



A city built on drugs: **Medellin, Colombia**. For most that live in the city, especially those in more impoverished neighborhoods, the illicit drug trade is a large part of daily life and affects citizens both politically and economically. What this study will investigate further is the direct impact the cocaine industry and drug cartels have on the functioning of not only Medellin’s economy, but Colombia as a whole. The methods of our research were conducted by reading articles, journals, thesis, and using the extremely informative website Cocaineconomics, created by Netflix to give an accurate historical depiction of Pablo Escobar's business and its shaping of society. In 2009 cocaine was a bigger business than Google, bringing in an estimated 38 billion. For the seemingly abandoned lower class of Colombia, the narco money was a blessing cursed with unimaginable violence. Escobar's legacy is often discussed as a modern day Robin Hood taking from the rich Americans and negligent government to fund social programs and put money in the hands of the lower class. Cocaine has played a huge role in Colombian economics and continues to today. Although an exact figure would be difficult to find, understanding how deep the ties go between cocaine and the current life of the people who live in Colombia is important. As the world continues to attempt to eradicate drugs, it's important to know the implications of the industry beforehand.

LIFE IN COLOMBIA

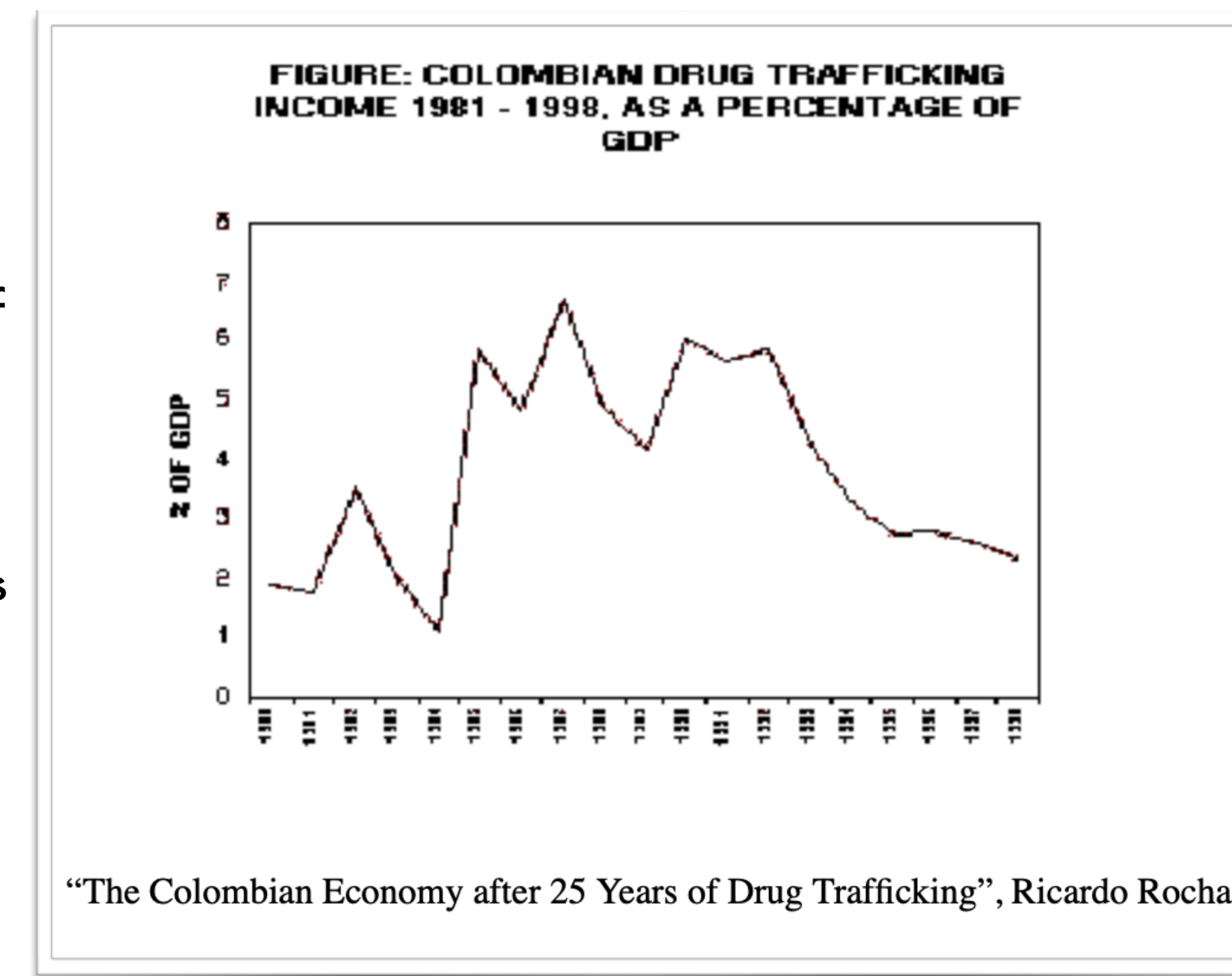
Social life in Colombia is very similar to that of other Latin American countries. There is a high number of Roman Catholics in Colombia, one of many remnants of Spanish influence, which has created a culture that holds very traditional values, in American terms. The political unease has led to an unstable economy, and inconsistencies for Colombians. Additionally, machismo attitudes are very present in daily life to this day - women are less valued as a part of the workforce, and are highly sexualized. Because of this, plastic surgery is very common for women in Colombia, as there is a very narrow set of desirable traits for women to have. One unifying force in Colombian culture is football, because it has been a consistent source of entertainment, identity, and culture even through political and economic turmoil. Football also contributes to the party culture that Colombia is notorious for. Many people reference Colombians as upbeat, fun-loving, party people. Music and dance go hand-in-hand as a social event, dances such as the merengue and bachata are a few of many popular social dances. With party culture there is a natural accompaniment of alcohol, which is often referenced as an addition to the dances or games they are attending - not a necessity to function in social situations. However, with the suffering economy and political scene, alcoholism has affected the lives of many Colombians. Colombians maintain a strong sense of nationality throughout the challenges they have faced as a country.



Cali, Colombia

COLOMBIAN ECONOMY

“Colombians earn more from the drug trade than do any other nationality of the western hemisphere” (Bagley). The Colombian economy is the fifth largest in Latin America with a GDP of \$336 Billion in 2018. Colombia main exports are petroleum, coffee, and cut flowers. The economy grows at a rate of 1.8% per year (based off of GDP). In the 1970s Colombia became involved in drug trafficking primarily growing marijuana. By the 1990s, Colombia became the worlds main exporter of cocaine. This time period, 1970-2000, had a large impact on the Colombian economy as a majority of its exports were products for illicit drug trade. More specifically, in 1987, the Colombian economy grew by 5.5%, all during the height of the drug trade. Profits from the illicit drug trade accounted for 2.7% of Colombia’s overall GDP. It is no secret that drug cartels have a significant impact on the economy due to the great amount of wealth they generate. As stated in the scholarly article “Colombia and the War on Drugs” by Bruce Bagley, the infamous Medellin cartel alone is reputed to earn some US\$2 Billion to \$4 Billion a year and to rival many Fortune 500 companies in terms of its global reach. Including the entire spectrum of drug exports, probably \$2.5-3 billion a year in profits are repatriated to Colombia; drugs now rank above coffee (\$2-2.5 billion) as the country’s principal foreign exchange earner. For this reason, the Colombian drug traffickers have a significant influence on the economy and its fluctuation in growth.



DRUG CARTELS’ EFFECT ON THE ECONOMY



Medellin Cartel

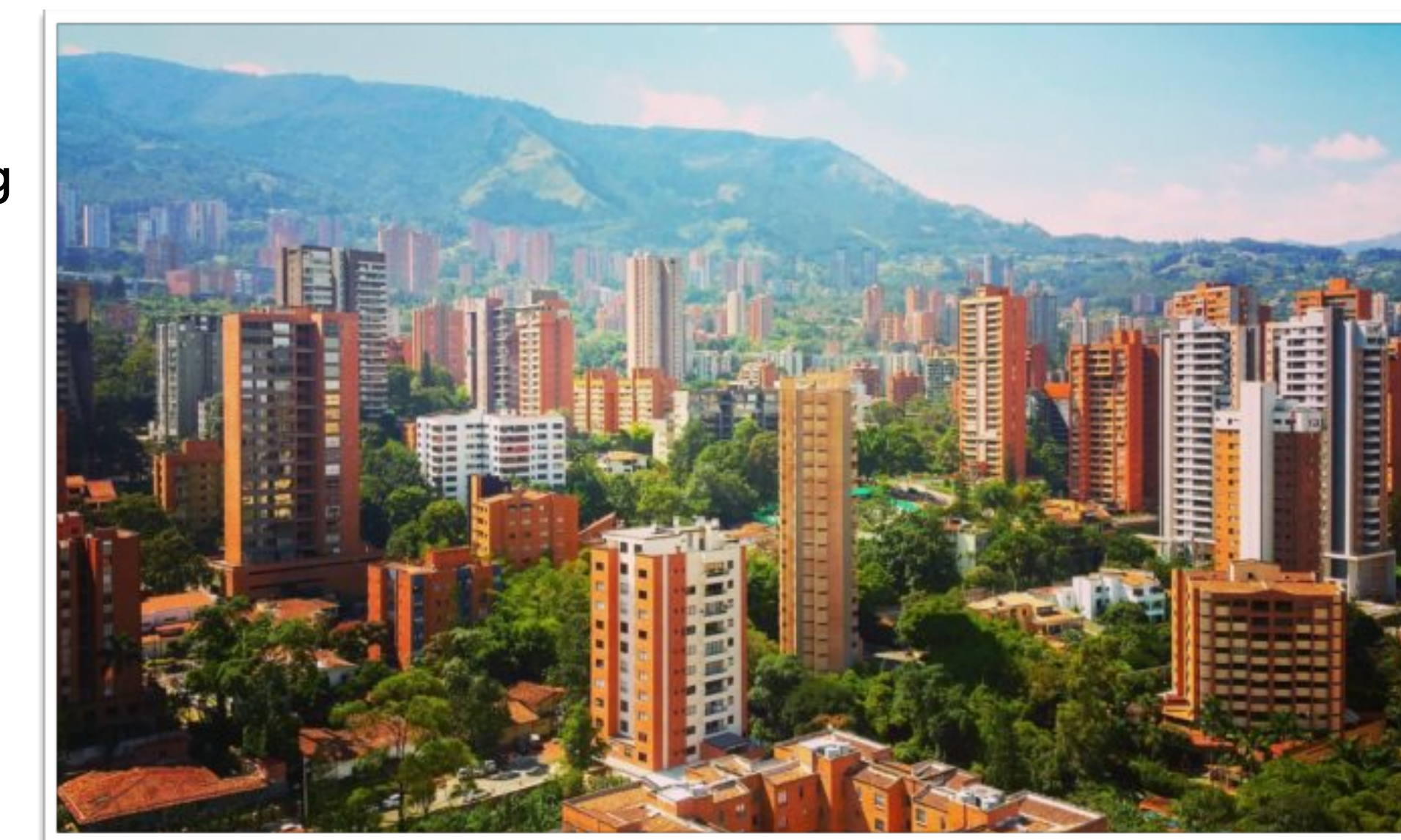


Cali Cartel

In 1913 the per capita exports for Colombia was only 34 US dollars. Now the country once filled with small self sufficient regions are major exporters of oil, coal, nickel, gold, flowers, coffee, bananas and of course cocaine. Cocaine is closely tied with Colombia's political and economical scene. The country's drug industry is estimated to be worth over 10 billion dollars. Money made in narcotics is so lavish and powerful that in 1985 the drug lords offered to pay off Columbia's debt of 14 billion dollars, in exchange of amnesty. Originally, cocaine was seen as a way to help bring up the lower class, by taking money from the wealthy Americans and putting it in the hands of the forgotten poor. In some ways this is true, one of the most notorious drug lords, Pablo Escobar, used his extreme wealth to fund social projects, for example *Barrio Pablo Escobar*. It was created for those he saw living in the city dump and it houses 13,000 residents today. While citizens are somewhat benefited from the prosperity of narcotics, the trade is not fair. Farmers live in basic poverty and are payed \$1 a kilo for cocaine production but by the time that kilo makes it to the US it can be worth over \$200,000. Extreme violence and death also does not correlate with economic prosperity. It was named as Escobar's ultimate downfall and continues to inhibit growth in Columbia.

WHAT WOULD COLOMBIA BE LIKE WITHOUT THE INFLUENCE OF THE ILLICIT DRUG TRADE?

After learning about how drug cartels affect life and the economy in Colombia, the big question remains: would Colombia be different without the presence of the illicit drug trade and violent drug cartels? To answer this question simply, yes life would be different and here’s why: Considering that drug cartels are the reason that “Colombia is one of the most violent countries in the Western Hemisphere and perhaps in the world” (Bagley), the removal of drug cartels would have a negative impact on violent crime rates, meaning they would decline. This would be a benefit from the removal of drug cartels. However, how would the economy be impacted? Although drug trafficking makes up a decent amount of revenue for the Colombian economy, there would not be a significant impact to the stability of the economy. Colombia still has other exportable resources, such as petroleum which makes up 45% of its exports. That being said, Colombia would still have a functioning economy because it has other resources to export. The only foreseeable impact of the disappearance of the drug trade would be a less competitive economic market, meaning Colombia would not have a unique trade market and would have to compete with other high oil producing economies like those in the Middle East. In conclusion, the departure of the drug trade and cartels would be great for overall quality of life in Colombia because it would mean less crime and violence, although it could have a slightly negative impact on the economy.



Medellin, Colombia