

CAN YOU GET RICH FROM THE BOLIVIAN COCAINE TRADE? COCAINE PASTE PRODUCTION IN THE CHAPARE

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In October 2013, Mary Anastasia O'Grady wrote in the Wall Street Journal that Bolivia under President Evo Morales is turning into a rogue-state, awash with drug money.ⁱⁱ The Bolivian press has argued that cocaine production sites are growing 'like mushrooms'ⁱⁱⁱ and that coca farmers are a class of "*nouveau riche*" peasants who spend their ill-gotten drug money on luxury cars, parties, and lavish houses.^{iv} And it's not just the press -- ex-President Jorge Quiroga recently accused the Chapare coca growers' federations, and by extension the Morales government, of protecting illicit cocaine production.^v

Bolivia, the world's third largest producer of coca leaf after Peru and Colombia, is caught at the lowest rungs of the international drug trade, producing significant quantities of low-value cocaine paste - the first step towards refining pure cocaine.^{vi} While cocaine paste production takes place throughout the country, the Chapare - one of Bolivia's two main coca-growing regions - is often presented in the mainstream media as the primary hub for drug production and trafficking.

Three key arguments about how drug production and trafficking function easily dispel this widespread misinformation. First, the majority of Chapare coca farmers are not directly involved in drug trafficking. Second, profits from most low-level drug trafficking are limited. And finally, the Chapare coca unions are not complicit with illegal activity; rather, they have proven to be active partners in the fight against drug production and trafficking.

Cocaine paste production

In the Chapare, cocaine paste production is referred to as *pichicata*; the people who make cocaine paste are known as *pichicateros*. The *pichicateros* set up their artisanal laboratories - henceforth referred to as "production sites" - by creating a makeshift vat with a heavy nylon tarp (the size of a small wading pool). They fill the vat with coca leaves, which are then soaked in chemicals including sulfuric acid, ammonia, caustic soda and gasoline. Young men, who are known as *pisa-cocas*, stomp on the coca mulch for several hours to mix up the solution. The '*agua dulce*' or 'rich water' is drained off and processed, which produces a beige paste called *pasta base* or cocaine paste.

Over the past ten years, the “coca stomping” maceration pit method has largely been replaced by a mechanized technique first developed in Colombia. The new approach, known as the “Colombian method,” includes the use of leaf shredders (weed whackers), large plastic water tanks, cement mixers, and a new combination of chemicals. The mechanized approach speeds up the maceration process, reduces the amount of coca to process one kilo of paste, and requires less workers – most production sites now employ three people instead of five. A production site using the Colombian method and working at full capacity can process up to of 3 kilos of cocaine paste per day.

From paste to cocaine

The owner of a production site generally sells the finished product to a local buyer, called a *rescatista*. The *rescatistas* buy up cocaine paste from several sites. Once they have amassed several kilos, they arrange for it to be transported out of the Chapare, generally by teenagers or members of the large itinerant population who are always on the lookout for work. Whether by foot, road or river, the transporters have innovative strategies to hide the drug so that they can pass through or avoid the police checkpoints. Cocaine paste is concealed in car door panels, under truckloads of oranges, packed into powdered milk tins, or taped to people’s stomachs. Some carry the paste by foot to the city of Cochabamba, a five-day trek with the risk of robbery. Cocaine paste also makes its way north along rivers into the department of Beni.

The cocaine paste still needs to be refined into pure crystalized cocaine (cocaine hydrochloride), but this is a complex process, requiring more skill, equipment, and expensive, difficult to obtain chemicals. Much of Bolivia’s cocaine paste is refined outside of the country, although laboratories have been discovered in Bolivia’s eastern lowlands and in some urban areas. Police raids have revealed that some of these laboratories have a workforce of up to thirty people –very different operations than the rudimentary Chapare cocaine paste production units.

Production costs and other profit constraints

To process one kilo of cocaine paste, the *pichicateros* require 100 liters (about 26 gallons) of gasoline.^{vii} However, the Morales administration has put tight controls on the movement of precursor chemicals, especially gasoline. Chapare gas stations only allow people to buy one tank per day, and they add pink dye to it, which makes it less attractive for cocaine paste production.^{viii} Consequently, some taxi drivers – known as *cisterñeros* – smuggle fuel from the cities, doubling the sale price in the Chapare.^{ix} Other precursors, including chalk and caustic soda, also come at a premium because of tight government controls.

When the *pichicateros* cannot get hold of the correct chemicals, they improvise – for example, using cement instead of chalk to process paste.

Coca leaf represents the most costly element in the production chain. Over the past five years, the price of coca has doubled to 28 Bolivianos per pound (\$4), in part as a result of government controls restricting the production and commercialization of coca leaf. On average, it takes 300 pounds of coca to process one kilogram of cocaine paste, which means that at current prices the *pichicateros* spend over \$1200 on coca leaf alone.^x It costs approximately \$1500 to produce one kilo of cocaine paste – this includes overheads for the initial equipment,^{xi} coca leaf, precursor chemicals, labor and transport. In the Chapare, one kilo sells for between \$1650 to \$1700 dollars, meaning that net profits for cocaine paste producers can be as low as \$150 per kilo.

It is also important to note that production is not constant. *Pichicateros* tend to spend far more time idle than working. This is because it is difficult to obtain the necessary chemicals, which slows or even stalls production. In addition, the *pichicateros* often lack sufficient capital to cover the costs of the inputs until they have sold their previous batch of paste. And finally, the *pichicateros* take frequent breaks from processing in order to avoid drawing attention to their illicit activities and risking arrest; as one man put it, “We often have to let things cool down.” Along with irregular production, there is also a high margin of waste – if they mulch coca carelessly, the leaves turn black, and the entire batch has to be thrown away. As a result of these combined factors, most production sites make less than ten kilos of cocaine paste per month.

Labor

Just like any other industry, illegal cocaine paste production is stratified, with owners of the means of production and others who sell their labor. The three key roles in cocaine paste production include the ‘peon’ (or day laborer), the chemist, and the owner of the production site.

The Laborers or “Peons”: Peons represent the majority of the workers in the *pichicata* industry. They undertake manual tasks such as carrying the heavy bags of coca and precursor chemicals to the production site, stomping the coca, shredding coca leaves, and acting as lookouts. The majority are either recent migrants to the region (who have come looking for work as either builders or farm hands) or local teenagers who want to earn extra spending money. The owners of the production site are very careful only to hire people who are ‘*de confianza*’ – people who are well known and can be trusted.

Most laborers earn about \$30 a day^{xii} (agricultural labor pays less than half that) for work that is tiring, irregular, and harmful to their health. It is also very risky: if caught, they face 8 years in prison. A 14 year-old *pisa-coca* (coca stomper) described wading around in a toxic mulch of coca, gasoline, and acid for several hours a day. The fumes gave him a terrible headache, and his flimsy rubber boots let in acid that turned his toe nails green. Laborers who work processing drugs on average earn \$300 per month.

The “Chemists” or ‘Skilled Labor’: The next rung on the ladder is the *químico* or chemist. They are mid-level technicians familiar with the basics of processing cocaine paste, i.e. the quantities of chemicals that are needed and when they should be added. The chemist earns 200 Bolivianos (around \$30) for every kilo of cocaine paste produced, which means that on a good day, they can earn up to \$90 – but that would be exceptional – average earnings are more like \$60. The *químico* can complement this wage by skimming off any extra production and selling it privately.

The Owners: At the top of the local production ladder are the owners of these rudimental production sites. The owners are few in number; they might be richer peasants or non-resident immigrants from elsewhere in Bolivia. If caught the owner faces 15 years in prison, consequently on the whole they do not work directly in cocaine paste production.^{xiii} The owner makes the most money from the operation – a generous estimate would be \$2000 dollars a month, less than an assistant manager at McDonalds^{xiv}

***Pichicata* and the local economy**

The laborers, chemists, and even the owners do not get rich from *pichicata* – all it allows them to do is to save up to buy their own plot of farm land, small business, car, or even a house. These are modest ambitions – enough to buy a beat up Toyota station-wagon, not a Mercedes Benz or Land Rover.^{xv} Their rural houses are often made from rough cut planks and do not have running water, sanitation or electricity. Many claim that once they have amassed the requisite capital to invest in a productive activity then they will abandon their illegal activities. Older farmers confirmed that they had done just that; after acquiring their own plot of land where no credit was available, they had decided the risks far outweighed the benefits and had subsequently dedicated themselves to farming instead. One man said, “when you work in *pichicata*, you spend the whole time looking over your shoulder, you can never relax. It’s just too stressful.”

Over the past five years the proliferation of cars, motorbikes, *fiestas*, and home improvements shows that the Chapare’s economy has started to grow. However, contrary to journalistic hyperbole, this economic dynamism cannot simply be attributed to a presumed rise in drug production and trafficking. The Chapare looks so much richer today, because people are now prepared to invest their money in the region. During the period of forced coca eradication^{xvi} anyone who had any money (and sense^{xvii}) invested his or her capital

elsewhere (normally in Cochabamba city's slums or peripheral communities). Other factors have contributed to the region's new economic dynamism, including improved access to cheap government loans, the legalization of coca cultivation, the influx of return migrants (mostly from Spain) and the expansion of informal activities such as commerce and transport. Finally, the government has front-loaded development assistance to the region and farmers are taking advantage of these opportunities, including crop substitution and fish farming projects.

The Federation is committed to tackle drug trafficking

Previous governments treated the coca growers' agricultural federations as criminal organizations; in contrast, the Morales administration has conscripted them as partners in the fight against drug trafficking.^{xvii} The Chapare's 45,000 coca growers are organized into *sindicatos* – these are territorially-bound self-governing units of between thirty and two hundred members; these in turn are grouped into Federations.^{xviii}

Over the past five years, the federations have made a concerted effort to tackle cocaine paste production. The leader of each local level *sindicato* organizes frequent commissions (composed of union leaders and community members) to check that no member is producing cocaine paste on his or her land.^{xix} If a functioning or even abandoned production site is found, then the *sindicato* will impose sanctions against the landowner, including prohibiting them from growing coca^{xx} or in extreme cases, confiscating the land and expelling the culprit from the community. The threats are real, and the majority of coca farmers will not allow the *pichicateros* to set up production sites on their land.

Coca growers worry about the trade's harmful impact on their communities. "*Pichicata*, it's just so ugly," one woman said, "I want my son to go to university. I worry about him being tempted by the easy cash." Coca farmers also oppose cocaine paste production because of concerns about local pride. Drug production is seen as bringing shame on the community – indeed, one leader likened it to the whole community having a criminal record. Moreover, association with drug trafficking can have serious material consequences. One union leader described how the coca grower-dominated municipal government will suspend public works investment to any community suspected of being involved in cocaine paste production. In a region where many people do not have access to roads or basic services, this represents a significant threat. Another important factor is *envidia* (jealousy); people do not like to think that someone is making more money at their expense, and this motivates them to denounce *pichicateros* to the *sindicato* and to the police.

Finally, as the Chapare coca growers identify strongly with the goals of the Movement Towards Socialism (MAS by its Spanish acronym) administration, they genuinely do not want to make the government look

bad by engaging in illicit activities. One coca grower explained that they collaborate in the fight against drug trafficking to “shut up the international community” and also to assist in the government’s long battle to legalize coca leaf. The coca growers know that if President Morales fails and another government enters, they face the prospect of a return to the militarized coca eradication of the 1990s and 2000s, which generated widespread poverty and provoked violent conflicts in the region.^{xxi}

The impact of Federation action

The *pichicateros* feel the pinch of the Chapare Federations’ commitment to tackle drug production. Previously, during the US backed drug war, they could process cocaine paste close to the main roads and towns, safe in the knowledge that their neighbors would not denounce them to the authorities. US-financed repression against growers was effective in convincing all Chapare residents that the police were enemies. But this is no longer the case; one *pichicatero* lamented that “before, the coca growers would tell you when UMOPAR (anti-drug police) were coming, now they just turn you in.”

As a result of this pressure, the *pichicateros* have been forced to alter their behavior, setting up production sites in ever more remote areas in the middle of the night.^{xxii} They never maintain a production site in one place for more than two weeks. Often absentee landowners are unaware production ever occurred on their property.^{xxiii} Attempts to bribe local farmers to avoid prosecution are increasingly unsuccessful, due to the unions’ anti-cocaine stance.

Conclusion

While the coca-cocaine industry represents a significant segment of Bolivia’s economy, the people who produce cocaine paste are not the industry’s major beneficiaries. The majority of the workers including, *pisa-cocas*, *peons*, and *quimicos*, receive relatively low wages for dangerous work. These people should therefore be thought of as the proletariat of the cocaine trade.^{xxiv}

Given the low wages, harmful working conditions and the risk of being caught (and facing eight to fifteen years in jail), processing and transporting cocaine paste are not particularly attractive options. As a result, the bulk of people who produce and traffic cocaine paste are temporary migrants or young people who do not own their own land and who have little to lose. Meanwhile, the coca union members who own land would prefer a quiet life dedicated to farming.

Contrary to the dominant and often dramatic portrayals in the media, the coca unions are not complicit with drug trafficking organizations. Rather, the Federations take their role in the fight against drug

trafficking very seriously. There has been a shift in the coca grower perception of drug trafficking. In contrast to the pre-Morales era, today the coca growers identify strongly with the government's anti-drug goals and are motivated to actively collaborate in the fight against drug trafficking. However, it would be unrealistic to expect the coca unions to be able to stamp out drug production completely – even the DEA was unable to achieve that.

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ⁱⁱ <http://online.wsj.com/news/articles/SB10001424052702304069604579158293350301588> Wall Street Journal. 27 Oct 2013

ⁱⁱⁱ <http://www.elpotosi.net/2011/0527/18.php> El Potosi. 27 May 2011

^{iv} <http://www.noticiasfides.com/g/opinion/miguel-manzanera-sj/a-mas-coca-mas-cocaina-2131/>

^v <http://www.eldeber.com.bo/nota.php?id=131114180155> El Deber. 14 Nov 2013

^{vi} The cocaine content of paste varies from 30% to 80% see Casale, J. & Klein, R. (1993) 'Illicit Production of Cocaine'. *Forensic Science Review*, 5, 95-107

^{vii} Gasoline can be recycled and used up to three times for cocaine paste production.

^{viii} Pink gasoline has to be refined before it can be used to manufacture cocaine paste; this is an expensive and time consuming process, moreover the refined gasoline is said to be less effective than clear gasoline.

^{ix} In the Chapare smuggled gasoline costs 7 Bolivianos or around 1 dollar per liter.

^x This sum does not include the extra 100 Bolivianos (\$15) per 50 pounds paid to merchants who smuggle the coca leaf.

^{xi} It costs around \$1500 dollars to set up a factory.

^{xii} This daily wage is based on a factory that produces two kilos of cocaine paste in one day. The advantage of this work over legal employment is that the wages are better but also the days are significantly shorter. It takes around three hours to produce one kilo of cocaine paste – so an average workday might only last six hours.

^{xiii} If an owner also knows the chemistry of producing cocaine paste then they might work at the production site to save money on wages.

^{xiv} <http://www.glassdoor.com/Salary/McDonald-s-Salaries-E432.htm>

^{xv} These cars are generally not for personal use but are operated as taxis

^{xvi} In the late 1980s Bolivian anti-narcotics policy criminalized coca leaf cultivation in the Chapare and successive governments carried out militarized coca eradication campaigns.

^{xvii} The federations make a sharp distinction between coca leaf, a plant Andeans have consumed for millennia, and cocaine, an illicit drug. The federations have proposed the legalization and subsequent industrialisation of coca for licit uses such as teas, shampoo, diet pills, wine and toothpaste.

^{xviii} For more information on sindicato organization see Grisaffi, T. (2013) 'All of us are Presidents': Radical Democracy and Citizenship in the Chapare Province, Bolivia'. *Critique of Anthropology*, 33:1, 47-65

^{xix} The sindicatos frequently carry out '*control cruzado*' whereby members of one sindicato will revise the plots of a different sindicato – this is done to reduce corruption.

^{xx} In the Chapare registered farmers are allowed to grow a limited amount of coca (1600 sq meters) known as a cato to supply the traditional legal market. A cato of coca provides the equivalent of the monthly minimum wage.

^{xxi} See Ledebur, K. (2005) 'Bolivia: Clear Consequences', in C. Youngers & E. Rosin (eds.) *Drugs and Democracy in Latin America: The Impact of U.S. Policy*. Lynne Rienner: Boulder, London

^{xxii} Production sites are always located a minimum of one hundred meters from the nearest path or road. The *pichicateros* fear that a passerby will be able to smell the chemicals they are using.

^{xxiii} In some cases the landowner is aware that drug production is taking place – in these cases the *pichicateros* pay the owner a substantial 'rent'. Farmers who have a registered cato of coca never knowingly allow a production site to be set up on their land – from their perspective there is simply too much to lose.

^{xxiv} For similar arguments see Aguilo, F. (1986) 'Los Peones de la Cocaína'. *Cuarto Intermedio*, 1, 44-57 also Leons, B. & Sanabria, H. (eds.) (1997) *Coca, Cocaine and the Bolivian Reality*. State University of New York Press: Albany, N.Y.