfähigkeit und demokratische Stabilität, fungiert als Transit-, Logistik- und Finanzzentrum. Bekämpfungsmaßnahmen sollten relativ und nicht absolut verstanden werden, da selbst die widerstandsfähigsten Staaten anfällig für die Anpassungsfähigkeit und das Eindringen krimineller Akteure sind. Diese Arbeit stellt den traditionellen Ansatz der transnationalen organisierten Kriminalität in Frage und beleuchtet kleinere, stärker konsolidierte Staaten und ihre kriminellen Realitäten. Aus politischer Sicht reichen Ausrottung, Unterbindung und Militarisierung nicht aus, um die organisierte Kriminalität zu bekämpfen; vielmehr sollte der Fokus auf der Stärkung von Institutionen und Demokratien sowie auf Antikorruptionsmaßnahmen liegen.

Schlüsselwörter: Transnationale organisierte Kriminalität, Krieg gegen Drogen, Drogenhandel, Kolumbien, Costa Rica, Kokain, Durchsetzungsdruck, institutionelle Stärke, Erfolge, Misserfolge, vertikale Integration, Balloneffekt, Kartelle, kriminelle Realitäten, Produktionsland, Logistikzentrum, Finanzzentrum.

Acknowledgments and Dedication

I would like to extend my profound gratitude to my thesis supervisor, professor Markus Kornprobst, for having been such an incredible support and source of inspiration and motivation. Additionally, I want to thank professors Walter Kemp and Jean-Luc Lemahieu, whose courses in the Diplomatische Akademie consolidated my love and passion for the topics of transnational organized and drug policy.

I dedicate this thesis to my parents, brother, and grandparents, who have been my unconditional support throughout my life, both personally and academically, without them this achievement would not have been possible.

Pledge of honesty

On my honour as a student of the Diplomatische Akademie Wien, I submit this work in good faith and pledge that I have neither given nor received unauthorized assistance on it.

AI disclaimer

I acknowledge the use of artificial intelligence to translate from Spanish to English, and German to English. All arguments, interpretations, and conclusions are my own.

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Introduction

Transnational organized crime in Latin America traces its roots to the structural challenges that characterize the region: high rates of violence, systemic discrimination, poverty and inequality, the centralization of power, and the erosion of the rule of law and democracy, factors that worked as the perfect breeding ground for the rise of illicit economies and organized crime. Since the mid-20th century, organized crime in Latin America has evolved from local gangs to sophisticated transnational criminal structures capable of corrupting public institutions, infiltrating government positions, and controlling territories.

This transformation elevated national security concerns to regional ones, while eroding the rule of law, weakening democratic governance, and intensifying cross-border violence. Thus, the continental giant, the United States, during the Nixon administration, intensified its involvement in Latin American organized crime. In 1971, Richard Nixon declared drug abuse the United States' public enemy number one, thereby declaring the War on Drugs; this was further strengthened by Ronald Reagan's aggressive policies beginning in 1981. The U.S. war on drugs became the dominant policy framework shaping regional responses to drug trafficking in South America; however, far from weakening and diminishing organized crime, the war on drugs deepened and strengthened organized crime and regional instability.

The phenomenon of transnational organized crime has swept across the entire region, taking root in every Latin American country in different ways; transnational organized crime is not a one-size-fits-all phenomenon, but rather one shaped by the domestic realities of each country. To this end, the cases of Colombia and Costa Rica will be analyzed as two contrasting examples of how transnational organized crime operates and the effects of the war on drugs in both countries.

Colombia has played a pivotal role in the development of the cocaine economy, emerging in the 20th century as a major producer and exporter country; its experience being marked by the consolidation of cartels, the intersection of drug trafficking and armed conflict, challenges with state authority, and enforcement pressures. Costa Rica, on the other hand, is historically recognized for its political stability and democracy, occupying a different position within the transnational drug trade, functioning as a transit, logistical and financial hub.

The purpose of *"Countering transnational organized crime: the case of Costa Rica and Colombia"* is to analyse the following question, "what explains the successes or failures of Colombia and Costa Rica in countering transnational organized crime?" Due to its comparative and causal nature, the question aims to explain both the different criminal environments and how regional drug control policies interact with the capacities of national institutions to shape those criminal environments.

This thesis argues that two key variables—enforcement pressures and institutional strength—explain the differences in the outcomes of the fight against organized crime in both countries. Broadly speaking, Colombia, with a declining democracy, corrupt institutions, and a state that lacks reach across the entire national territory, at the mercy of organized crime and heavily impacted by prohibitionist measures and U.S. pressure, was unable to reduce, contain, and effectively combat organized crime. Meanwhile, Costa Rica, characterized since 1948 as one of the most established democracies in the region with robust and deeply rooted institutions, has managed to contain the effects of drug trafficking and organized crime throughout its national territory.

The findings of this thesis indicate that the outcomes of countering transnational organized crime are defined by the interplay between enforcement pressures and the institutional resilience of individual states. It finds that the United States' war on drugs produced different criminal realities and roles across Latin America. Colombia became the leading producer of cocaine, characterized by vertically integrated cartels, armed conflict, and violence; while Costa Rica evolved into a transit, logistical, and financial hub for illicit cocaine flows. The findings reinforce the adaptive nature of organized crime, as it evidences that enforcement pressures displaced criminal activities rather than eliminating it. This suggests that the war against transnational organized crime should be understood in relative rather than absolute terms, since even the most institutionally resilient states are vulnerable to criminal adaptability and penetration.

These findings carry important theoretical and policy implications. Theoretically, they challenge traditional approaches that focus primarily on producer countries and large cartels, by demonstrating that organized crime evolves differently depending on the institutional context in which it operates. The study further suggests that transnational organized crime should be understood as a regional system in which enforcement pressures in one state generate consequences for others. From a policy perspective, the findings indicate that policies centered exclusively on eradication, militarization, and interdiction are insufficient to counter organized crime in the long-term. Instead, the focus should lay on strengthening institutions, reducing corruption, reinforcing the rule of law, and expanding regional cooperation capable of addressing the transnational nature of criminal networks.

For the purposes of this thesis, it becomes crucial to define the concepts of: *criminal reality, success* and *failures.* "Criminal realities" are defined as the observable configuration of organized crime within a state, including weak institutional structures, levels of violence and corruption, and dominant illicit activities. "Successes" and "failures" are defined in terms of institutional resilience and gubernamental responses to the threats drug trafficking and the consequential organized crime chain poses to the state, under the prohibition-based drug control policies.

The thesis will be developed through five chapters. Chapter 1 will be focused on a literature review, a detailed explanation of the theoretical framework, and finally a methodological analysis to explain the analytical methods by which the thesis will be developed. Chapter 2, titled "War on Drugs and Regional Organized Crime" tackles the war on drugs through the policies of Nixon and Reagan, and the regional context of organized crime and drug trafficking. Chapter 3 develops the case study on Colombia, explaining the historical developments of drug trafficking, U.S. enforcement and militarization, the criminal adaptation, and lastly its successes and failures. Chapter 4 tackles Costa Rica, starting with an explanation of its role in the trafficking system, an analysis into its institutional strength and governance, its criminal profile and finally the successes and failures in countering organized crime. Chapter 5, the conclusion, encompasses the results and implications of this thesis.

Chapter 1 – Literature Review, Theory and Methodology

1.1 Literature Review

Transnational Organized Crime

The literature reviewed concludes that transnational organized crime is not a new phenomenon, but rather one whose effects intensified in the second half of the 20th century, especially after the end of the Cold War. Del Olmo (1993) argues that the conflict escalated in the 1980s when certain drugs became essential materials, with economic, political, and social consequences, particularly in Latin America. Chabat (2010) adds that transnational organized crime is a consequence of the transition to globalization and trade liberalization that the world underwent during the second half of the 20th century; the modernization of transportation and new technologies gave organized crime its transnational character. According to Chabat (2010), the end of the bipolar era allowed powerful states to redirect their attention to new threats, such as organized crime.

The literature on transnational organized crime clearly identifies the characteristics of transnational organized crime (Albarracín (2023); Chabat (2010); Farer (1999)), but it fails to reach a consensus on a single definition. Albarracín (2023) makes a key distinction between common, disorganized and organized crime: governance. His argument rests on the difference between theft committed by a single individual and theft committed by a sophisticatedly organized group. Chabat (2010) reaffirms Albarracín's (2023) argument, explaining that the distinction lies in the challenge that organized crime poses to the state and society in terms of governance, especially when it is perceived as a threat to national security, requiring sophisticated responses from government institutions. Chabat (2010), Farah (2012) and Lee (2005) agree that the term contains multiple definitions; without providing their own definition, they comment on the characteristics of transnational organized crime, including: the practice of corruption, the use of violence and intimidation, the participation of state figures, and a hierarchical *modus operandi*.

Albarracín (2023) strongly criticizes the lack of a consensus definition, arguing that the generality of the term and the absence of a common definition hinder the ability to generate effective public policies and impair the capacity to compare different cases. Del Olmo (1993) echoes this criticism, considering that the widespread use of the term simplifies the problem of drug trafficking and transforms it into a mystical rather than a realistic concept; also criticizing the use of the term “drug trafficking” to describe any interaction with drugs. Shifter (2007) offers a profound reflection, stating that the drug issue should not be viewed as a Colombian, Latin American, or U.S. problem, but rather as a global one; emphasizing that leaders from affected countries should be more urgent in addressing the drug problem and taking proactive measures to counter it.

War on Drugs

The war on drugs is considered by many to be the dominant political framework that shaped regional responses to drug trafficking in Latin America, becoming an essential geopolitical constant across the continent (del Olmo, 1993). Its origins and beginnings are debated. Del Olmo (1993) and Bagley (1988) argue that the war on drugs began during Ronald Reagan’s presidency in 1982; however, Foster (2023) argues that it was President Richard Nixon who initiated it in 1971. Despite the disagreements on who and when the war on drugs started, the authors, while presenting different perspectives on the conflict—realism (Bagley, 1988), geopolitics (del Olmo, 1993), and history (Foster, 2023)—agree that the war on drugs is a failed operation with few victories, adding that whenever there is demand for drugs in powerful countries, there will be supply coming from the weakest countries. As Foster (2023) explains, the war on drugs has only succeeded in spreading harm; joint aid from the United States to countries in the region is needed to mitigate the effects and seriously consider the positive effects of drug decriminalization. (Bagley, 1988)

Enforcement pressures and institutional capacities

Albarracín (2023), Chabat (2010), and Shifter (2007) agree that state weakness promotes organized crime, while they consider the efforts made by states insufficient to combat cocaine trafficking and even more so to prevent organized crime. Albarracín (2023) considers criminal activity a product of state incapacity and the partial, weakened, and absent presence of the state. States should be able to limit the actions and emergence of criminal organizations; however, in Latin America, the lack of response and regulation of illicit markets, and the inability of a state to control its territory, creates the perfect environment for the emergence of criminal organizations. Chabat (2010) considers that the impact and threat posed by organized crime depends on the strength of the state's institutional capacity. The weakness of state institutions combined with unfavorable socioeconomic contexts creates ideal conditions for the expansion of organized crime. Shifter (2007) adds that precarious government structures are both a cause and a consequence of the enormous drug problem.

Being embedded in the illicit market of drugs since the 1930s, and having consolidated a market for cocaine production and trafficking during the 1970s, drug trafficking became a pillar of the U.S.-Colombia relations (Crandall, 2008; López & Camacho, 2003; Tokatlián, 1988). Early analysis of the war on drugs explained how the United States framed drug trafficking as a national security concern that evolved into a threat to not only Colombia's national security but the region's security (Bagley, 1988 & del Olmo, 1993 & Tokatlián, 1988).

The war on drugs' policies directed at Colombia were tense and complex, at times harsh and isolationist, at others cooperative and strong. When Washington considered Colombia to be acting inappropriately or during periods of high tension (such as election campaigns when the drug market increases), its policies became isolationist and unilateral. When Washington considered the Colombian government to be complying with its demands, its relationship became strong, characterized by dialogue and cooperation (Bagley, 1989; Crandall, 2008).

The war on drugs and the U.S. harsh enforcement methods contributed to the weakening of Colombian institutions. López & Camacho (2003) provide a historical analysis of drug trafficking in Colombia, demonstrating how enforcement pressures and the continuous demand for cocaine transformed drug traffickers into vertically integrated, violent cartels embedded in Colombian politics and gubernamental institutions. Both the war on drugs and the rising violence provoked by drug trafficking cartels contributed to weakening of institutions; Bagley (1989) and López & Camacho (2003) provide an assessment on how both wars weakened Colombia's democracy, preventing the country from developing economically and politically. Bagley (1989) goes as far as stating how instead of implementing harsh enforcement policies, the U.S. should rather seek to strengthen Colombia's state institutions, whilst rebuilding the authority within the state.

Analysts of U.S.-Colombia relations argue just as Bagley (1988), del Olmo (1993) and Foster (2023) that whenever demand for a product exists, the supply market will prevail, adding nuance to this interpretation. López and Camacho (2003) consider that the demand for cocaine and its prohibition created the perfect scenario for the formation and consolidation of criminal groups that will satisfy that demand. Tokatlián (1988) explores the idea that Colombia's long history with drug trafficking and cocaine production is a direct result of the massive consumption of these products in the United States.

Literature gap

Throughout the literature analyzed, the so-called "balloon effect" is evident; that is, how efforts to eradicate one form of drug trafficking end up displacing it to other areas (Ballvé & McSweeny, 2020). This is demonstrated by López & Camacho (2003), who explain how Colombia began producing coca leaves after eradication efforts in Peru and Bolivia. However, few studies analyze the role played by transit states like Costa Rica, especially when discussing the balloon effect, given that they are nowadays just as crucial for criminal organizations.

The lack of comparative literature explaining how the United States' harsh, prohibitionist policies generate different realities depending on state capacity, implementation, and institutional stability is a significant issue. Additionally, existing literature on the war on drugs and its repercussions in Latin America is extensive, focusing mostly on the relationship between the United States and Colombia, but scarce when it comes to non-drug-producing states, such as Costa Rica.

This thesis seeks to fill this gap by positioning Colombia and Costa Rica within the same international drug trafficking chain, examining how prohibition, displacement, and state capacity generate different national realities, levels of violence, and transnational organized crime actors. Additionally, current literature tends to assume violence is the inevitable outcome of both the war on drugs and drug trafficking, without even referencing the role of more stable, transit states. It is fundamental to explore the idea of why cartel consolidation and extreme forms of violence are not developed in relatively more stable democracies, like Costa Rica. Transit, logistic and money laundry hub countries remain undeveloped in the academic world; this thesis aims to address this.

1.2 Theory

The theoretical framework conceptualizes the war on drugs as a policy regime that shapes crime, adding a deeper layer to the idea that such policies are merely strategic reactions by governments. Furthermore, the framework seeks to explore how enforcement pressures, prohibition, and state capacities interact to produce different forms of transnational organized crime based on distinct domestic contexts.

Decades of stigmatization, harsh laws, and the use of prohibition to control drugs have had the opposite effect. The stricter the laws and the more drugs were prohibited, the higher the demand and the production of drugs, consequently generating the accelerated growth of illicit markets, organized crime, violence, and corruption. Together, these factors create the perfect environment for the consolidation of criminal and illicit markets, where those who benefit are those who manage to establish robust organizational structures, displacing smaller players in the vast transnational organized crime chain; hence, creating high-risk environments.

These so-called "high-risk environments" generate the vertical legal economic integration of criminal enterprises. Buscaglia (2017) provides a simple explanation: vertical integration occurs when organized crime groups acquire control of multiple sectors of the production, trafficking, transportation, and distribution chain, while controlling the operations themselves. (Buscaglia, 2017, p.760) Violence then becomes a coercive tool to weaken rivals and a means of conflict resolution in the absence of credible judicial bodies. Simultaneously, to keep illicit markets afloat, corruption becomes the norm; by corrupting state institutions, criminal organizations secure their protection and facilitate their operations.

By combining these elements—vertical integration, violence, and corruption—we can understand why powerful cartels emerge in prohibition-based drug markets. In the war on drugs, crime is not a product of drug use, but rather a consequence of the criminalization of the market.

While prohibitive policies structurally shape illicit markets, enforcement pressures determine where and how criminal activities manifest themselves. The displacement of illicit activities can be interpreted as a reaction to the implementation of intensive policies in a specific geographic area. This effect is known among drug trafficking scholars as the "balloon effect". Windle and Farrell (2012) explain how government efforts displace illicit drug trafficking, or parts of its operations, to other states. When one part of a balloon is squeezed, another part expands; therefore, when harsh policies are established in a country or region (with the intention of eradicating drug trafficking), it is normal for the same or related activities of the drug trafficking chain to appear in other areas.

The balloon effect occurs under functional and geographical conditions. Functionally, criminal organizations are forced to reorganize their activities, distributing them in a way that allows them to be properly preserved; geographically, trafficking routes and the various roles along the drug trafficking chain shift toward territories where enforcement is less intensive or toward states with weak institutions. Over time, the drug trafficking system establishes itself in different states, creating specialization among them; this helps explain how states with less punitive legislation and no tradition of drug cultivation become attractive destinations for transit, coordination, and money laundering.

The effects of prohibitionist policies and their enforcement are measured by state capacity—that is, a state's ability to enforce the law, resist corruption, and control its territory. States with weak democracies and institutions, or those embedded in conflict, tend to fall prey to organized crime, becoming engulfed in waves of violence and corruption within their borders, where citizens, in many cases, view criminal groups as the best form of governance and security. In contrast, states with strong democratic institutions, stable political systems, and good control over their territory are less likely to fall victim to violence and criminal groups; however, they tend to absorb smaller criminal functions, such as financial crimes, logistics, and operations. This analysis explains why states involved in the same drug trafficking system experience different criminal realities.

Based on this theoretical framework, the thesis raises the following theoretical expectation: states participating in the U.S.-led war on drugs experience different forms of transnational organized crime depending on the interaction between the state's institutional capacity and enforcement pressures. It becomes evident how these factors—implemented after the start of the war on drugs—instead of eliminating organized crime, merely relocate it, producing different governmental responses and violence.

1.3 Methodology

This thesis uses a qualitative comparative research design to examine how the U.S.-led war on drugs has produced different criminal realities in Colombia and Costa Rica. The methodological approach aims to test the hypothesis that the differentiated criminal roles stem from the institutional capacities and enforcement pressures of states; additionally, it intends to test the theoretical claim that drug control policies redistribute criminal activities across states, rather than reducing or eliminating transnational organized crime. To achieve this result, the present thesis combines the use of process tracing based on a path dependent argument and comparative case studies, in order to identify the links between national criminal realities and regional anti-drug policies.

First, a comparative case study will be used, employing the "Most-different Systems Design" (MDSD). Colombia and Costa Rica, two states with completely different histories, economies, development, structures, and institutions—differences that nonetheless led them to fall victim to drug trafficking, especially cocaine trafficking. By comparing two structurally distinct cases, but exposed to drug control policies, it is aimed to understand how different state and governmental capacities, and the way these policies are enforced, culminate in the generation of distinct domestic criminal realities. By choosing to conduct the comparative study using the MDSD system, the focus lies on the differences in outcomes, rather than country-specific explanations.

Colombia and Costa Rica were selected as case studies because they represent contrasting cases, both in terms of institutional frameworks and enforcement, as well as playing distinct roles within the same international drug trafficking and transnational organized crime chains. Considered the world's largest exporter of cocaine, Colombia has been systematically and historically embedded in organized crime. Decaying government institutions, corrupt governance, and weakened institutions created the perfect environment for the rise of violence and militarization in the state, as well as the consolidation of cartels, guerrilla and paramilitary groups that have plagued Colombia, and ultimately attracted the attention of the United States. The high level of U.S. involvement on Colombian soil and the substantial financial contributions made to the Colombian state demonstrate one aspect of the implementation of the war on drugs.

Costa Rica, in contrast, is not a drug-producing country, but geographically it has served as a facilitating bridge between South and North America for drugs and organized crime; furthermore, it has functioned as a logistical and financial hub. Costa Rica is recognized as a fully democratic country with a solid governance framework, whose institutions have been well-equipped and willing to combat organized crime and drug trafficking. It is worth mentioning that Costa Rica has experienced low rates of violence and does not have a history of cartels like other countries in the region. The United States is the regional actor that provides the most assistance to Costa Rica in combating drug trafficking.

Using Colombia as a case study provides a stark illustration of a state gradually falling under the sway of drug trafficking, while Costa Rica helps to visualize the smaller-scale forms of transnational organized crime operating within stable states. The study of both cases addresses the central question of this thesis.

The analysis will be supported by data, statistics, and secondary reports to adequately complement the academic literature reviewed. Firstly, data produced by United Nations organizations such as the United Nations Office on Drugs and Crime (UNODC), non-governmental organizations, and think tanks such as InSight Crime and the Global Initiative Against Transnational Organized Crime (GI-TOC) will be used. These sources go beyond drug trafficking and organized crime, evaluating both established and emerging markets, trends, and routes. Reports from Colombian and Costa Rican research agencies and government institutions will be used to understand the national context and the development of domestic efforts to counter criminal structures, their scope, and government responses. Finally, the use of U.S. policy papers and national reports is essential to examine the nature and purpose of U.S. interests in preventing drug trafficking and production in both countries.

The study employs process tracing to identify the causal mechanisms linking the war on drugs to the national criminal realities of each state. In the case of Colombia, the process tracing is used to determine how U.S. enforcement and militarization contributed to the consolidation of cartels, the rise in corruption and violence, and the link between armed conflict between guerrilla and paramilitary groups and organized crime. In the case of Costa Rica, the process tracing will emphasize how enforcement pressures in producing countries displaced drug trafficking activities to stable countries, which then became logistical and financial markets for organized crime.

Finally, comparative analysis is used to identify variations between the two cases across three dimensions: the type of organized crime practiced, the types and levels of violence associated with these activities, and the effectiveness of state responses in preventing the breakdown of state integrity and the preservation of it. By comparing these dimensions, the methodology can help conclude how political pressures produce different realities and why state responses are more or less effective in each particular case.

Chapter 2 – War on Drugs and Regional Organized Crime

2.1 Origins of the War on Drugs

The war on drugs refers to the United States' long-term policy framework, which combines prohibition, criminalization, and enforcement, to combat the production, distribution, and consumption of illicit narcotics. It evolved from a domestic national security policy to a regional agenda focused on eradicating drug subsidies. Over time, the war on drugs shaped not only U.S. domestic policies but also its diplomatic and military relations with the region's producing countries. As Foster (2023) explains, "the War on Drugs has distorted US politics, development aid, international relations, policing practices, and medical care." (Foster, 2023, p.178)

Criminalization and prohibition are two of the pillars of the war on drugs; both form the legal and ideological foundations of international enforcement pressures and domestic positions. (Peceny & Durnan, 2006) Criminalization, in general terms, refers to the act of making something criminal, illegal, or against the law. Prohibition refers to banning, or making illegal, certain substances in order to eliminate their production and circulation. (Blume, 2022) As Uprimny (2021) explains,

> The idea behind prohibitionism is simple: the abuse of these substances is considered wrong and therefore must be eliminated by making any consumption impossible, or at least very difficult, through the criminalization of the production and distribution of these drugs. (Uprimny, 2021)

Enforcement pressures, for the purpose of this thesis, refer to the legal, institutional, and coercive means by which the United States ensures that its criminalization and prohibitionist policies are carried out both domestically and regionally.

2.1.1 The War on Drugs and the Administrations of Richard Nixon and Ronald Reagan

The war on drugs policy is credited to two Republican presidents of the United States: Richard Nixon (1969–1974) and Ronald Reagan (1981–1989), a political paradigm mostly associated with Reagan, but which has its origins with Nixon. It evolved from a domestic national security policy to a regional agenda focused on eradicating drug subsidies.

Richard Nixon and the 1970s

While it is true that the Nixon administration was not the first to adopt a prohibitionist stance against drugs, it was the first to escalate enforcement pressures. According to Foster (2023),

> The Nixon-era changes drew on the prohibitionist, supply-control approach accompanying the first legal US restrictions on drugs. His policies, like those since the late nineteenth century, both drew on and reinforced racially biased ideas about drug users and specific drugs. (Foster, 2023, p.109)

Nixon's efforts to reduce drug use and abuse were evident during his presidential campaign, especially during his September 1969 speech, "...describing illegal drugs as a "modern curse of American Youth" and promising to "take the executive steps necessary to make our borders more secure against the pestilence of narcotics"." (Carpenter, 2003) Where, in turn, the problem was that the fight against drugs was functionally and morally equivalent to the war against these illicit substances. (Carpenter, 2003)

The declaration of the War on Drugs can be attributed to the Special Message to Congress on June 17, 1971, when Nixon declared drug abuse to be the United States' public enemy number one. (Foster, 2023) This declaration was made in response to the perceived crisis of drug use and abuse, and in the broader context of the U.S. having risen to be the biggest drug-consuming nation. (Foster, 2023)

“The Comprehensive Drug Abuse Prevention and Control Act of 1970, included one of the most important developments in drug control: creation of the drug schedules.” (Foster, 2023, p.111) In this system, drugs were classified into different “schedules” depending on the perceived risk and medical utility of the drug. Drugs in the “Schedule I” category are considered highly addictive and have no medical use, while drugs classified in “Schedule V” have a low potential for addiction and are accepted for medical use. (Foster, 2023) The key point lies in the fact that the The Comprehensive Drug Abuse Prevention and Control Act was a domestic regulatory framework, it was about classifying substances and structuring enforcement at home, not about projecting power abroad.

The Nixon administration not only toughened sentences for people in possession of drugs, its approach offered opportunities for treatment and abuse prevention, especially with the creation of the “Special Action Office for Drug Abuse Prevention” in 1971. Clear evidence that Nixon’s war retained a genuine demand-reduction and treatment component, that is, a domestic war, rather than international interaction and eradication measures. (Carpenter, 2003)

In 1973, efforts to combat illicit drugs were concentrated in the creation of the Drug Enforcement Administration (DEA) that same year. The DEA combined the narcotics agents from various departments to make a single federal entity responsible for the enforcement of drug laws; whilst facilitating a more intrusive interdiction policy at U.S. borders and inside other countries, taking Washington’s war into those spaces (Carpenter, 2023; Foster, 2023)

Ronald Reagan and the 1980s

Nixon’s war on drugs became Reagan’s war on drugs, especially after the growing popularity of Andean-produced cocaine. Cocaine was a status drug, used by middle- and upper-class people; a drug whose demand and popularity facilitated the growth of organized crime in South America, whose role was to produce cocaine, and its variant “crack”, and traffic it into the United States. (Foster, 2023)

In February 1982, Ronald Reagan declared the war on drugs as an urgent matter of U.S. national security. (Bagley, 1988b; del Olmo, 1993) As the U.S. was the largest consumer of illegal drugs, as Carpenter (2003) explains, “by the early 1980s, there were more than 20 million marijuana smokers and 3 to 5 million cocaine users in the United States.” (Carpenter, 2003) The continuation of the war on drugs became a natural progression, ushering in a new era of geopolitics and “drug diplomacy” in U.S. foreign policy toward Latin America. (Bagley, 1988a; del Olmo, 1993)

In the 1980s, attention focused on cocaine as a political and social threat, as well as a threat to the economy, while Latin American countries became the target of the United States’ hardline policies. (del Olmo, 1993) At the same time, “the U.S. government retained its old thesis that the high domestic level of drug use was an external problem to be resolved in other countries via U.S. assistance.” (del Olmo, 1993, p.11)

The Reagan administration reversed the trend on a tolerant domestic attitude towards drugs and created an anti-drug hysteria. (Carpenter, 2003) The efforts focused on reducing cocaine supply, rather than seeking ways to reduce domestic demand, implementing a series of repressive policies to eradicate those supplies. “The Reagan administration’s supply-side strategy had three major components: drug-crop eradication projects, the interdiction of drug-trafficking routes, and crop substitution programs.” (Carpenter, 2003)

Foster (2023) explains, “he [Reagan] then increased the funds dedicated to fighting drugs, spending almost five times the 1980 amount by 1987. Nearly all this funding was devoted to stopping drugs from entering the country and arresting those who used or dealt drugs.” (Foster, 2023, p.124) First Lady Nancy Reagan was also a strong advocate of anti-drug policies, creating the “Just Say No” campaign to educate American youth about the dangers of illicit substances; however, the high percentage of spending on incarcerating individuals related to drugs reduced the budget for education, prevention, and treatment. (Foster, 2023)

President Reagan announced the “Narcotics Enforcement Strategy” as well as the creation of a Special Council on Narcotics Control, in order to coordinate efforts to prevent the arrival of illicit drugs in the United States, as well as the involvement of military forces, starting in 1981, to be able to deal with the threat of the “crime epidemic”. (Carpenter, 2003)

The year 1986 was undoubtedly the most complex in legislative and regulatory terms in the war on drugs. The U.S. Congress created the "Anti-Drug Abuse Act" in 1986, after having rewritten federal drug laws. Among the provisions of the Act were the death penalty for high-level drug traffickers, life imprisonment for individuals with multiple convictions, and harsher sentences for drug possession. (Carpenter, 2003) Additionally, the Act created a certification process, a formal mechanism for coercive enforcement over drug-producing and transit countries. (Carpenter, 2003)

That same year, "National Security Decision Directive (NSAA) 221" was signed, declaring drug trafficking a threat to national security in the United States. (Carpenter, 2003) This is where drugs become a security issue rather than a law enforcement or public health issue; military involvement is authorized, and the conceptual framework shifts from policing to something closer to counterinsurgency. The NSAA 221 asserted:

> "The national security threat posed by the drug trade is particularly serious outside the U.S. borders. Of primary concern are those nations with flourishing narcotics industry, where a combination of international criminal trafficking organizations, rural insurgents and urban terrorists can undermine the stability of local governments; corrupt efforts to curb drug crop production; and distort public perception of the narcotics issue in such a way that it becomes part of an anti-U.S. or anti-Western debate." (Carpenter, 2003)

2.2 Regional Organized Crime and Drug Trafficking

2.2.1 Latin America and Organized Crime

The term "organized crime" was first used in the 19th century in the United States. Chabat (2010) elaborates, "the concept of 'organized crime' first appeared in the United States in 1869 in a report by the New York Society for the Prevention of Crime." (Chabat, 2010, p. 5) Unlike its contemporary understanding, the term arose to describe characteristics of the growing influence of the Sicilian Mafia in New York and New Orleans. (Chabat, 2010)

To understand the origins and development of organized crime in Latin America, it is essential to first understand the region's particular socioeconomic situation. Latin America is considered the most violent region in the world, characterized by unstable democracies, institutional fragility, political instability and corruption, poverty, and inequality (Albarracín, 2023; Aponte & Cote, 2025; Von Bogdandy et al., 2017). According to statistics published by Von Bogdadny et al. (2017), "in 2014, there were 167 million people living in poverty, of whom 71 million were in extreme poverty" (Bogdandy et al., 2017, p. 50). Additionally, Albarracín (2023) adds,

> Although it is not the only factor at the root of the high level of violence, the existence of powerful criminal organizations, capable even of using violence against the State, is considered one of the main reasons that explain the insecurity. (Albarracín, 2023, p.4)

Similarly, Albarracín (2023) considers organized crime to be one of the most significant factors behind criminal violence in the region, both in producer and transit countries. According to Chabat (2010), the origins of organized crime date back to the mid-19th century, coinciding with the development of technologies, the expansion of trade and European imperialism, and the growth of migration. However, its threat became more visible after the end of the Cold War. (Chabat, 2010) "Nevertheless, the end of the Cold War made the threat of organized crime more visible. With the disappearance of the East-West ideological conflict, the attention of Western countries focused on transnational organized crime…" (Chabat, 2010, p. 3)

During the 1980s, the illicit narcotics market changed, allowing the exponential growth and consolidation of cartels across various Latin American countries, changing the international perception of drug trafficking and its effects on the governance of producing and transit countries. (Chabat, 2010) Gradually, especially after the 1990s, the cartels began to diversify their businesses, beyond drug trafficking and money laundering, into various illicit markets: arms trafficking, human and organ trafficking, illegal mining, amongst others. (Malamud & Núñez, 2024) Since then, according to Dammert & Sampó (2025)

> Organized crime has become the most serious security problem in the region, not only because of the high levels of violence it brings, positioning Latin America as the most violent region in the world without armed conflict, but also because of the emergence of spaces of criminal governance that only serve to highlight the weakness of Latin American states. (Dammert & Sampó, 2025, p.7)

Characteristics of Organized Crime

According to Farer et al. (1999), organized crime has three main characteristics: "...continuity of operations, practice of corruption, and a capability to inflict violence." (Farer et al., 1999, p.1) Additionally, Chabat (2010) discusses how Peter Lupsha identifies three stages of organized crime: the predatory stage, the parasitic stage, and the symbiotic stage. (Chabat, 2010). Chabat (2010) describes,

> …the predatory stage, in which criminal gangs are at the gang level, posing no threat to the state and easily controlled by law enforcement; the parasitic stage, in which organized crime corrupts the state and has accomplices within it… but in which crime and the state are two separate entities; and the symbiotic stage, in which organized crime seizes control of the state, and the state then serves criminal activity. In this last stage, organized crime and the state are practically one and the same. (Chabat, 2010, p.8)

According to the Organized Crime Index, "... the LAC region had the second-highest average global score for criminal actors (5.51), behind only Asia. State-embedded actors had the highest average (5.89), placing them third globally, after Africa (7.12) and Asia (6.63)." (Aponte & Cote, 2025, p.4) The global perception of transnational organized crime is influenced at high rates by the Latin American region, "Colombia, Mexico and Peru ranked among the top five countries worldwide for criminal networks. Colombia in particular had the highest score (9.50) in this category, alongside an equally high score for mafia-style groups." (Aponte & Cote, 2025, p.4) The predominant type of organizational structure in the region is that of state-embedded actors; however, criminal networks, armed groups, and mafia-style groups also play an important role in diversifying the region's criminal profile. (Aponte & Cote, 2025)

Organized Crime vs Unorganized Crime

Regardless of its great impact on the Latin American society and the world, transnational organized crime is among the many concepts for which the international community has not yet reached a consensus on a definition (Albarracín, 2023; Chabat, 2010; del Olmo, 1993; Farah, 2012 & Farer at al., 1999). For the purposes of this thesis, transnational organized crime will be defined as "robust, well-structured groups of criminals that profit from the illegal market and work beyond their borders." (own concept)

With this in mind, it becomes important to differentiate between organized crime and disorganized crime. According to Chabat (2010), the most notable difference between organized and disorganized crime lies in the challenge that organized crime poses to a state in terms of governance; that is, organized crime becomes a threat to national security. (Chabat, 2010)

Albarracín (2023) elaborates on how the difference lies in the objectives of both types of crime, not in their organizational characteristics. "Varese (2017) establishes differences between organized crime and other forms of crime. The former would be governance (the norms and rules that regulate exchanges). Organized crime groups are those that seek to "regulate and control the production and distribution of a good or service illegally." (Varese, 2017, as cited in Albarracín, 2023, p. 6)

Finally, Albarracín (2023) considers that organized crime encompasses everything from illicit actions committed by an individual to actions committed by a highly organized group of individuals; the difference, then, lies in the organizational level. (Albarracín, 2023)

Transnational Organized Crime and Governance

Organized crime in Latin America is closely linked to the quality of state governance. That is, in states where stable democracies and robust institutions prevail, the capacity of organized crime to penetrate power structures tends to be limited. In contrast, in states with weak institutions and declining democracies, vulnerability to phenomena such as corruption and drug trafficking increases, facilitating their infiltration into governance mechanisms.

According to Farer et al. (1999), "...organized crime historically has tended to exploit, manipulate, and exacerbate conditions of economic dislocation and political upheaval." (Farer et al., 1999, p.5) As a result, organized crime in Latin America became a threat to states with weak state institutions; consequently, organized crime became a power that intertwined with the economic, political, and social structures of the state. (Dammert & Rodríguez-Solórzano, 2025; Farer et al., 1999) Aponte & Cote (2025) expands,

> Another key trend in LAC is the entrenchment of structural corruption, which facilitates criminal cooptation of the state. In many Latin American countries, weak governance and porous borders – in addition to limited state capacity and widespread corruption – allow transnational criminal networks to operate with relative impunity. (Aponte & Cote, 2025, p.8)

Organized crime is often facilitated by the armed forces and police of the state in which it operates. (Albarracín, 2023) The process of globalization, especially after the 1980s, with the reduction of border barriers and the technological revolution, helped shape the transnational character of organized crime, whilst helping consolidate its capacity to create ungovernability within the states it inhabits. (Chabat, 2010; Farer et al., 1999). Consequently, the fight against criminal gangs has ceased to be a domestic matter and has become a matter of regional and international concern and cooperation, essential for maintaining stability and governance within each country. (Chabat, 2010)

Faced with the global threat posed by transnational organized crime, Latin American states have had to devise a series of regional cooperation mechanisms, influenced by globalization, to counteract the effects of organized crime. According to Chabat (2010), "given this reality, nation-states must undertake a profound reform of their security and justice institutions in order to make them effective instruments for combating a phenomenon such as organized crime." (Chabat, 2010, pp. 12–13) Chabat (2010) adds, "the main obstacle to a successful fight against organized crime lies in the economic power of this illicit business and its corrupting capacity, particularly in the case of drug trafficking." (Chabat, 2010, p. 13)

2.2.2 Latin America and Drug Trafficking

Drug trafficking, "...one of the most profitable, illegal, "borderless" businesses to come out of the 1980s…" (del Olmo, 1993, p.6), is both the fundamental axis within the functioning of criminal gangs and the most lucrative activity of organized crime, contributing to its expansion, operational capacity, and penetration and destabilization of the political, economic, and social spheres of a state. (Chabat, 2010)

Latin America has been the center of production for the illicit drug market for decades, especially for cocaine and marijuana; at the same time, the region has been the target of various international efforts to eradicate cocaine and marijuana production. (de los Rios, 2024) In the same way that organized crime, according to de los Rios (2024), "the surge of drug trafficking in Latin America to the instability of the region and its complex political and social landscape." (de los Rios, 2024)

According to the UNODC World Drug Report 2025, global drug use continues to rise due to various factors, including population growth, the prevalence of drug use, and access to information. The World Drug Report 2025 expands,

> In 2023, the global number of people who used a drug in the past year was estimated at 316 million people, or 6 per cent of the global population aged between 15 and 64. Representing an increase from the estimated 246 million people who used a drug in 2013, this is partially a result of population growth but also reflects an increase in the prevalence of drug use, which increased from 5.2 per cent in 2013 to 6.0 per cent in 2023, and the availability of new and more accurate data. (UNODC, 2025, p.8)

The Latin American region plays a crucial role in drug trafficking, especially when it comes to cocaine and coca leaf, which continue to play a dominant role in illicit markets. According to the Organized Crime Index, "...the LAC region registered a high average score of

7.58.” (Aponte & Cote, 2025, p. 5) South America is the largest producer of cocaine, while Central America and the Caribbean are the region’s most important transit corridors, as Aponte & Cote (2025) explain, “the Americas recorded the world’s highest regional average score for the cocaine market at 7.44 (+0.30).” (Aponte & Cote, 2025, p.5)

Cocaine Trafficking

Cocaine is a highly addictive drug derived from coca leaves, whose main ingredient is the cocaine alkaloid, originally from and produced in Bolivia, Colombia, and Peru. (Mejía & Posada, 2008; UNODC, 2023) Mejía & Posada (2008) expand,

> Coca was grown in the Andes long before the arrival of European settlers. Its leaves were (and, in some cases, still are) chewed by the local indigenous population in the Americas to help relieve fatigue caused by altitude sickness and for its mild stimulant effects. (Mejía & Posada, 2008, p.3)

Coca leaves are of crucial importance to the cosmology of the indigenous communities of the region, therefore “...[coca] has been cultivated by Andean indigenous communities for more than 5,000 years, protecting it from eradication on their ancestral lands. (de los Ríos, 2024) In the 19th century, American and European pharmacists began seeking ways to diversify medicine. To this end, they traveled to South America and discovered that indigenous communities used coca leaves to treat pain and increase energy. (de los Ríos, 2024).

Cocaine’s popularity began in the 19th century, after Europeans began extracting the cocaine alkaloid from its leaf, leading to the commercial use of cocaine, for example as an ingredient in Coca-Cola. (Castel et al., 2023) De los Ríos adds, “...cocaine stopped being medicine in the 1940s to become a recreational drug like alcohol or tobacco, with much more fatal consequences.” (de los Ríos, 2024) Cocaine production in what is known as the “cocaine business” began in the Andean countries in the mid-1970s; during the 1980s the industry experienced exponential growth, fueled by the economic crisis, weak states and decadent institutions in countries such as Bolivia, Colombia and Peru. (Vellinga, 2007)

2.2.3 Production, Distribution and Trafficking of Cocaine

Cocaine Production and Supply

Cocaine production is a relatively simple process, as it does not require expensive technology or skilled labor, which has given it the flexibility to adapt to changes in demand from consumer countries and changes in repressive anti-drug policies; in turn, cocaine production becomes an economic incentive and, in some cases, the only form of work for rural and vulnerable communities in the Andean countries. (Vellinga, 2007)

The existence of powerful cocaine-producing cartels, like the Colombian ones during the 1980s and 90s, is becoming increasingly rare. Production is now carried out by small-time, low-profile traffickers who lead anonymous, unglamorous lives, far removed from the public eye of the Medellín and Cali cartels. (Vellinga, 2007) As of 2008, according to Mejía & Posada (2008), “although there are over 250 different varieties of the coca plant, only a few are widely used today to produce cocaine for the illegal drug markets.” (Mejía & Posada, 2008, p.4) Despite this, according to the Global Report of Cocaine 2023, as of 2023, “the global supply of cocaine is at record levels.” (UNODC, 2023, p.32). UNODC (2023) further expands,

> Cultivation doubled between 2013 and 2017, peaked in 2018 and rose sharply again in 2021. The process from coca bush cultivation to cocaine hydrochloride has also become more efficient, contributing even further to the global supply of cocaine. In parallel, law enforcement agencies are seizing greater amounts of cocaine, preliminary figures for 2021 suggest a very sharp rise in seizures. (UNODC, 2023, p.32).

The production and trafficking of cocaine then became a crucial incentive in the socioeconomic development of the societies of the producing countries, adapting completely to the underdeveloped economies of the Andean countries, going from being a part of the black market to part of the legal markets. Vellinga (2007) expands, “coca appeared to be an ideal crop, guaranteeing a steady flow of income, softening the impact of the crisis for sizable numbers of the peasant population.” (Vellinga, 2007, p.89)

Distribution Routes

Cocaine trafficking continues to be a phenomenon that occurs from South to North, that is, from the Andean countries to North America, or from the Andean countries to Europe (UNODC, 2025). Central America and the Caribbean islands form the bridge between cocaine-producing and consuming countries. Central America corresponds to the land and aerial route and the Caribbean islands to the maritime and aerial route through which not only cocaine but also other illicit activities originating in South America are distributed. Aponte & Cote (2025) expand on this, “traffickers exploit both maritime and aerial routes across the region to move cocaine via northern South America, particularly Venezuela, to island trans-shipment points – capitalizing on the Caribbean’s archipelagic geography and generally limited interdiction capacity.” (Aponte & Cote, 2025, p.20)

The enforcement pressures and the implementation of laws against drug trafficking and the illicit economy in Central America, along with patrols in the Pacific Ocean by the U.S. Coast Guard Service, have led traffickers to use the Caribbean more frequently to move drugs to the Global North, making it, if not the most important route for cocaine trafficking. (Aponte & Cote, 2025)

Cocaine Trafficking

The ways to traffic cocaine are many, ranging from large quantities to small doses, depending on whether it is transported by land, sea, or air. Cocaine can be loaded into containers or cars, regardless of the transport method, and camouflaged among “normal” goods. It will be disguised in such a way as to be difficult to detect for both the officers responsible for inspecting cargo and the dogs trained for that purpose.

Since the 1980s, especially during the existence of the Medellín Cartel, the use of “drug mules” became widespread; these are people who carry cocaine on their bodies or clothing and traffic it personally. In the 1990s, drug mules began arriving in the United States with greater frequency and popularity. (Vellinga, 2007) As Vellinga (2007) explains, “...smuggling through individual couriers has become an activity of increasing importance.” (Vellinga, 2007, p.98)

Most drug mules are hired to make a trip and are paid if the drugs are delivered correctly. Depending on the success of the operation and the mule's personal financial need, they may continue to be hired; however, the list of candidates seems to be unlimited. For those who organize the operations, the risks are small; their identities usually remain anonymous, and it is the people carrying out the trafficking who pay the legal consequences for their involvement in the illicit activity. (Vellinga, 2007)

One of the most dangerous ways drug mules traffic drugs is by ingesting capsules containing the drug. Commonly called *"body packing"*, this involves oral ingestion or inserting drugs into the reproductive system, wrapped in a condom, for the purpose of trafficking. (Vellinga, 2007) However, the health risks are significant; if one capsule explodes inside a mule's body, their life is at risk, and they must be immediately taken to a medical facility.

UNODC and the Organization of American States identify other common ways of trafficking drugs using mules: physical camouflage (impregnated clothing, attached items (pregnancy prostheses), and ingested or inserted items) and chemical camouflage (liquid cocaine, viscous liquids). (Bernal, n.d.). Nonetheless, according to Vellinga (2007),

> The bulk of exported cocaine will continue to be smuggled through multi-hundred kilo operations by sea, using regular containership connections, fishing vessels, and speed boats. However, it is obvious that smuggling through individual couriers has become an activity of increasing importance. (Vellinga, 2007, p.98)

2.3 Criminal Roles and Specialization

2.3.1 Producer States

Producer states are those states where the supply of cocaine originates, that is, where coca leaves are cultivated and where the production processes take place. Coca leaves are native to South America, in rural communities of Bolivia, Colombia, and Peru, where there is a limited or nonexistent state presence and where climatic conditions are suitable for cultivation.

Colombia is the world's largest producer of cocaine; Bolivia and Peru have seen an increase in production since 2015, but not to the same levels as Colombia. (UNODC, 2023) Enforcement pressures in the region to eradicate cocaine production have had the opposite effect in producing countries. The need to eradicate coca cultivation in Bolivia and Peru has resulted in the relocation of operations to Colombia rather than the eradication of cocaine production, a trend that continues to grow.

Within the producing states, organized crime has a significant presence, going beyond mere cocaine trafficking to become vertically integrated structures, gaining control over multiple stages of the drug supply chain, from cultivation to exports. These conditions generate high rates of violence, as organized groups are in constant competition to acquire more territory and protect their production areas. The combination of a weak state presence, enforcement pressures, and a lucrative illicit market creates powerful organizations capable of counteracting state authority.

2.3.2 Transit States

Transit states function as geographic corridors for the movement of cocaine between producing states and consuming markets. The role of these transit states is determined by their geostrategic position between South and North America, which is why Central America and the Caribbean are considered transit states. These states, such as Costa Rica, are key to the trafficking of cocaine and other illicit activities that flow from south to north. (Rosen, 2021)

Unlike producer states, transit states do not tend to cultivate or process cocaine; they are used to transport and store the drug, as well as to coordinate operations, relying on decentralized agencies rather than vertically integrated cartels. Violence is low, although it can occur, and turf wars are also infrequent.

Transit states are highly susceptible to organized crime, with corruption being a key characteristic, especially in strategic sectors such as law enforcement, immigration checkpoints, and seaports. As trafficking grows, these states become increasingly involved in the illicit economy. (U.S. Department of the Treasury, 2026)

2.3.3 Financial and Logistical Hubs

Countries that emerge as financial and logistical hubs represent a more detailed level of specialization within the cocaine economy. In these states, organized crime extends beyond drug production and trafficking, focusing instead on money laundering, facilitating illicit transactions, and financial management.

These states tend to have consolidated financial systems, a developed organizational structure, and low rates of violence and corruption. Criminal organizations integrate incentives from the formal economy with money earned from illicit activity to make their funds appear legitimate. Organized crime usually uses states known as "safe havens," such as Panama, Curaçao, and the Cayman Islands, to hide the large sums of money generated from the illicit economy; while domestically, they establish businesses that generally handle large sums of money, such as restaurants, beauty salons, or nightclubs. (Vellinga, 2007)

These activities often go unnoticed, making them difficult for authorities to detect; however, they play a substantial role in the global drug trafficking chain. Financial hubs enable the circulation and legitimize money earned in the black economy, formalizing it as part of the formal economy.

Chapter 3 – Case Study 1: Colombia

3.1 Historical Development of Drug Trafficking

Understanding the historical development of drug trafficking in Colombia is essential to grasp how the country became a focal point of the global cocaine economy and how organized crime evolved into such a violent and complex phenomenon. From the market's expansion in the 1960s to the consolidation of powerful cartels and their eventual interaction with the Colombian armed conflict, drug trafficking did not develop in isolation, but rather in close connection with weak state presence, growing demand, and prohibitionist enforcement pressures.

This section traces the evolution of drug trafficking in Colombia, beginning with the market's beginnings, the consolidation of cartels, and finally the symbiotic relationship between organized crime and the armed conflict; it also tackles why the Colombian state, its institutions, and its governance are weak. Together, these processes illustrate how Colombia's criminal landscape was shaped by both domestic conditions and regional pressures.

3.1.1 Cocaine Boom

The cocaine market in Colombia began to grow in the late 1960s, driven by the Cuban exile community in Miami, who formed criminal gangs for drug trafficking, especially cocaine. In Colombia, cocaine was cultivated in the southwest Cordillera of the country by the indigenous Páez community, and trafficked by air by mules who transported the illicit powder on commercial flights, and distributed throughout the United States by Cubans. (Bagley, 1988c; López & Camacho, 2003) During the 1970s, the demand for cocaine was so high that Colombian production fell short, leading to the need to import coca paste from Bolivia and Peru to supply the growing market. (Bagley, 1988c).

By the end of the 1980s, Colombia had consolidated its position as the largest supplier of cocaine to the United States, and Colombian cartels and criminal organizations took total control of the cocaine market, at the same time as the United States suffered its second cocaine epidemic. (López & Camacho, 2003) Bagley (1988c) explains in more detail the impact of the growth of the illicit cocaine market,

> The DEA estimated that from 14 to 19 metric tons of cocaine were smuggled into the United States in 1976. By 1982 the DEA estimated that upwards of 45 metric tons of cocaine a year were being imported into the U.S. market. (Bagley, 1988c, p.76)

The cocaine market became so profitable that those involved began to accumulate fortunes, creating complex, vertically integrated, powerful trafficking organizations that controlled the cultivation, production, transport, and distribution processes, thus enabling the entire cocaine chain. Colombian authorities lacked the human and economic resources to combat cocaine trafficking and to effectively counter the power of the cartels. (López & Camacho, 2003)

The infamous cartels not only brought enormous waves of violence, corruption, and competition to the country, but also made Colombia the target of U.S. anti-drug policy and the war on drugs. According to López & Camacho (2003), "...they were the two cartels, one based in Medellin, the other in Cali. Between them, according to the experts, they handled over 60% of Colombian drug exports in the 1980s and up until the mid 1990s." (López & Camacho, 2003, p. 259)

3.1.2 Medellín and Cali Cartels

The consolidation of cartels in Colombia marked a crucial phase in the evolution of Colombia's illicit economy, transforming what had been small, fragmented traffickers into highly organized and vertically integrated entities. During the 1970s and 80s, these organizations capitalized on global demand to internationalize their operations; domestically, they exploited the opportunities created by prohibitionist policies to establish control over the production, transportation, and distribution of cocaine. In doing so, the cartels developed sophisticated organizational structures, transnational links, and strategies based on violence and corruption, fundamentally reshaping the scale and impact of organized crime in Colombia. The following will examine the two most significant cartels in Colombia: the Medellín Cartel and the Cali Cartel.

Medellín Cartel

Founded by Pablo Escobar, the Ochoa brothers, Gonzalo Rodríguez Gacha, and Carlos Lehder in the 1970s, the Medellín Cartel became one of the most notorious and violent criminal organizations in history. (InSight Crime, 2025) Operating out of the department of Antioquia, the cartel developed a highly centralized structure under Escobar's leadership, controlling large segments of cocaine production and export to the United States. (InSight Crime, 2025)

A defining feature of the Medellín Cartel was its systemic use of violence as a political and economic tool. The cartel launched a campaign against the Colombian state, employing bombings, assassinations, and intimidation to achieve its objective: preventing the implementation of extradition policies to the United States. As InSight Crime (2025) explains, "to maintain its hegemony, the cartel used a combination of extreme violence and co-optation of state institutions, bribing public officials such as political leaders, judges, and security forces…" (InSight Crime, 2025) Violence functioned as a mechanism to prevent state intervention, eliminate rivals, and maintain control over trafficking routes.

At the same time, the cartel served a political and social function, relying heavily on corruption, bribing political figures, and members of the armed forces to secure the facilitation of its operations and protection. (Bagley, 1988c; InSight Crime, 2025) Escobar, for instance, cultivated local support through populist strategies, including handing cash to the poor, building houses and giving a sense of relief to the marginalized communities, further complicating state efforts to confront the organization. (Bagley, 1988c)

The period of violence associated with the Medellín Cartel, known as "narcoterrorism", destabilized Colombia's already weak state institutions and intensified both domestic and regional pressures to combat drug trafficking. (InSight Crime, 2025) The cartel's dismantling, culminating in Escobar's death in 1993, marked a turning point, but did not eliminate the underlying structures of organized crime.

Cali Cartel

In contrast to the Medellín Cartel, the Cali Cartel developed a more discrete and business-oriented model of drug trafficking. Founded in the early 1970s, by brothers Gilberto and Manuel Rodríguez Orejuela, alongside José Santacruz Londoño, the organization operated as a relatively decentralized network of five drug trafficking organizations based in Cali. (Drug Enforcement Administration, 1994; InSight Crime, 2022)

Following the fall of the Medellín Cartel, the Cali Cartel positioned itself as the dominant force in the cocaine trade, managing to control 80 percent of the drugs circulating in the United States. (InSight Crime, 2022) Cali Cartel avoided overt confrontation with the state, instead it relied on corruption, intelligence gathering and infiltration, maintaining its influence by bribing officials, minimizing public visibility and penetrating state institutions. (Drug Enforcement Administration, 1994; InSight Crime, 2022)

The Cali Cartel had a sophisticated organizational structure, characterized by a top-down approach, controlling the production, transportation, and distribution of cocaine, as well as money laundering, both regionally and internationally. Its operations in the United States were initially focused on New York and Houston; however, given the market's profitability, they expanded their operations to the Iberian Peninsula, reflecting the transnational nature of the cocaine economy. (Bagley, 1988c; Drug Enforcement Administration, 1994; InSight Crime, 2025)

Analytical Implications

The Medellín and Cali cartels together demonstrate the diversity of strategies used by Colombian drug traffickers and highlight the complexity of the challenges faced by the Colombian state. The consolidation and growth of these criminal empires reveal the Colombian state's failure to prevent and contain the expansion of organized crime during the 1970s and 1990s. The measures taken by Bogotá` only had negative consequences, making Colombia the focus of the United States' war on drugs policies. This, in turn, enabled the vertical integration of these complex organizations and the transformation of drug trafficking in the face of enormous regional pressures.

3.1.3 Drug Trafficking and Armed Conflict

Armed conflict in Colombia has its roots in the period known as *"La Violencia"* (1948–1958). Since the 1960s, Colombia has experienced confrontation between the state, guerrillas, and paramilitary groups. Guerrilla groups, often Marxist in nature, emerged due to socioeconomic exclusion and a lack of opportunities for free political participation, stemming from political and social frustration. Paramilitary groups, on the other hand, are characterized by their far-right ideology, with their origins in the 1980s. (CIDOB, 2015) According to LeoGrande & Sharpe (2000), "during the 1980s and 1990s, Colombia's violence became more intense and more complex. Intensification of the war was fueled by revenue from the drug trade." (LeoGrande & Sharpe, 2000, p.4)

As the cartels consolidated and the cocaine business expanded, and a continued weak state presence, a symbiotic relationship between organized crime and armed conflict arose. The symbiotic relationship was viewed as follows: armed groups used cocaine trafficking to finance their operations, while organized crime benefited from the protection and territorial control provided by the armed groups. Over time, the line between political insurgency and organized crime blurred, integrating organized crime into the dynamics of the Colombian armed conflict. (Bagley, 1989)

For the purposes of this thesis, the focus will be on the left-winged guerrilla group "Revolutionary Armed Forces of Colombia" (FARC) and the right-winged paramilitary group "United Self-Denfense Forces of Colombia" (AUC).

La Violencia

Before delving into guerrilla and paramilitary groups, it is essential to understand the socioeconomic and political context in which they emerged. The period known as *La Violencia* (The Violence) initially arose as a consequence of the struggles between the Conservative Party (seeking continuity and focused on the interests of the bureaucracy) and the Liberal Party (reformist and interested in the rights of vulnerable people) (CIDOB, 2015). The event that most impacted this period was *"El Bogotazo"*, in 1948, following the assassination of presidential candidate Jorge Eliéver Gaitán, which triggered waves of violence throughout Bogotá. (CIDOB, 2015) The secondary effects of World War II in Colombia, namely inflation and the economic crisis, fueled the radicalization of political parties. (CIDOB, 2015)

The social context of Colombia also becomes crucial to understand why insurgencies flourished, according to the Barcelona Centre for International Affairs (2015):

> ...Colombia has been characterized by a social divide between a political elite with a strong regional presence, large landholdings, and monopolistic practices, and on the other hand, minority groups such as Indigenous people, Afro-Colombians, and peasants who have not had the same access to property rights or state services. (CIDOB, 2015)

This period slowly started to come to an end after the signing of the Benidrom Pact, in 1956, stating that both the Conservative and Liberal parties would agree on a system of political alternation between both parties. This pact brought Colombia a sense of democracy after years of military dictatorship. (CIDOB, 2015)

Revolutionary Armed Forces of Colombia (FARC)

The Revolutionary Armed Forces of Colombia (FARC) was Colombia's largest irregular army, as well as the oldest and most significant guerrilla group in the Western Hemisphere (InSight Crime, 2023). For nearly 50 years, the FARC waged war against the Colombian state, financing its war through extortion, kidnapping and ransom, and its involvement in the cocaine trafficking market. (InSight Crime, 2023)

The FARC maintained a strong presence in rural areas, occupying and protecting the territory; cocaine cultivation was concentrated in these outlying areas. In the 1970s, the FARC began levying taxes on coca leaf plantations, and to secure the plantations, and in the 1980s, it imposed taxes on cocaine production laboratories. (CIDOB, 2015; InSight Crime, 2023) Over time, its involvement in the drug trade expanded to include regulating production, establishing trafficking routes, and participating in other aspects of the supply chain. (Majbub, 2023)

This is how drug trafficking became the organization's main source of income. According to Majbub (2023) and World Bank data, "...the FARC-EP earned approximately $700 million annually from its involvement in the illicit drug market and kidnapping." (Majbub, 2023) As the FARC became integrated into the various stages of the cocaine market, it ceased to be a locally powerful entity and transformed into the most powerful insurgent group in Latin America. (InSight Crime, 2023) This transformation demonstrates how the illicit market reinforces armed conflict by providing non-state actors with the economic capital necessary to sustain their struggle.

United Self-Defense Forces of Colombia (AUC)

The United Self-Defense Forces of Colombia (AUC), formally established in 1997, emerged as an umbrella organization encompassing one to seven right-wing paramilitary groups operating nationwide. (InSight Crime, 2024) Initially aimed at preventing the expansion of left-wing guerrillas, such as the FARC, the AUC evolved into a central player in the country's drug trafficking economy, particularly in communities with weak state presence and high rates of coca cultivation.

Unlike other insurgent groups whose involvement with organized crime occurs through extortion, the AUC is directly involved in the various stages of the cocaine market, including protecting coca cultivation areas, controlling transit routes, and participating in exports. Because of their links to drug trafficking, drug traffickers began to align themselves with the AUC, buying blocks in areas crucial to their illicit activities and financing their operations with money from the illegal economy. (InSight Crime, 2024)

The consolidation of the AUC was facilitated by its ability to camouflage its criminal portfolio under narratives of counterinsurgency and self-defense. Likewise, the use of systematic coercion was crucial; through violence, forced disappearances and displacement, and extortion, the group established territorial control, allowing it to consolidate its ties with drug trafficking.

(InSight Crime, 2024) These relationships blur the lines between legality and illegality, exacerbating the state's shortcomings in effectively combating organized crime.

Analytical Implications

The interactions between cartels, and paramilitary and guerilla groups, coupled with the state's inability to combat a two-front war, led to an environment where illicit markets and armed conflict became mutually reinforcing. The convergence of drug trafficking and organized crime contributed to the weakening of the state, the amplification of violence, and the penetration of criminal actors into Colombian politics. These conditions are fundamental to understanding the evolution and adaptation of organized crime under intensified enforcement pressures.

3.1.4 Colombia's Governance and Institutions

In simple terms, Colombia's weak institutions and governance can be traced to the historical ties between the state, armed conflict and drug trafficking, which together have limited the state's ability to properly perform its functions. Mancera (2014) characterizes Colombia as a regime of *"obediencias endebles"* (weak obedience), that is, a country with low governmental autonomy, where the state fails to deliver its services throughout its territory, and where development is geared towards the interests of those who manage to infiltrate the state, rather than society as a whole. (Mancera, 2014) From the mid-20th century onward, Colombia suffered the proliferation of illegal and criminal activities within state institutions across the country. Corruption became widespread, and politicians began to answer to the drug traffickers who infiltrated the political sphere, since it was these traffickers who financed their political campaigns. (Leal, 2011)

The weakness of institutions is evident in their fragmentation, since it is this very fragmentation that contributes to the deterioration of the reach and policies of state institutions. (Mancera, 2014) Territorial inequality is another aspect that denotes the weakness of Colombian governance. Despite having political representation, many rural areas lack decent living conditions and an efficient state response; a situation that armed conflict and drug trafficking have exploited, becoming the form of government in these peripheral zones. (Mancera, 2014)

Together, these aspects, along with low citizen participation and distrust of the state, have contributed to the fragmented state model, where institutions coexist with illicit systems of control, limiting the state's capacity to enforce the rule of law uniformly. (Leal, 2011; Mancera, 2014)

3.2 U.S. Enforcement and Militarization

The consolidation of Colombia as the global hub of the cocaine economy attracted the attention of the United States, which framed drug trafficking as a national security threat and prioritized enforcement-based responses. Over time, U.S. policies toward Colombia became legally, strategically, and militarily complex instruments aimed at reducing the flow of cocaine supplies. The tactics used by the United States shaped the development of Colombian state institutions and its security strategy. This section examines three essential components of these tactics: extradition policies as legal pressures on cartels, "Plan Colombia" as the strategic framework for cooperation, and the militarization of counternarcotics efforts as the primary operational enforcement.

3.2.1 Extradition Policies

Extradition policies emerged as an important legal instrument in the United States' counternarcotics strategy, reflecting domestic pressures and demands from Washington to combat drug kingpins. (González, 2014) The introduction of the U.S.-Colombia Extradition Treaty allowed the United States to extradite Colombian drug traffickers accused of crimes on U.S. soil to be tried in its courts. (Bagley, 1988a)

The implementation of this policy created concerns for the cartels, especially the Medellín Cartel, since, for drug traffickers, extradition represented the loss of influence and territory, facing harsh sentences under harsher conditions, whilst eliminating the legal and political protections they enjoyed in Colombia. For example, according to Bagley (1988b), "...Colombia's Medellín Cartel has … demanded veto power over national policy on drugs, especially with regard to extradition to the United States, and it has backed its demands with a campaign of kidnapping, extortion and murder." (Bagley, 1988b, p.171)

The cartel launched a campaign of narco-terrorist violence against government officials, judges, journalists, and the civilian population, beginning with the assassination of journalist and presidential candidate Luis Carlos Galán. (Bagley, 1989) As a result, extradition became a focal point in the confrontations between organized crime and the state, significantly escalating the levels of political violence. (López & Camacho, 2003) Additionally, extradition raised concerns about Colombia's sovereignty and institutional autonomy, since, by relying on international judicial resources, the deficiencies and limitations of the Colombian legal framework were exposed. (Tokatlián, 1988)

According to Tokatlian (1988), extradition policies failed to achieve their objective of reducing cocaine supplies and its entry into the United States, nor did they contribute to strengthening the legal instruments to combat this threat. (Tokatlian, 1988) It was indeed effective in targeting key figures in the market, but not in dismantling the structures of organized crime or the drug economy. However, the extradition treaty between the United States and Colombia was incorporated into Colombian law in 1997, under the principles of shared responsibility and reciprocity between the two countries. (Instituto de Ciencia Política, n.d.)

3.2.2 Plan Colombia

The rise in drug trafficking and the growing domestic conflict in Colombia during the 1990s required a stronger political framework to combat it. Thus, in 2000, "Plan Colombia" was signed and launched. (Peceny & Durnan, 2006; Shifter, 2007) Plan Colombia, initially promoted by President Andrés Pastrana (1998–2002) and supported by Bill Clinton (1993–2001), was a multifaceted project that aimed to promote peace, combat coca production, and strengthen state capacities through financial and military support from Washington. (CIDOB, 2015; Dammert & Sampó, 2025; Majbub, 2023; Peceny & Durnan, 2006; Shifter, 2007) Through Plan Colombia, Colombia became the largest recipient of U.S. aid outside of the Middle East. (Shifter, 2006) For instance, "[Plan Colombia] provided nearly $1 billion to Colombia in 2000 alone." (Peceny & Durnan, 2006, p.110)

The close links between drug trafficking and insurgencies, especially the FARC, gave Plan Colombia a secret duality, as Majbub (2023) explains: “Plan Colombia would end up financing the counterinsurgency war of the Colombian state's armed forces under the smokescreen of 'fighting drugs'.” (Majbub, 2023) The Plan blurred the line between combating organized crime and counterinsurgency, thus emphasizing combating production, especially in the producing areas protected by the FARC. Through fumigation, attempts to cut off the FARC’s cocaine revenues, and the strengthening of the Colombian armed forces, the plan became a tool to simultaneously combat drug trafficking and the left-wing guerrilla. (Dammert & Sampó, 2025; LeoGrande & Sharpe, 2000; Majbub, 2023)

Despite its efforts, the results of Plan Colombia were mixed; while it contributed to strengthening state capacities and security, drug trafficking and violence did not disappear, but rather transformed. Plan Colombia demonstrates the adaptability and resilience of organized crime and armed groups, highlighting the limitations of large-scale policies based on repression. (Dammert & Sampó, 2025)

3.2.3 Counter-narcotics Militarization

U.S. policy implementation pressures relied heavily on the militarization of counternarcotics efforts—that is, the practical operations of its strategic objectives. Key activities included expanding and strengthening Colombian police and military forces, fumigating coca crops, and intercepting trafficking routes. (Dammert & Sampó, 2025) The militarization of operations reflected the belief that drug trafficking could be combated through the use of coercive force and territorial control. These operations were mostly carried out in rural areas, where state presence is limited and which are themselves controlled by armed conflict.

One of the most used mechanisms was the use of aerial fumigation to eradicate coca cultivation. (Dammert & Sampó, 2025; Majbub, 2023) Fumigation does not completely eradicate coca cultivation; it only reduces it in specific areas and generates its redistribution to new locations, a phenomenon known as the “Balloon Effect.” Shifter (2007) expands, “current policy instruments are simply unable to match the power of market forces; coca may be effectively eradicated in one area, only to pop up in another. This so-called balloon effect can be seen within Colombia …" (Shifter, 2007, p. 59)

However, the militarization strategy increased clashes between the guerrillas and the Colombian army; added to this were the fumigation policies, which led to the mass displacement of communities in an attempt to cut off the FARC's funding from drug trafficking. (Dammert & Sampó, 2025; Majbub, 2023) Ultimately, counter-narcotics militarization demonstrates the limits of enforcement-based approaches, since instead of reducing the long-term impact of organized crime and its effects, it ends up displacing it.

3.3 Criminal Adaptation

As previously demonstrated, the intensification of enforcement pressures in Colombia did not eliminate organized crime, but rather forced it to adapt to new conditions. While state pressure increased through extradition policies, militarization, and the implementation of new legal frameworks, criminal organizations were compelled to modify their structures, strategies, and alliances in order to survive.

The process of change and adaptation can be understood through three factors: the consolidation of vertically integrated criminal structures, the strategic incorporation of armed actors into drug trafficking, and the eventual fragmentation of cartels into decentralized networks. Together, these three factors demonstrate how organized crime in Colombia evolves in response to enforcement pressures, becoming flexible, resilient entities deeply embedded within the state.

3.3.1 Vertical Integration

One of the main responses to enforcement pressures was the creation of vertically integrated criminal organizations. According to Buscaglia (2018),

> The vertical legal economic integration of criminal enterprises occurs when a transnational criminal network partially or completely acquires the legal business capacity to generate its own raw materials for the production of an illegal good or service, produces the final good or service to be trafficked, transports this good or service to be trafficked, distribute the good or service while controlling the wholesale and retail domains of their businesses. (Buscaglia, 2017, p.760)

Under this logic, vertical integration allowed criminal organizations to reduce their dependence on external actors and maximize their profits within an increasingly hostile environment. By centralizing their operations, organized crime groups became better able to manage risks and respond effectively to attacks resulting from state intervention. This organizational method enabled the rise of powerful Colombian cartels, capable of controlling and coordinating the transnational nature of their operations.

Nonetheless, vertical integration also contributed to the intensification of corruption and violence. As these organizations expanded their control, they began using coercive methods to eliminate enemies and secure the territory under their control, while infiltrating state institutions to protect their operations. It is crucial to understand vertical integration not only as an economic strategy but also as a political one, since this is how organized crime became entrenched in Colombian society.

3.3.2 Armed Actors as Criminal Adaptation

As enforcement pressures mounted and territorial competition intensified, organized crime allied itself with guerrilla and paramilitary groups to ensure its protection, control of strategic territories, and the continuation of its operations. These collaborations were facilitated by the armed groups' need for access to the financial resources of the lucrative cocaine trafficking market, while drug traffickers required the protection and territorial presence that these groups could provide. (Majbub, 2023; Peceny & Durnan, 2006)

Over time, organized crime and armed groups became so interconnected that the line between drug traffickers and political insurgencies blurred, as armed groups became directly involved in various stages of the drug trade. This transformation significantly altered the structure of Colombian organized crime, shifting from independent entities to one that strengthened its power and reach by allying with political insurgencies and using violence to protect its operations. (InSight Crime, 2023; Majbub, 2023) The pressures of enforcement, therefore, did not weaken organized crime but rather pushed it to collaborate and merge with violent non-state actors.

3.3.3 Cartel Fragmentation

The era of vertically integrated and centralized cartels came to an end in the 1990s, following the capture and deaths of the leaders of the Medellín and Cali cartels. (Gariglio, 2022; LeoGrande & Sharpe, 2000) The fragmentation and disappearance of the powerful cartels gave rise to a new form of organized crime: small- to medium-sized organizations that sought to export little, generate a lot of money, and avoid attracting attention. (Gariglio, 2022; LeoGrande & Sharpe, 2000) These new gangs, according to Vellinga (2007),

> Their new organizations are small and cell-like. They are informal, small, mutating and decentralised. Some are individual enterprises, others include temporal partnerships between two or three people. Personnel is often recruited *ad hoc* as part of complex contracting and sub-contracting schemes. (Velliniga, 2007, p.96)

Fragmentation also leads to the diversification of criminal activities and the diffusion of risks, since drug trafficking no longer rests with a single organization but is now distributed among multiple small actors, making it more difficult for authorities to detect. (López & Camacho, 2003) The fragmentation of cartels did not reduce organized crime but transformed it, contrary to the beliefs of the time, as explained by LeoGrande & Sharpe (2000), "breaking the big cartels, it was thought, would disrupt distribution networks in the United States and raise prices." (LeoGrande & Sharpe, 2000, p.2)

Fragmentation represents a key example of how execution strategies can unintentionally strengthen the adaptability and persistence of organized crime. It is important to add that the adaptation of organized crime is not exclusively a Colombian phenomenon, but rather a regional phenomenon of transnational organized crime, especially through the displacement of illicit activities to transit countries that function as financial and logistical hubs, such as Costa Rica. (CIDOB, 2015)

3.4 Outcomes – Successes and Failures in Tackling Organized Crime

The implementation of the war on drugs in Colombia produced a series of results that cannot be strictly categorized as successes and failures, but rather as a mixture of both. While certain policies contributed to the strengthening of some state institutions, the truth is that the primary objective of reducing cocaine supplies destined for the United States was not achieved. Evaluating the results requires understanding that the successes were short-term, but the failures were long-term and had a greater impact. This section refers to the successes and failures of the Colombian state in combating transnational organized crime, focusing on institutional capacity and enforcement pressures.

The enforcement pressures, concentrated in Colombia, exerted by the United States' war on drugs coincided with a weak Colombian state presence, armed conflict, and limited capabilities. The combination of these conditions enabled criminal organizations to become vertically integrated, forming alliances with armed insurgencies, and infiltrating state institutions. As a result, the implementation of these policies led to the adaptation and fragmentation of crime, rather than its elimination. The partial successes in Bogotá were thus offset by persistent violence, the reconfiguration of the criminal landscape, and the strengthening of cocaine production.

3.4.1 Successes

One of the most notable successes was the strengthening of institutional capacities in the area of security and territorial control, especially after the implementation of Plan Colombia.

Plan Colombia served as a mechanism for strengthening and expanding the capabilities of the Colombian police and military forces; this strengthening allowed for the reassertion of dominance in regions previously dominated by armed insurgencies, where historically the state presence was weak.

Another milestone in the fight against drug trafficking can be categorized as a success: the fragmentation of the cartels. The capture of key figures in the Medellín and Cali cartels by American and Colombian authorities weakened these powerful, vertically integrated organizations, reducing their capacity to operate as powerful entities and their ability to counter the state. Taken together, these successes indicate that the policies implemented were only effective in the short term and only partially so.

3.4.2 Failures

Leaving aside these successes, the overall effectiveness of the war on drugs in Colombia was and remains limited when measured against its primary objective: reducing coca supplies and eliminating organized crime. One of the most glaring failures was the inability to halt the persistence and growth of the cocaine economy. To this day, coca cultivation and production continue to be a widespread phenomenon in Colombia, and despite eradication efforts, Colombia remains the world's largest producer of cocaine (UNODC, 2023). This demonstrates the resilience of the illicit market in the face of high global demand.

The persistence of criminal structures, the expansion and diversification of drug trafficking into small and flexible criminal gangs, and the emergence of new armed groups demonstrate the limitations of enforcement policies and state weaknesses. (Dammert & Sampó, 2025) The failure to eradicate organized crime transformed it into gangs that are more difficult to intercept, reducing the overall effectiveness of the objective of the operations.

The war on drugs failed by weakening Colombian democracy and state institutions in the long term, preventing the state from providing for its citizens. At the same time, the links between drug trafficking and armed groups, along with the rise in violence, prevented the country from competing in the international market and achieving economic progress in the formal economy. (López & Camacho, 2003) The cooperation between insurgent groups and the cocaine economy prolonged the internal conflict, and coupled with the decaying institutions, made it almost impossible for established policies to be effective.

Furthermore, the militarization of anti-drug efforts has failed in economic and political terms; aerial fumigation, for example, contributed to the displacement of thousands of Colombians, and as a result, trust in the state by affected communities decreased. These consequences demonstrate the limitations of coercive strategies in effectively addressing the socioeconomic incentives of the illicit economy.

Lastly, and perhaps the most relevant failure, enforcement pressures displaced drug trafficking activities both within Colombia and across Latin America; rather than eliminating the problem, policies shifted it geographically, reinforcing the transnational nature of organized crime, like it happened in Costa Rica. It can be said, then, that the war on drugs exacerbated domestic problems in Colombia and created new actors that contributed to the weakening of its state, while Washington invested money in policies and plans that failed to achieve their objective.

Chapter 4 – Case Study 2: Costa Rica

4.1 Costa Rica in the Regional Trafficking System

Costa Rica's role in transnational organized crime can be better understood within the regional structure of drug trafficking. Enforcement pressures in the Andean countries contributed to the consolidation of Central America as the most important transit corridor, since the early 2000s, for cocaine shipments destined for the global market. (Blume, 2022; Tanveer et al., 2025) With a constantly evolving system, Costa Rica has become a source, transit, and destination country, while also serving as an intermediary space through which illicit flows are redirected. (GI-TOC, 2025b)

This position reflects a transformation in the geography of drug trafficking, where illicit activities are redistributed across different states instead of being concentrated in a single one. As a result, states like Costa Rica have become entangled in the trafficking chain, occupying roles that facilitate the movement of narcotics without needing to produce them or participate in waves of violence. The following subsections examine the factors that shape this role, emphasizing Costa Rica's geography and function within regional cocaine trafficking routes.

4.1.1 Geographical Bridge

Located on the Central American isthmus, Costa Rica serves as part of the geographical bridge connecting South and North America; situated also between the Andean region, the largest producer of cocaine, and the United States, the largest consumer market for cocaine. Bordered by the Caribbean Sea and the Pacific Ocean, Costa Rica forms a geostrategically key point for organized crime. (Blume, 2022; GI-TOC, 2025b)

This geographic position facilitates the efficient movement of illegal commodities across sea and land networks, the diversification of routes, and the dispersion of risk, all of which contribute to Costa Rica's participation within regional trafficking systems. Because of this, traffickers use Costa Rica more as a connecting node—an intermediary space that connects production zones to international distribution channels—than as a destination. (Lara, 2025; U.S. Department of the Treasury, 2026)

In this sense, geography does not merely facilitate trafficking, it embeds Costa Rica within the drug trade, making it an unavoidable point of passage within the region and for transnational criminal networks.

4.1.2 Role in Trafficking Route

Beyond its geographic location, Costa Rica's role within the illicit trafficking system has evolved over time, shifting from a mere transit country to a logistical hub within the dynamics of cocaine trafficking. While it continues to be a key transit country, it currently functions as a space for the coordination, storage, and redistribution of narcotics, creating links between producers in the south and markets in the north and Europe. (GI-TOC, 2025; Lara, 2025)

Costa Rica's role within this system illustrates the differences in the functions of each state; while production remains concentrated in the Andean region, the Central American region functions as an intermediary, a crucial role for the prevalence of organized crime in general. (Tico Times, 2025) Costa Rica's position on these routes reflects the structural results of the regional organization of drug trafficking.

In general, it can be deduced that Costa Rica's role in regional drug trafficking highlights a key dynamic in the war on drugs: the balloon effect. Enforcement pressures in producing countries contributed to the relocation and redistribution of criminal activities, especially into transit states, where organized crime manifests itself in less visible but highly strategic forms. This, in turn, reflects trends identified in the region: instead of being eliminated, drug trafficking is reorganized and displaced.

4.2 Costa Rica's Institutional Strength and Governance

Costa Rica stands out as a notable exception in the Latin American region due to its sustained political stability, democratic continuity, and high levels of social, political and economic development. (Sada, 2015) Historically, while the region has been marked by violence, political instability, and institutional fragility, Costa Rica has followed a different path, consolidating its democracy since 1949 and becoming the most peaceful and least violent country among its neighbors. (Høivik & Aas, 1981; Sada, 2015)

Costa Rica's stability exists within a larger regional challenge: organized crime. The impact of transnational organized crime in the region raises the question of how has Costa Rica managed to preserve its stability while continuing to participate in the same illicit market as its neighbors. To answer this question, it is necessary to examine Costa Rican history, especially the post-1948 period, as well as the institutional foundations that determine the state capacities of this small country.

4.2.1 The Second Republic and the Abolition of the Army

Civil War of '48

Before delving into the Second Republic and the decision to abolish the army, it is essential to understand the sociopolitical context of Costa Rica at the time. To do this, the 1948 Civil War must be seen as the turning point in the state's political development. The ultimate cause of the civil war was the annulment of the elections that same year. Following a mysterious fire that destroyed a large number of documents and ballots, confidence in the election results was low, leading the Constitutional Congress to declare the elections null and void. (El Espíritu del '48, 2025; Rojas, 2020) The war officially began on March 12, after José Figueres Ferrer led an armed uprising. It ended on April 19, 1948, with the signing of the Pact of the Mexican Embassy, which established a Governing Junta, presided over by Figueres, to rule for a period of 18 months.

It is important to mention, and according to Høivik & Aas (1981), “the civil war was the first- and last - irregular transfer of power in Costa Rica's history since 1919. The country has continued as a parliamentary democracy, with several changes of president and presidential parties.” (Høivik & Aas, 1981, p.334)

<u>The Second Republic</u>

The foundations of Costa Rica’s political stability and institutional strengthening can be traced back to the events that occurred after the 1948 Civil War. During March and April of 1948, a civil war erupted as a result of the annulment of that year’s elections. Amid rumors of electoral fraud, the victory of opposition candidate Otilio Ulate was not recognized. (Archivo Nacional, n.d.; Høivik & Aas, 1981) “Following the end of the civil war, a Governing Junta was formed, presided over by José Figueres Ferrer, who governed for 18 months.” (Archivo Nacional, n.d.) This period in Costa Rican history was pivotal for the reconfiguration of the country’s institutional framework and politics.

The *“Junta Fundadora de la Segunda República”* (Founding Junta of the Second Republic), which took office in May 1948, initiated a series of structural reforms to consolidate democratic governance and strengthen the state and its institutions. (Høivik & Aas, 1981; Rojas, 2020) These reforms included the suspension of the 1871 Constitution, with the exception of certain codes, laws, and guarantees; the creation of institutions crucial to Costa Rica’s democratic development, such as the Supreme Electoral Tribunal (TSE) to preserve the integrity of the electoral process; the establishment of public service institutions for citizens, such as the Costa Rican Electricity Institute (ICE) and the National Housing and Urban Development Institute (INVU); and the nationalization of the banks. (Rojas, 2020)

Additionally, policies regarding education, health, and public services were expanded, as well as granting women the right to vote and ending racial segregation. (Rojas, 2020) However, the most important decision made by the Founding Junta of the Second Republic was the abolition of the army.

The Abolition of the Army

On December 1, 1948, Figueres, in an emotional and symbolic act, proclaimed the abolition of the army, citing economic reasons, the preservation of peace, and as a protest against *coups d'état* carried out by the armies of sister Latin American nations. (Archivo Nacional, n.d.; Høivik & Aas, 1981) The abolition of the army was formalized in Article 12 of the 1949 Constitution; the article reads, "...the Army is outlawed as a permanent institution. For the surveillance and preservation of public order, there will be the necessary police forces." (Sistema Costarricense de Información Jurídica, n.d.)

The decision to abolish the army was facilitated by the weak state of the country's armed forces, characterized by disorganization, a lack of weapons, and insufficient funding to maintain it; likewise, the limited military tradition served as an incentive for the anti-military decision. (Archivo Nacional, n.d.; Høivik & Aas, 1981) The state then created a security model oriented toward the civilian population, with small institutions responsible for maintaining domestic order and state sovereignty. (Høivik & Aas, 1981; Rojas, 2020)

Without an army to fund, Costa Rica has reaped significant benefits. The state redirected these funds to finance social programs, including high-quality public health and education systems, and infrastructure, which contributed to the development of the Costa Rican people and laid the foundation for the country's economic growth. (Sada, 2015) Over time, these investments translated into the strengthening of human capital, state legitimacy, and a reduction in the conditions that facilitate the expansion of organized crime.

The abolition of the army then became one of the pillars of Costa Rican national identity, being internationally associated with the reputation of being one of the most peaceful and stable countries in the region. (Høivik & Aas, 1981)

Analytical Implications

The Civil War of '48 marked a fundamental difference in the socio-political development of Costa Rica, and it is the act that alone lays the foundation for the strength and prevalence of the strong governance and institutionality of the State. The establishment of the Second Republic and the abolition of the army represent a pivotal moment in the nation's state-building process. These events not only consolidated democratic institutions but also created the structural conditions that would eventually drive the country's success in effectively managing organized crime and its institutional resilience, earning it recognition as a regional exception. Given the security challenges the country faces due to its geographic location and attractiveness, its institutional model has followed a different path than that of militarized nations.

4.2.2 Democratic Stability and Strong Institutionality

Since the founding of the Second Republic of Costa Rica in 1949, Costa Rica has been one of the most stable and robust democracies in the world; a democratic stability that has resulted from the struggle of multiple social and political actors, and social inclusion. (Vargas, 2022) In turn, the Costa Rican state's ability to contain transnational organized crime is rooted in its historical democratic stability and the development of strong state institutions.

Booth (1987) explains the two historical reasons that contribute to the resilience of Costa Rican democracy, "two historical reasons that contribute to Costa Rica's eventual democracy: lack of large-scale export agriculture that made forced labor systems or slavery profitable; the colonial era ended without the wars that wracked much of Latin America." (Booth, 1987, p.43) These two factors helped to avoid the conflicts that destabilized many of the countries in the region.

The pillars of Costa Rican democracy and the resilience of its institutions are enshrined in the 1949 political Constitution. It is in this *Magna Carta* that the power of the state, its organization, and the controls that each of the three branches of government can exercise are precisely defined, thus creating checks and balances among the state bodies themselves. (Vargas, 2022) Firstly, it is worth noting that this delimitation reduces the concentration of power and contributes to the durability of democratic governance. (Booth, 1987) Furthermore, Costa Rica has numerous labor unions that exert pressure and demand changes in government, a mechanism that facilitates direct citizen participation. (Booth, 1987)

Another fundamental pillar of Costa Rican democratic stability is the legitimacy of the electoral body, codified in the *Código Electoral* (Electoral Code). Created in 1953, the Electoral Code grants the Supreme Electoral Tribunal the necessary tools to direct and control elections. (Booth, 1987; Vargas, 2022) Finally, as Vargas explains (2022),

> Without armed forces; without civilian or military dictatorships since 1919; with a robust, independent electoral system that enjoys great public confidence; as well as a long-standing tradition of respect for and guarantee of human rights, Costa Rica has stood out throughout the years for its democratic stability. (Vargas, 2022)

Analytical Implications

Within the framework of this thesis, Costa Rica's democratic stability and institutional strength are crucial in explaining how it was successful in containing organized crime within its borders. Instead of experiencing high levels of corruption and public distrust of state institutions, as seen in countries like Colombia, Costa Rica has been able to contain criminal activity in less violent and more limited ways, because of its consolidated democracy and institutionality. This does not imply the absence of organized crime, but rather highlights how institutional strength shapes the ways in which crime manifests itself and the consequent effectiveness of the state response.

4.3 Criminal Profile

Unlike Colombia, where organized crime develops through vertical integration and cooperation with armed insurgencies, Costa Rica exhibits a different pattern due to its role as a transit country and logistics hub. Instead of consolidating into robust and dominant cartels, criminal activities in Costa Rica are managed by smaller actors who rely on specialization and collaboration with foreign entities.

The configuration of organized crime in Costa Rica reflects the resilience and institutional strength that characterize the state, as well as the enforcement policies that displaced these routes. Faced with international pressure, criminal organizations were forced to relocate their operations, the balloon effect here relocated certain key aspects of the anti-drug efforts, into states with more resilient and robust states. (Blume, 2022) In Costa Rica, these policies resulted in the emergence of criminal structures focused on logistics and financial facilitation, rather than production.

4.3.1 Logistical Hub

Costa Rica's primary role within transnational organized crime is as a logistical intermediary. Criminal groups operating in the country specialize in facilitating the movement, storage, and redistribution of cocaine within global networks. (Lara, 2025; U.S. Department of the Treasury, 2026)

This specialization is possible thanks to the country's stable economy, open markets, dollar-rich economy, and remote areas, which provide the perfect conditions for mixing legal trade with organized crime. (Tanveer et al., 2025; Tico Times, 2025) The volumes of cocaine flowing through Costa Rica are increasingly high, as a result of the importance of its Caribbean coast in supplying the drug transatlantically. (Tanveer at al., 2025)

It is important to emphasize that this role is not solely dominated by domestic actors; domestic criminal gangs typically operate in coordination with larger, more well-resourced transnational criminal organizations, including Mexican cartels, Colombian criminal gangs, and European mafias. This demonstrates how Costa Rica functions as a facilitator of the criminal environment, rather than as a command center. (Lara, 2025; GI-TOC, 2025b)

At the same time, the growth of logistics activities has negative side effects, including increased domestic drug storage and a gradual rise in violence. (Tico Times, 2025) According to Tico Times (2025), "rising local drug warehousing fuels domestic consumption and a 66% homicide increase over the past decade…" (Tico Times, 2025)

It is crucial to highlight that, unlike the case of Colombia, traffickers in Costa Rica recognize that violence attracts state intervention, and therefore attempt to maintain evasive strategies; however, the country still continues to experience narco-violence. (Blume, 2022) This violence remains limited compared to producing countries, which also highlights the difference between the consolidation of the Costa Rican state and the shortcomings of producing states, such as Colombia.

4.3.2 Port Corruption

A crucial aspect of Costa Rica's criminal profile is the strategic importance of its ports, especially their role as connection points (nodes) within global supply chains. Control of the ports, particularly *Puerto Moín* on the Caribbean coast, allows traffickers to efficiently camouflage illicit products within the formal economy, significantly reducing the risk of detection. (Lara, 2025; U.S. Department of the Treasury, 2026)

Since its opening in 2019, the Moín seaport has become a key regional hub for cocaine transshipment; criminal groups fight for control of the port and its surroundings to control the flow of drugs in and out of the country. (Núñez, 2026; U.S. Department of the Treasury, 2026) According to the newspaper La República (2024), "Costa Rica has become a key point in drug trafficking to Europe due to its strategic geographic location…" (La República, 2024) It adds, "that is why the Port of Moín, which handles 50.1% of the country's cargo, has been identified as one of the main departure points for cocaine to Europe." (La República, 2024)

To illustrate, cocaine comes mostly from Colombia, but also from other Andean countries, via air and the Pacific sea routes. The drug is unloaded and stored in warehouses throughout the country, and then re-exported to Europe from the Caribbean coast. (Lara, 2025; U.S. Department of the Treasury, 2026) The drug is hidden and camouflaged using methods developed among and within agricultural products, and is exported through Puerto Moín, a regional transshipment hub. (Lara, 2025; GI-TOC, 2025b; U.S. Department of the Treasury, 2026) The integration in the global supply chains reflect a high degree of operational sophistication where the formal economic sector is exploited to facilitate illicit trade. (Tico Times, 2025)

Analytical Implications

The Costa Rican case brings to light a different wave of organized crime, one that adapts and revolves around the national reality of where it operates. Rather than attempting to bring down the state as a whole, this dynamic illustrates a more targeted and well thought of form of criminal influence. Organized crime in Costa Rica seeks to infiltrate specific strategic sectors that are essential to the functioning of the trafficking system, rather than broad territorial control. Corruption then, different to Colombia, is selective, aimed at facilitating operations, not capturing the state. The Costa Rican *modus operandi* contrasts sharply with the Colombian one, where criminal organizations have historically used territorial control as a way to threaten the state and highlight its shortcomings.

4.3.3 Money Laundering

The final dimension of Costa Rica's criminal specialization lies in its financial role: money laundering. According to Vellinga, money laundering represents a crucial stage in the drug trafficking chain. Vellinga (2007) expands, "it determines to what extent the illbegotten monies can be "legalized" and invested into the legal formal economy. Successful money laundering is a precondition for keeping the illegal drug industry functioning at its present pace." (Vellinga, 2007, p.99)

Costa Rica's open economy and diversified services make it vulnerable to money laundering. According to Tico Times (2025), "drug trafficking remains the largest source of laundered money in Costa Rica, with an estimated $4.2 billion processed annually, according to a report by Costa Rica's intelligence agency (DIS)." (Tico Times, 2025) Criminals take advantage of various services within the formal economy, which by their nature generate or move large sums of money, in order to launder money obtained from the illicit economy. (Tico Times, 2025) The most attractive services are real estate, luxury condos and commercial development, construction, high-end vehicle sales, and the hotel industry, especially in the Pacific Coast. (Tico Times, 2025)

Although the state continues to strengthen its anti-money laundering legal frameworks, they remain limited and inefficient. Complex money laundering investigations are difficult to prosecute, and as Tico Times (2025) explain, "... the lack of a non-conviction-based asset forfeiture law forces reliance on weaker legal tools to seize assets without a clear legitimate source, slowing efforts to disrupt criminal networks." (Tico Times, 2025) As a result, money laundering continues to function as a relatively resilient component of organized crime within the nation.

Analytical Implications

Costa Rica's role as a destination country for money laundering is crucial to understanding how organized crime adapts in environments with a strong state presence. Instead of resorting to violence or territorial control, criminal actors facilitate the circulation and reinvestment of illicit capital into the legal system. At the same time, money laundering reveals that while the Costa Rican state is effective at containing crime, it is less able to detect and prosecute the complex dynamics of financial crimes. This reinforces the argument that institutional strength, rather than eliminating organized crime, displaces it into less violent and more difficult-to-detect forms.

This analysis further reinforces that a country does not need to be a producer country to represent a key part of the drug trafficking chain. Being a transit country, a logistics hub, a transshipment point, and a money laundering center gives Costa Rica equal importance as a node in sustaining and strengthening the transnational operations of criminal groups.

4.4 Outcomes – Success and Failures

The case of Costa Rica also demonstrates a combination of successes and failures, mostly successes; for the purposes of this thesis, these will not be categorized as "failures" but rather as areas for improvement. Costa Rica has been successful in preserving institutional stability and keeping violence to a minimum, but at the same time, it needs to strengthen its efforts to reduce the adaptive nature and the impact that organized crime has on the country. These results are best understood through the interaction between strong and consolidated democratic institutions and the country's role within the regional drug trafficking system.

Costa Rica was exposed to the same regional policy that sought to eradicate cocaine production and prevent its entry and proliferation in the United States. However, it was the country's robust democratic institutions, greater political stability, and higher institutional legitimacy that limited organized crime's ability to capture and infiltrate the state or pose a direct threat to Costa Rican governance. The lack of militarization and the repercussions of enforcement pressures in the Andean countries displaced these illicit activities to Costa Rica, thus facilitating its adaptation and consolidation as a financial, logistical, and transit hub. As a consequence, violence remains low, but money laundering and port corruption continue to rise.

4.4.1 Successes

Costa Rica's most notable success is its ability to preserve the strength and integrity of the state, and democratic governance, despite its exposure to transnational organized crime. Institutionally, Costa Rica has maintained high levels of political stability, the rule of law, and civilian control, supported by democratic frameworks such as the 1949 Political Constitution, the creation of the Supreme Electoral Tribunal (TSE) and the Electoral Code, and the absence of a standing army. Through these political bodies, Costa Rica has managed to form a state with such low levels of corruption and fragmentation that it is widely considered an exception in the region. The abolition of the army has allowed the Costa Rican state to respond to criminal activity without the need to deploy militarized operations, which in turn means that organized crime does not perceive the state as a threat.

Another indicator of success is the low rate of violence. Costa Rica has managed to avoid the systemic violence associated with drug trafficking. While homicide rates have increased in recent years, the violence remains significantly lower and less politically destabilizing than in cocaine-producing countries. Furthermore, the state has been successful in preventing the consolidation of large domestic cartels. Criminal gangs require cooperation with external actors to achieve their criminal objectives, which limits their reach against the state. The small size and fragmentation of these gangs reduce the likelihood of large-scale violence and infiltration of state institutions.

Finally, Costa Rica has demonstrated operational effectiveness in its interdiction policies and international cooperation. The State maintains alliances, particularly with the United States, to strengthen its efforts against drug trafficking. Through these collaborations, the State has strengthened maritime surveillance and intelligence sharing, and has seized larger volumes of drugs. These efforts, though temporary, have managed to disrupt drug trafficking flows.

Taken together, these elements suggest that Costa Rica has been successful in containing the destabilizing effects of transnational organized crime. But what are the foundations of these successes and the resilience of the state? The answer lies in Costa Rican history. The 1949 Constitution established checks and balances, an independent electoral authority, and expanded civil and social rights, all of which strengthened political legitimacy and citizen participation. The abolition of the army allowed the state to redistribute its resources to education, health, and social security, fostering long-term stability and trust in public institutions. These elements created a deep-rooted sense of national identity among the Costa Rican people, and a personal struggle to preserve and maintain these elements, which together constitute the identity of a Costa Rican.

4.4.2 Failures

Despite these successes, Costa Rica has several areas for improvement, as it has been significantly less effective in corrupting the logistical and financial structures that transnational organized crime exploits in the country. One of its shortcomings is the ineffectiveness of its anti-money laundering policies. While legal mechanisms exist, their implementation is extremely vague; criminal organizations continue to successfully exploit real estate, construction, tourism, and any other business that handles large sums of money to integrate illicit funds into the formal economy. As Tico Times (2025) notes, the low rates of successful prosecution and asset seizures highlight the difficulty the state faces in controlling complex financial crimes.

Another important aspect lies in the country's increasingly visible integration into global criminal networks. Instead of reducing supply flows, enforcement pressures in producing countries have redistributed and reinforced Costa Rica's role as a transit and transshipment country for drugs. The percentage of cocaine moving through Costa Rica is steadily increasing, indicating that interdiction efforts have failed to deter traffickers from using the nation as a logistical and transit hub.

Furthermore, the state's inability to control strategic points, such as the Port of Moín, has been highlighted. Criminal organizations have established key logistical nodes at this port, using them to conceal and transport drugs within shipments of legitimate goods. Competition for access to the port, coupled with increasing violence and corruption, has exposed the state's vulnerability in controlling key points in the periphery. State efforts have focused on cooperation, but these still fall short of combating the economic and structural conditions that facilitate organized crime. This has allowed organized crime to adapt and persist despite the existence of mechanisms to combat it.

In general terms, Costa Rica's most notorious "failure" is not the collapse of the state or extreme violence, but its inability to create conditions unsuitable for organized crime within the country, and its inability to prevent the normalization and entrenchment of transnational organized crime within its economy.

Chapter 5 - Conclusions

This thesis has examined the components that explain the successes and failures of Colombia and Costa Rica in combating transnational organized crime, by analyzing how state strength, institutional capacity, and enforcement pressures interact with the dynamics of the illicit cocaine market. First, it should be emphasized, in general terms, that both states have distinct criminal realities, despite being part of the same cocaine trafficking chain.

In Colombia, limited territorial control, weak institutions, and the coexistence of the illicit economy and armed conflict created conditions that facilitated the consolidation of violent, territorial, and vertically integrated cartels. In this context, enforcement pressures, particularly U.S. militarization and attempts to eradicate supply lines, created high-risk conditions, escalating competition and strengthening the organizational capacity of transnational organized crime. This resulted in illicit activities being relocated geographically and functionally to states with more robust operational systems. The case of Colombia thus demonstrates that when enforcement pressures are applied in contexts of institutional weakness and internal conflict, crime transforms and takes on new forms, rather than being reduced or eradicated.

In contrast, Costa Rica's trajectory reflects how, as a consolidated state with a strong democracy, citizen participation, the absence of a large military, and the presence of robust institutions, the ability of organized crime to pose a threat to the state and escalate violence is low. In this context, enforcement pressures in Colombia displaced certain aspects of the cocaine economy to Costa Rica, creating fragmented, specialized, and non-territorial criminal actors, where enforcement operates through mechanisms of containment. However, Costa Rica became an attractive destination for non-violent segments of organized crime, which took advantage of its port infrastructure to integrate illicit and legal economic activities. The Costa Rican case thus demonstrates how strong institutions transform organized crime and adapt it to the conditions of the state in which it operates, rather than eradicating it.

It can be deduced, then, that the effects of the war on drugs do not produce uniform results, but rather reconfigure criminal activity depending on the domestic reality of each state.

That is, the war on drugs in Colombia and the pressures of enforcement redistributed crime to consolidated states, both geographically and functionally, while generating different criminal realities, as observed in the case of Costa Rica. Furthermore, strong enforcement and militarization does not mean effective crime reduction or eradication; whilst having strong institutions and governance does not equate to the containment of transnational organized crime.

On the other hand, the crucial moment that marks a turning point in the development of both states should be discussed: 1948. While it is true that in 1948 both states were embroiled in civil war and violence—Colombia with *"La Violencia"* and Costa Rica with the Civil War of '48—what happened that year is what organizationally distinguishes the two states. During the period of *La Violencia*, guerrilla groups (FARC) emerged in Colombia, and with the rise of drug trafficking, they began to form alliances, generating a symbiotic relationship between them. In response to the guerrilla groups, right-wing paramilitary groups (AUC) emerged, which eventually began to work with organized crime. The Colombian state then found itself in a two-front war, which weakened its democracy and institutions; the state was pressured by the United States, but lacked the capacity to counter both fronts.

Following its civil war in April and March, Costa Rica consolidated its Second Republic with the drafting of the 1949 Constitution, the abolition of the army, and the introduction of mechanisms and organizations aimed at promoting democracy, stability, and institutional and state resilience. The difference between the two countries lies in the 1949 Constitution, as it laid the foundations for the Costa Rican state and shaped its national identity and reality, instilling in Costa Ricans the pursuit of strong institutions and democracy.

The case studies demonstrate that the war on drugs did not produce uniform results across Latin America. Rather, the pressures of this war interacted with varying levels of institutional capacity, leading to the redistribution and adaptation of organized crime. This explains why violent, territorial cartels consolidated vertically in Colombia, while Costa Rica, with its robust institutions, evolved into a resilient yet increasingly important transit and financial hub within the same regional cocaine economy.

The results of this thesis indicate that the outcomes of combating transnational organized crime are defined by the interaction between enforcement pressures and institutional capacities. It finds that these two variables define how the war on drugs produces different criminal realities across Latin America. The analysis reinforces the adaptive nature of organized crime, as it demonstrates that enforcement pressures displaced criminal activity rather than eliminating it. These findings suggest that the war on transnational organized crime should be understood in relative, not absolute, terms, since even the most democratic and institutionally resilient states are vulnerable to the adaptability and infiltration of organized crime.

Additionally, the analysis is directly related to the hypothesis raised–the war on drugs creates differentiated criminal roles for states depending on institutional capacity and enforcement pressures–as it restates that the outcomes of the war on drugs do in fact depend on the interaction of institutional capacity and enforcement pressures.

The research question is also directly addressed–what explains the successes or failures of Colombia and Costa Rica in countering transnational organized crime. Colombia achieved relative success in weakening the cartels, but failed to eradicate or reduce violence and drug trafficking in the long term. Costa Rica, on the other hand, was successful in preventing large-scale violence and preserving its governmental and institutional stability, but fell short in preventing the entrenchment of organized crime within its borders. In this sense, successes and failures are not binary outcomes, but rather distinct expressions of how organized crime becomes embedded within state structures.

These findings carry important theoretical and policy implications. Theoretically, they challenge traditional approaches that focus primarily on producer countries, by demonstrating that organized crime evolves differently depending on the institutional context in which it operates, and how smaller states are just as crucial in the broader cocaine economy. From a policy perspective, policies that intend to counter transnational organized crime should move beyond eradication, militarization and prohibition policies, towards institutional strengthening, anti-corruption policies and regional oversight. More durable outcomes depend on strengthening institutions, the reduction of corruption, and a closer regional cooperation. Ultimately, the experiences of Colombia and Costa Rica show that the challenge goes beyond the suppression of organized crime, but in building institutions and mechanisms capable of resisting its adaptation and mitigating its effects.

Finally, it is important to emphasize that as long as there is demand, there will be supply. The war on drugs must be tackled through policies that prevent consumption in consuming countries, not by eradicating the only source of income for many people in rural areas of producing states. The fight against drug trafficking should be seen as a regional initiative, not as a geopolitical or domestic national security strategy. Cooperation must be regional, and demand and consumption must decrease to counteract the effects of transnational organized crime.

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