

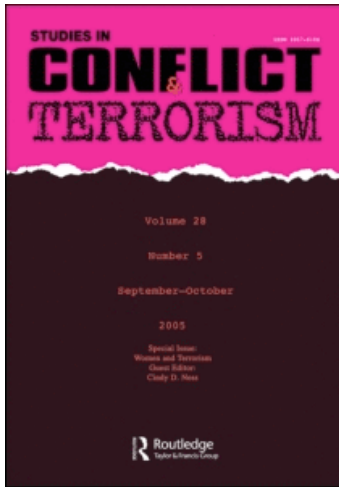
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Criminality and Armed Groups: A Comparative Study of FARC and Paramilitary Groups in Colombia

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Terrorist groups and armed insurgents regularly exploit illicit markets to launder money, traffic illegal goods, and purchase arms. In such an environment, the line between armed political organizations and criminal groups appears to break down. However, through a comparative study of paramilitary groups and Fuerzas Armadas Revolucionarias de Colombia (Revolutionary Armed Forces of Colombia—FARC) in Colombia, this article finds that group goals, the political environment, and membership strongly influence the types of criminal activities a given armed groups undertakes. Thus, the membership and political agenda of sub-state armed groups not only distinguishes them from criminal groups—organized for and motivated by economic gain—but also shapes their criminal behavior.

Few organizations in Colombia are untainted by the exploitation of illegal rents. Colombia is the single largest exporter of cocaine in the world—supplying approximately 80 percent of the world’s cocaine—and money from this illegal traffic has seeped into the wallets of government officials and the war chests of armed insurgents. The main sub-state armed groups in modern Colombia—the loose coalition of paramilitaries previously organized under the recently demobilized *Autodefensas Unidas de Colombia* (AUC) and what was once one of the largest guerrilla organizations in the world, *Fuerzas Armadas Revolucionarias de Colombia* (Revolutionary Armed Forces of Colombia—FARC)—derive the majority of their revenues from criminal activities, including kidnapping, extortion, and the protection, production, and trafficking of Andean-grown narcotics. However, paramilitary groups and FARC differ in the level and form of their participation in the international drug trade. After the fall of the Medellín and Cali drug cartels in the early 1990s and the subsequent

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disorganization of the drug market, the AUC and FARC were presented with a unique opportunity to expand their illegal activities. The paramilitaries used the new environment to solidify their participation in the Colombian drug industry and international trafficking and to expand their “in-house” drug capabilities. FARC remained primarily focused on the domestic protection and production of cocaine and strengthened its links to international criminal organizations to move and distribute drugs.

The past four years have witnessed a dramatic change in the position of sub-state actors in Colombia. Against the background of the demobilization of the AUC, new emerging criminal bands (known by the Colombian government as *Bandas Criminales Emergentes*, or BACRIM) have formed. Defections and successful counterinsurgency actions have resulted in a significant decrease in FARC’s military power and have unearthed evidence of involvement by the guerrillas in cross-border political and possibly criminal activities. In light of these events, this article first examines why the AUC expanded its “in-house” drug producing and trafficking capabilities, while FARC established ties to organized criminal groups to participate in “up-stream” illegal activities during the period from the mid-1990s to the mid-2000s. Building on this analysis, this article shows how the different paths taken by each group toward involvement in the drug trade have influenced the recent criminal activities of BACRIMs and FARC.

Two main factors explain these differences in the criminal activities undertaken by FARC and the AUC. First, the technical capabilities of each armed group limited their participation in certain criminal activities. Armed insurgents who have not traditionally participated in drug production, trafficking, and money laundering may find it difficult to quickly acquire the necessary skills and networks and may instead turn to criminal partners to carry out these activities. Second, political considerations prompted FARC to limit or at least mask its participation in illegal activities to avoid being perceived as criminal organizations without political grievances. However, the political identity of the AUC did not impose such constraints on its illegal activities. Modern theories describing the relationships and tensions between armed insurgents engaged in criminal activities and criminal organizations outline four main models of crime-insurgency interaction. This article uses the case studies of FARC and the AUC to suggest that two significant factors—technical capabilities and political identity—influence which of these four models armed insurgent groups chose to follow.

Theories of Crime-Insurgency Interaction

The quantity of illegal goods and capital traded and moved in the international market is staggering. Sales from illegal arms are estimated to be as high as \$10 billion, and in 2007, the UN estimated that the value of the global trade in human trafficking was \$32 billion. The trade in illegal drugs easily dwarfs the trade in both migrants and arms. Rough estimates put annual profits between \$400 and \$500 billion, suggesting that the global trade in drugs is larger than the global trade in oil.¹ The volume of illicit financial flows is estimated to represent between 2 percent and 5 percent of global GDP (or from \$800 billion to \$2 trillion), with major money-laundering centers located in Panama, Russia, the Philippines, and a number of Caribbean islands.² Given the volume of profits and weapons available through illegal markets, it is hardly surprising that armed insurgents participate as clients and suppliers. However, a significant debate exists on the exact form of this participation. Specifically, some theories focus on the creation of business links between transnational criminal groups and armed insurgents while others see the gradual transformation of insurgents into organized criminals through their participation in illegal markets.

Organized crime is most commonly defined as having four core characteristics, namely that the group must consist of at least three individuals who are associated for a prolonged or indefinite period of time with the objective of engaging in criminal activity in pursuit of profit.³ This association requires a significant degree of organization, which can vary from an established hierarchical structure to a loose network structure.⁴ Organized criminal groups do not always participate in international crime. However, as domestic licit and illicit markets have become increasingly integrated into international markets, organized criminal groups have been pulled toward transnational crime due to huge potential profits and technological changes that make participation easier, as well as pushed into transnational crime as domestic illegal goods, from prostitutes to arms, are supplied from cheap international sources.⁵ Organized criminals also benefit from operating in “safe havens” where law enforcement and state penetration is low and selling illegal goods and services to foreign markets where profits are high.⁶ Transnational criminal organizations have all of the characteristics of organized criminals with the additional activity of moving information, money, people, goods, or other tangible or intangible objects across state boundaries and where the activities violate the criminal code of at least one of the countries involved.⁷

Organized criminal groups and armed insurgents involved in crime, ranging from guerrilla organizations to terrorist cells, share several characteristics. All are non-state actors that participate in criminal activities, may use violence or coercion against the state or private individuals to support their activities, and have some level of stable internal organization and membership. One fundamental characteristic, however, distinguishes armed insurgent groups from organized criminals. Participants in organized crime are motivated by the pursuit of profit, while armed insurgent groups use profits from crime as a means to support their political goals.⁸ For an armed group to transition into a criminal organization, it would need to supplant its political motivations with a drive to pursue illegal profits.

Four major theories exist as to the relationship between distinct criminal organizations and politically motivated armed insurgents. One school of thought among criminologists argues that “criminal organizations are increasingly cooperating with one another to support their common goals,” and this analysis had been extended to include cooperation of organized criminals with terrorist organizations, armed groups, and even rogue states in a great international conspiracy.⁹ In the early 1990s, Claire Sterling wrote a series of sensational books describing an emerging “*pax mafiosa*” where “global conglomerates of crime” cooperated with one another to carve up criminal markets. Authors including Arnaud de Borchgrave and Jeffrey Robinson lent support to Sterling’s arguments by documenting examples of high-level cooperation among criminal organizations.¹⁰ Around the same time, Rachel Ehrenfeld published *Narco-Terrorism*, which identified an alliance of terrorist organizations and Marxist-Leninist regimes using drug trafficking as part of a communist plot to undermine Western society.¹¹ This first generation of conspiracy theories was heavily criticized for being too simplistic, overemphasizing the element of conspiracy among groups, and failing to distinguish the separate motivations and identities of the groups involved.¹² However, this vision of a purely cooperative relationship between various armed groups and criminal organizations still exists within academic literature. In his article on non-state actors in Colombia, Max Manwaring warns that an alliance exists between the illegal drug industry, the insurgents, and the paramilitaries. While admitting that the alliance may be a marriage of convenience, Manwaring argues that the “narco-insurgent-paramilitary alliance” functions as a “major political-psychological-moral-military entity” that “appears to have developed a political agenda for exerting leverage in the international as well as the Colombian national arena.”¹³

A second set of theories predicts violence and conflict between organized criminals and armed insurgents for two reasons. Conflict may break out when the insurgents threaten to enter the illegal markets in which criminals have already established themselves, or when the political goals of the insurgents threaten to undermine the weak and acquiescent state in which organized criminals have established a base of operations. The competition explanation of conflict between armed and criminal groups stems from the observation made by Harvard economist Thomas Schelling that the pursuit of monopoly is a defining characteristic of organized crime.¹⁴ Therefore, organized criminal groups will try to undermine and destroy any organization, criminal or insurgent, which attempts to establish itself within the same illegal market. Schelling's analysis became popular among criminologists who found ample evidence to support his interpretation, including conflict between the Medellín and Cali drug syndicates in the late 1980s and early 1990s and violent conflicts and contract killings among rival Russian criminal groups in the early and mid-1990s.¹⁵ Violence may also break out due to the conflict of motivations between criminal groups and armed insurgents. In the same weak countries where organized criminals have established their operations, domestic armed insurgents fight to upset the status quo and usurp the national government and elite system. These goals directly conflict with those of criminal groups who desire to maintain the status quo.¹⁶

A third analysis of the relationship between organized crime and insurgency suggests that instead of a situation of pure conspiracy or pure conflict, criminal groups may form varied types of linkages with other criminals or armed insurgents to pursue specific mutual economic gains. Williams argues that these linkages mirror the types of relationships formed between legal businesses, ranging from long-term, high-level strategic alliances to short-term supplier or tactical linkages.¹⁷ He stresses that strategic alliances are the least common form of interaction, as "this cooperation is often uneasy, and difficult to initiate or sustain" due to the environment of anarchy and violence in which such groups operate.¹⁸ Groups may choose to cooperate in order to spread the risks of engaging in criminal activity, to minimize the investments necessary to enter a new market, or to secure local knowledge and experience for marketing and distribution.¹⁹ Short-term supplier, contract, and barter agreements, to name a few examples on Williams's spectrum of criminal interactions, can be observed not only between criminal organizations but also between criminal organizations and armed groups. Schmid and Naylor document a variety of examples, including ad hoc deals where cocaine dealers paid for the use of air strips and bases run by the Nicaraguan Contras and a proliferation of arms-for-drugs barter agreements fueling conflicts in Peru, Sri Lanka, Cambodia, Afghanistan, and Chechnya.²⁰ Williams's framework, although designed to explain interaction between criminal organizations, can easily be expanded to explain similar business linkages with armed insurgents.

One final analysis argues that armed insurgents interested in raising money through crime are more likely to develop "in-house" criminal capabilities than to form alliances with criminal organizations. Dishman argues that there is only scant evidence that criminal groups and insurgents are interested in pursuing collaborative arrangements and stresses that their differing motivations hobble any attempts at collaboration.²¹ Instead, Dishman argues that, "a political or criminal organization would rather *mutate* its own structure and organization to take on a nontraditional, financial, or political role, rather than cooperate with groups who are already effective in those activities."²² In contrast to Williams's view that collaboration saves groups from investing valuable resources, personnel, and information to participate in criminal activities, Dishman asserts that the learning curve to enter an illegal market is not steep and that it is relatively easy for armed groups to develop "in-house" criminal capabilities. Other authors have similarly noted the tendency of armed groups to engage in criminal activities themselves. Makarenko calls this trend the "convergence thesis," and both she

and Schmid warn that such activities may make armed insurgents and criminal organizations indistinguishable, as “originally political underground organizations engaged in various practices of illegal fundraising run the risk of gangsterization.”²³ In a study of armed groups in nine narcotics-producing areas, Cornell finds that insurgent groups invariably became involved in the drug trade and that such involvement changes their motivational structure. Specifically, “this involvement tends to go from alliance with or taxing of producers to direct involvement. Once involved in the drug trade, insurgent groups tend to see their motivational structures affected, with elements of the group acquiring an economic motivation that compounds or supplants the ideological one.”²⁴ Hutchinson and O’Malley provide a more nuanced description of how terrorist organizations become involved in crime by linking the organizational sophistication of a given group to the type of crime in which they are involved. The authors divide terrorist groups into ephemeral-sporadic groups, with more limited financial requirements, a loose network structure and participating in less sophisticated crime, and organized-enduring groups, with higher financial requirements, strong organizational cohesion, and group loyalty, and therefore a greater ability to participate in organized crime. Hutchinson and O’Malley argue that cooperation between terrorist groups and organized criminals is highly unlikely and only occurs under exceptional circumstances.²⁵

These four main models describing the interaction of criminal organizations with armed groups, under the broad headings of conspiracy theories, conflict theories, business network theories, and “in-house” criminality theories, will be compared against the involvement of FARC and Colombia’s paramilitary groups in various criminal activities, including kidnapping, extortion and narcotic production and trafficking. In fact, this article finds that no one theory of crime-insurgency interaction can explain the entire picture of FARC and paramilitary criminal activities. What is therefore needed is not only a description of the types of linkages that armed groups form with criminal organizations and illicit markets, but also an explanation for why a given armed group will engage in criminal activity either by relying on its own combatants and resources or by forming links with autonomous criminal organizations.

FARC: Membership, Message, and Military Activities

Since the 1950s, several armed insurgent and terrorist groups have flourished in Colombia’s unstable and violent political environment, but few have had the longevity of FARC. Founded by 43 guerrillas in 1966, FARC swelled to an estimated 16,000 to 18,000 combatants by 2001, making it one of the largest insurgent organizations in the world. However, the head of the U.S. Southern Command testified in March 2008 that FARC has been reduced to 9,000 combatants through government attacks and defections.²⁶ To date, FARC has maintained a predominantly rural, peasant base. Compared to paramilitary groups, FARC’s membership tends to include more women, younger recruits, peasants and individuals with generally lower levels of education.²⁷ Through the 1980s, the majority of new FARC members were drawn from vulnerable peasant colonizers, or *colonos*, who turned to FARC for protection and for organizing basic infrastructure.²⁸ Although FARC did initiate an urban bombing campaign during the 2002 presidential elections in Colombia, the group has been unsuccessful at establishing urban operatives or support and remains a largely rural and insular organization. FARC was initially successful in mobilizing peasants in Caquetá, Meta, Santander, and Arauca, but where political mobilization was ineffective FARC has used coercion, intimidation, or enticement, offering salaries twice that of the Colombian army.²⁹ One recent study found that the four most common reasons for joining FARC are forced recruitment (20 percent), the allure of weapons and uniforms (20 percent), false promises of a salary and good treatment (16 percent), and political convictions (12

percent).³⁰ FARC has traditionally drawn its leadership from its own peasant combatants who come up through the ranks through military merit and violent political intrigue.³¹ In March 2008, the deaths of three of FARC's seven Secretariat members, namely FARC's top leader "Manuel Marulanda," Central High Command member "Raul Reyes" and Head of the Central Block "Ivan Rios," left a significant leadership vacuum. Although the new Secretariat has become more educated and politically trained with the ascension of "Alfonso Cano" as FARC's new leader and the addition of "Ivan Marquez," "Pablo Catatumbo," and "Joaquin Gomez" to FARC's Secretariat, the new leadership is unlikely to significantly change FARC's military policies and image.³²

Although FARC has become increasingly involved in massacres and violence against civilians, the majority of its violent activities are directed against Colombian military personnel, bases, or equipment. In a thorough study of military, paramilitary and guerrilla violence in Colombia from 1988 to 2002, Restrepo, Spagat, and Vargas found that direct military confrontations between the guerrillas and the Colombian military were the most common type of conflict activity in Colombia's guerrilla war until 1998 when one-sided attacks against military personnel and civilians began to dominate the conflict.³³ During the existence of the AUC, Sanin found that FARC combatants faced a higher chance of military engagement and casualties than members of the paramilitary organization.³⁴ FARC's military structure supports its image as a guerrilla army designed to confront an official national military—while still terrorizing uncooperative rural civilians in its areas of control. FARC's organization deliberately parallels that of the Colombian military; the front, FARC's primary tactical unit, is composed of two columns and consists of 150–200 armed combatants. In 2000, FARC controlled an estimated 70 fronts organized into seven regional blocks, fifteen independent companies equivalent in size to a front, and several mobile columns available to be dispatched to any block in need of support. As of 2005, FARC's top tier comprised of a general staff protected by a security perimeter of 2,000 combatants and a reserve of special forces.³⁵ Successful counterinsurgency campaigns and general demoralization have significantly diminished FARC's military presence. According to figures from Colombia's Ministry of National Defense, from 2006 to May 2008 FARC lost 17,274 members, including 5,316 through demobilizations and the remainder through captures and casualties.³⁶ In another study, *Cambio* reported in March 2008 that FARC had lost 8,000 combatants and 20 fronts over the past five years.³⁷

FARC's long-term goal remains the destruction of the Colombian state and its replacement by a FARC-controlled government. According to public FARC statements, once the group reaches its target of recruiting and arming 30,000 combatants it will initiate a "final offensive" against the regular armed forces and take over the organs of the national government.³⁸ Although FARC has moderated its ideology, abandoning its Marxist-Leninist orthodoxy and instead focusing on the current government's incompetence and poor governance, peace negotiations with FARC continue to break down. The past twenty-five years have witnessed the successful demobilization of the *Movimiento 19 de Abril* (M-19) and the *Ejército Popular de Liberación* (EPL) through peace negotiations. While FARC has participated in cease-fire agreements, the group has never disarmed or deactivated its combatants and in 1998 it negotiated the creation of a *zona de despeje*, or demilitarized zone, which effectively led to the withdrawal of the Colombian military from an area of FARC control until 2002.³⁹ President Álvaro Uribe Vélez has taken a more hard-line approach to FARC, and even campaigned on a platform of sending the Colombian military into the *despeje*.⁴⁰ FARC's stalled peace talks stand in stark contrast with the AUC's disarmament program under the Uribe administration, suggesting a deep divide in the political motivations and tactics of each group.

Paramilitary Groups: The Disbanding of the AUC and Subsequent Developments

The creation of the AUC in late 1990s was closely related to the fall of the Colombian cartel system and the resulting disorganization of the Latin American drug trade. By the mid-1990s, Colombia was awash in unorganized small- and medium-sized drug producers and traffickers profiting from the expanded production and transport of narcotics. These groups became the main constituency of the AUC in the 1990s. The membership, political goals and military actions of the AUC all point to the overwhelmingly local orientation of the organization. This orientation can help explain the AUC's participation in 2002 in a government-sponsored demobilization program. Most importantly, the membership and local orientation of the AUC helps explain why this group not only participated in all levels of the narcotics industry but even publicly admitted its connections to the drug trade.

The AUC was founded in 1996 to bring some degree of central coordination, funding, and political organization to the numerous independent paramilitary groups in Colombia. The group presented itself as "an anticommunist advance guard in 'defense of private property and free enterprise,' and they offered their security model to landowners and businessmen in areas plundered by guerrillas."⁴¹ Due to its loose structure, estimates of the AUC's size have varied widely. By 2001, most sources suggest the AUC had between 8,000 and 10,000 armed combatants with a presence in approximately 40 percent of Colombia's municipalities.⁴² The AUC was composed of several regional organizations, of which the *Autodefensas Campesinas de Córdoba y Urabá* (ACCU) was the oldest and by far the most powerful. Carlos Castaño, the AUC's founder and leader, co-founded the ACCU with his brother in 1981 to avenge their father's murder by FARC guerrillas.⁴³

The AUC's membership was composed of three social groups: the old security services of the defunct cartels, small- and medium-sized drug lords, and regional landowning elites. The drug cartels of the 1980s often hired private bodyguards and paid death squads to fight against "leftist subversion," in part to enhance their status in the eyes of Colombia's elites. Drug incomes fueled the purchase of approximately one million hectares of land between 1979 and 1988, mostly the northeastern departments of Magdalena, Córdoba, and Sucre, where the AUC first established its influence.⁴⁴ Drug lords often joined the AUC by adopting paramilitary gear and creative titles and even buying control of entire AUC blocks for millions of dollars.⁴⁵ The AUC's membership also included traditional landed elites distrustful of the national government and convinced of the need to provide for their own security.⁴⁶ Drug barons with established paramilitaries offered inexpensive protection services in return for local political support; "landholders [paid] extremely low sums—the equivalent of US\$5–10 per hectare . . . by paying, landowners [became] both economic supporters and de facto political guarantors of the paramilitary cause."⁴⁷

Some paramilitaries trace their origins to self-defense groups organized by local peasants and smallholders during decades of rural turmoil. For example, Pearce describes the organization of peasant self-defense groups in the early 1970s in Magdalena Medio and Rabasa and Chalk note the emergence of *Convivir*, which "originated in Antioquia in the early 1990s, [was] based on the neighborhood watch concept, [and] was deliberately set up to avoid the appearance of the outlawed paramilitary groups."⁴⁸ In Magdalena Medio, however, the self-defense groups became tainted through close association with the drug-funded MAS, and in Antioquia the ostensibly legal *Convivir*—the group was not armed with rifles or heavy weapons—was dismantled by the Colombian government out of fear that it had morphed into an "illegal" self-defense unit. In the late 1990s, "the ranks of the AUC swelled as *Convivir* members joined them."⁴⁹ Autonomous community self-defense

militias unconnected to landlord and drug lord paramilitary organizations have remained rare in modern Colombia.

Unlike FARC, the AUC did not seek to overthrow the Colombian state and was not antagonistic to the government's economic policies.⁵⁰ Most of the activities of the AUC focused on attaining local and regional political and economic power.⁵¹ Romero's in-depth analysis of the political identity and activities of the ACCU provides insight into the motivations for these locally focused policies. Romero argues that the ACCU's alliance of landowners wary of the central state and drug lords led to "a political identity that resisted state penetration, collective mobilization, and autonomous peoples' organizations—promoting masculine values of courage and honor, and relying on retaliation to resolve conflict."⁵² The ACCU had an inward-looking, highly regionalized identity focused on local security and politics. During its existence, anti-civilian violence characterized the AUC; in 2002, over 80 percent of all fatalities caused by the armed conflict in Colombia were committed by paramilitaries.⁵³ Significantly, data analyzed by Restrepo, Spagat, and Vargas suggests that civilian killings increased dramatically after the consolidation of the AUC in 1997, yet "it was not until 1999 that the paramilitaries began to kill many guerrillas."⁵⁴ Even as late as 2002, paramilitaries killed far more civilians than guerrilla combatants. During this period, paramilitaries were responsible for a negligible number of government casualties, supporting the view that the AUC did not see itself in conflict with national government, and "the paramilitaries barely registered as a target of government forces" until 2002, around the same time that the government initiated demobilization talks with the AUC.⁵⁵ The targets of paramilitary violence support the view of the AUC as a regional organization not in conflict with the national government, while also suggesting that rooting out guerrillas was not the only, or even the primary, political goal of the organization.

In July 2003, the AUC signed the Santa Fé de Ralito Accord, committing the group to a continuous ceasefire and the demobilization of all its combatants by December 31, 2005. In return, the government promised to suspend arrest warrants in the AUC's northwestern safe haven of Santa Fé de Ralito and to limit criminal prosecution and extradition of ex-combatants, concessions which were later codified in the Peace and Justice Law (Law 975) in July 2005.⁵⁶ Under the subsequent demobilization, disarmament, and reinsertion (DDR) process, more than 4,600 AUC members had disarmed by March 2005, and an estimated 30,000 paramilitary combatants had demobilized by January 2008. However, as Porch and Ramussen note, these statistics "must be approached with caution, for were they accurate, either the AUC has demobilized twice over, or some other than AUC fighters are insinuating themselves into the demobilization process."⁵⁷ The authors speculate that the numbers may have been inflated by the poor seeking to pass themselves off as paramilitaries to benefit from demobilization stipends, by the AUC encouraging such behavior to inflate their numbers and increase their negotiating power, and by the participation of individuals involved in the drug trade hoping to launder their crimes under Law 975's limits on criminal penalties and extradition.⁵⁸ The AUC's very lack of a national agenda, especially an anti-state agenda, made rapid demobilization after a "successful" local anti-insurgent campaign—along with promises of a hard-line stance against guerrillas by President Uribe—a politically justifiable outcome of the organization's five-year existence.

Furthermore, studies of demobilized AUC combatants suggest that paramilitary combatants have not been demobilized so much as transitioned into more informal emerging criminal bands, or BACRIM. While violence and murder rates have generally been on the decline in Colombia, criminal gangs have increased in number. In 2006, the Organization of American States (OAS) team charged with monitoring the AUC demobilization detected evidence that the paramilitaries were still active as common criminals, and the Colombian

government has documented the formation of 22 groups numbering around 3,000 people “rising from the ashes of the AUC.”⁵⁹ In an in-depth case study of the DDR process in Medellín, Rozema notes a similar dynamic, where despite success in job placements for demobilized combatants, such individuals are often drawn toward criminal activities, especially as local criminal organizations were not part of the DDR process and thus remained intact during demobilization.⁶⁰ Some newly formed “commando” groups, like the “Black Eagles,” openly assert their ties to the old AUC and have taken up the political agenda and military tactics of the old organization; however, most new groups are closer to criminal gangs, with ex-AUC combatants representing at most 17 percent of their membership.⁶¹ In May 2007, the National Commission for Reparation and Reconciliation (*Comisión Nacional de Reparación y Reconciliación*, or CNRR), created by Law No. 975 to analyze, evaluate and report on the DDR process, issued its first report assessing the extent to which ex-AUC combatants were simply transitioning into new paramilitary structures under the BACRIMs. In general, the report found that instead of merely recreating old AUC structures, BACRIMs did not espouse paramilitary counterinsurgency messages, the connections between BACRIMs and imprisoned AUC leaders were not clear, and the membership of BACRIMs would often mix demobilized paramilitaries and other individuals unconnected to the old AUC. Although BACRIMs have benefited from the fragmentation of the old organization and the diaspora of demobilized individuals, the CNRR found that in areas once occupied by the AUC, two or more emerging criminal bands with no obvious relationship and often exhibiting an environment of mutual tensions and retaliations would occupy the vacated space.⁶² Overall, therefore, the demobilization of the AUC seems to have led, at least in the short term, to the emergence of isolated criminal groups without political agendas or overarching organizational structures.

The Illegal Activities of Colombian Armed Groups

All sub-state armed groups in Colombia primarily fund their activities with illegal incomes. According to a 2003 estimate, 48 percent of FARC’s budget—or approximately \$200 million to \$300 million annually—is raised from participation in the drug industry, 37 percent from extortion, 9 percent from kidnappings, and 6 percent from cattle theft. More recent estimates have placed FARC’s income from drug activities between 60 percent and 90 percent and income from kidnappings at 20 percent.⁶³ As for the AUC, in 2000 Carlos Castaño publicly stated that 70 percent of the organization’s funds were earned through drug activities, with voluntary contributions—mostly from the landlords benefiting from the group’s protection services—accounting for the remaining 30 percent of the budget.⁶⁴ Studies on cocaine cultivation and production in Colombia also point to the involvement of armed groups in the drug trade. The United Nations Office on Drugs and Crime’s (UNODC) 2004 survey of coca in Colombia found that, with an average of 100 combatants present in coca-producing municipalities and 40 present in municipalities without coca, “this difference is statistically significant and supported the reports mentioning the involvement of illegal armed groups in narco-trafficking.”⁶⁵ According to a 2006 study by the UNODC and the Colombian government, 128 of the 428 municipalities FARC was active in produced coca crops and 40 of the 19 departments and 98 municipalities that post-AUC emerging criminal bands were active in produced coca crops.⁶⁶

However, while FARC and the now defunct AUC unquestionably engaged in drug production and trafficking to finance their operations, their interaction with the drug trade was very different. Before its demobilization, the AUC developed the ability engage in almost all levels of drug production and trafficking without resorting to alliances with autonomous

criminal organizations, as Dishman would predict. FARC has developed its “in-house” capabilities to engage in kidnapping and extortion. However, FARC has not established a vertical presence in the drug trade—despite the vast quantities of coca the organization controls—and instead, conforming to Williams’s predictions, FARC has created tactical alliances with small- and medium-sized criminal organizations to traffic and distribute the coca FARC controls.

The Criminal Activities of FARC

In 2005, FARC’s overall income was estimated to be anywhere between \$100 to \$300 million per year, with its income from the illicit drug economy representing between \$60 to \$100 million per year.⁶⁷ One recent estimate has placed FARC’s total income at closer to half a billion dollars per year.⁶⁸ Although estimates of the exact breakdown of FARC’s financing vary, most sources indicate that over half of FARC’s revenue comes from its involvement in drug-related activities. Studies from 2000 to 2005 agreed that FARC raises approximately half its funds from drug-related activities and the other half through extortion, kidnapping, cattle theft, and the assault and theft of businesses.⁶⁹ More recent studies have estimated that FARC’s income from the illicit drug market represents 60 percent to 90 percent of its budget.⁷⁰ A 2003 study by *la Unidad de Información y Análisis Financiero* (UIAF), a committee set up by the Colombian government to investigate FARC’s finances, found that the largest source of non-drug income is from kidnappings at \$37.32 million and the second largest is cattle theft at \$22.19 million.⁷¹ FARC uses its own personnel and resources to undertake these activities; in fact, “a special thousand-member unit of FARC based near Bogotá specializes exclusively in the taking and keeping of hostages.”⁷² As of July 2008, FARC held approximately 700 hostages, 25 of which were high-profile captives to be used for bargaining with the Colombian government and the remaining large majority for economic extortion.⁷³

A significant debate exists on the level and form of FARC’s involvement in the drug trade. At the extremes of the spectrum, analysts critical of the United States’s military-focused policies toward Colombia tend to see less FARC involvement in the drug trade.⁷⁴ Analysts supportive of U.S. involvement in an anti-drug and anti-insurgency military campaign in Colombia, and who see FARC as a greater threat to Colombian stability than the paramilitaries, tend to argue for the existence of a narco-guerrilla alliance with FARC involved in multiple levels of the drug industry.⁷⁵ While neither side denies that FARC benefits financially from involvement in drug production, the crux of the debate centers on FARC’s vertical penetration of the drug industry from the domestic production of coca to the transnational distribution of cocaine. Within the range of authors consulted here, all note that FARC benefits from protection taxes imposed on coca farmers and all generally found that FARC’s involvement in drug trafficking was limited to moving drugs within Colombia or to directly neighboring states. This article argues that the majority of FARC’s drug income comes from limited domestic drug activities and that the group relies on autonomous criminal organizations to distribute, traffic, and until recently refine the coca produced in FARC-controlled territory.

In general, the majority of FARC’s drug-related income is raised through the *gramaje*, or a protection tax on drug trafficking and production.⁷⁶ As of 2002, approximately 20 percent of the group’s forces were assigned exclusively to protection in areas where narcotics are grown and produced.⁷⁷ FARC collects the *gramaje* on a wide variety of drug-related activities; “every large coca plantation, every kilo of base or cocaine HCL, every 55 gallons of processing chemicals . . . and every truck or aircraft operating in guerrilla-held zones is

subject to a protection fee.”⁷⁸ FARC even standardized its fees; in 1999, it charged \$15.70 per kilo of coca paste and \$52.60 per kilo of cocaine produced within its territory, \$10.50 per kilo of cocaine and \$45.00 per kilo of opium gum shipped through its territory, and a flat protection rate of \$2,631 per domestic flight and \$5,263 per international flight using an air strip that it controlled.⁷⁹ FARC also regularly buys coca paste—and smaller quantities of poppy latex—from farmers at a low price and sells it to independent refining laboratories and traffickers at a significant markup; in 2002, FARC’s profit margin from this activity was estimated to be \$200 per kilogram of coca base.⁸⁰

While the majority of FARC’s drug income comes from protection fees and domestically buying and transporting coca paste to refineries, some FARC fronts are involved in more up-stream drug activities.⁸¹ Instead of simply selling coca paste to refineries at a markup, fronts “pay independent refineries a per-kilo fee to convert base to cocaine hydrochloride (CHCL),” which they then trade to traffickers.⁸² Some fronts even operate laboratories and refine the paste themselves; in its regional stronghold in Putumayo and the former demilitarized zone in Meta, FARC has built sites for the collection and processing of coca.⁸³ In these instances, FARC fronts take over one link in the domestic chain of drug production.

However, at least through 2006, FARC fronts did not engage in international trafficking and instead formed links with Latin-American criminal organizations to transport and distribute the cocaine.⁸⁴ One often cited example is the 2001 capture of Brazilian drug baron Luis Fernando da Costa, or “Fernandiño,” who revealed his involvement in several arms-for-cocaine deals with FARC’s 16th Front commander Tomás Molina, or “Negro Acacio.” Fernandiño supplied arms to the front in return for cocaine that he would purchase in Colombia and traffic to Brazil. Evidence also surfaced of drugs-for-arms deals between the 16th Front and Peruvian trafficker Luis Aybar.⁸⁵ Captured documents from a raid on the front further revealed its activities, and in 2002, “the US Justice Department announced the indictment of three FARC members, principally ‘Negro Acacio,’ for selling cocaine to international traffickers for cash, weapons, and other equipment.”⁸⁶ The cocaine sold by the 16th Front to international traffickers was collected from several other fronts, including the 1st, the 7th, the 10th, the 39th and the 44th. In 2002, a Colombian doctor, Carlos Ariel Charry Guzman, was arrested by Mexican authorities on charges of acting as a middleman between FARC and the Arellano Felix gang based in Tijuana. The deal was to exchange cocaine for cash and perhaps arms, and Charry had even contracted a former money launderer for the Cali cartel to manage the proceeds.⁸⁷

Certainly, FARC’s involvement in these negotiations supports the view that the group is intimately tied to the drug trade and is not, as it asserts, only taxing drug production within its own local area. However, when FARC is involved in the drug trade beyond the domestic taxation and moving of narcotics, the organization has relied on regional criminal networks to participate in the international market. In 2002, Lee observed that the reliance of FARC and smaller, more disorganized Colombian cartels on international partners led to the strengthening of criminal networks in drug transit states.⁸⁸ An International Crisis Group report in 2005 suggested that while FARC is heavily involved in local coca cultivation and processing—with approximately 65 of FARC’s 110 fronts and other operational units involved in some aspect of the drug trade in 2005—drug trafficking in Colombia was predominantly controlled by organized criminal groups.⁸⁹ The 2007 U.N. World Drug report noted that while both the AUC and FARC had “progressed from simply ‘taxing’ the crop in the past to assuming a managerial role over production[,] . . . [and while] there is also some evidence, principally concerning the AUC, that these groups have been involved in transnational trafficking, including trading drugs for arms . . . their concerns remain highly

local . . . [and] the bulk of the trafficking appears to remain in the hands of a larger number of smaller professional drug smuggling groups—the so-called ‘baby cartels.’”⁹⁰

Recent evidence, including the confiscation of Raul Reyes’s computer in March 2008, has raised questions about whether FARC has expanded its activities beyond domestic production and transportation of cocaine. At a minimum, Reyes’s computer files have shown that FARC transported drugs from Colombia to its bases in Ecuador, and e-mails released by the Colombian government have proven FARC’s substantial political connections with ministers and officials in Ecuador, Bolivia, Venezuela, and Brazil.⁹¹ Interpol has confirmed that the computer files have not been doctored since their apprehension from Reyes, and described the laptop as containing 37,872 word documents and 210,880 photographs.⁹² While the files are purported to claim information about FARC’s dealings in arms, drugs, and even an alleged attempt to acquire uranium, information released by the Colombian government has mostly constituted emails evidencing political connections between FARC leaders and regional politicians used for diplomatic pressure. What remains to be seen is whether the files relating to drugs show FARC’s continued reliance on relationships with criminal partners to traffic beyond its borders or its expansion into drug trafficking using its own personnel. In either scenario, FARC’s use of criminal partners to traffic drugs outside of Colombia at least through 2006, despite its involvement in the cocaine industry since the 1980s, suggests the limitations the organization has faced in engaging directly in trafficking.

The AUC and the Drug Industry

In Colombia’s post-cartel drug market, the AUC was an unusual organization. While many Latin American drug traffickers, small Colombian drug producers and FARC did not participate in all aspects of the drug market, “the paramilitaries’ drug business [was] vertically integrated throughout the chain of production, from control over crops to international distribution.”⁹³ The AUC acquired 30 percent of its income from contributions and donations—mostly protection payments from the landholding elite—and 70 percent from drug activities, though estimates of the net amount of this income varied from \$20 million to \$200 million. The AUC grew, refined, and domestically moved its own cocaine, and even trafficked its drugs to international markets.

While FARC taxes coca farmers operating within its territories, the AUC established ownership of the land to engage in coca production. To gain a foothold in a drug-producing region, the AUC offered lower taxes and better buy rates than FARC. However, “once they penetrate[d] an area, the paramilitaries start[ed] up their own crops and displace[d] farmers and peasants.”⁹⁴ As one paramilitary revealed after demobilizing under the government-sponsored plan, the paramilitaries “wanted to get the guerrillas off the land because of the coca. They said that it was to liberate the people, but it’s for the coca.”⁹⁵ This process was invariably violent. Hundreds of farmers were killed or “disappeared” so that the paramilitaries could seize their land and control cocaine trafficking corridors to the Caribbean.⁹⁶ The different strategies of FARC and the AUC in the early part of this decade were reflected in the landholding patterns of the respective geographic regions of each group. While large, well organized “coca estates” run by landlords and paramilitary gangs predominated in northern Colombia, in the south there is still a pattern of small-scale coca cultivation by peasants and *colonos*.⁹⁷

Besides producing coca leaf, paramilitaries belonging to the AUC also processed, internally moved, and internationally trafficked cocaine. In what National Police chief Rosso José Serrano called “one of the harshest blows against paramilitary drug trafficking,” Colombian National Police in 1999 seized a large AUC-run drug laboratory with one ton

of cocaine in the Middle Magdalena area.⁹⁸ Demobilized paramilitaries interviewed by the Human Rights Watch described the laboratories run by AUC commanders in Boyaca; one individual who had operated in the Catatumbo Block noted that, “because he had handled chemicals in a previous job, once he joined the paramilitary block he was sent to provide security in drug processing labs.”⁹⁹ Senior U.S. Drug Enforcement Administration officials appeared before the U.S. Congress in February 2000 and March 2001 to testify that “the AUC appeared to be involved in processing cocaine and that at least one paramilitary unit was shipping cocaine to the U.S.”¹⁰⁰ Carlos Castaño, the head of the AUC, was identified by the Drug Enforcement Administration (DEA) as a cocaine trafficker in his own right and publicly admitted the AUC’s involvement in narcotic trafficking, although he argued that those who engage in trafficking are a minority of rouge commanders.¹⁰¹ In 2005, Spanish authorities detained members of “a network of Colombian paramilitaries” trafficking cocaine from AUC-controlled territory in the northeast of Colombia to Barcelona.¹⁰² In 2005, a French paper, *Le Figaro*, suggested that the paramilitaries controlled 40 percent of cocaine exports from Colombia.¹⁰³

The AUC certainly built relationships with some autonomous criminal organizations. For years, Carlos Castaño maintained close personal links with the Cali-based *Norte del Valle* drug syndicate, argued to be one of the most powerful drug trafficking groups operating in Colombia.¹⁰⁴ One consequence of the initiation of demobilization talks with the AUC was the increased interest of Colombian narcotic traffickers in joining the AUC prior to demobilization to gain protection from extradition and domestic trial. Notorious drugs lords joined the AUC and adopted *noms de guerre* like “Gabriel Galindo,” political chief of the “Pacific Block,” and “Pablo Arauca” of the “Conquerors’ Block of Arauca.” Colombian drug lord Gabriel Puera Parra wrote to AUC commanders asking for refuge in Santa Fé de Ralito, the groups’ demilitarized compound, and a new identity as “Commander Agamez” before being captured by Colombian authorities in October 2004. In fact, in 2004 “Diego Montoya Sanchez, the head of the *Norte del Valle* drug cartel, who is on the FBI’s ‘ten most wanted list’ alongside Osama bin Laden, bought the AUC’s ‘Heroes of Rionegro’ block for \$5 million and is now sporting camouflage.”¹⁰⁵ Instead of forming alliances with organized criminals, the AUC incorporated Colombian drug syndicates into its membership.

By 2006, the situation in Colombia did not conform to the predictions of either total cooperation or complete conflict between domestic armed groups and organized criminals. Steinitz cited examples of guerrilla-drug lord conflict in Colombia to support his argument that “the popular idea of a ‘narco-terrorist alliance’ can be misleading.”¹⁰⁶ He notes that by the 1990s, FARC’s relationship with drug traffickers divided along geographic lines, with “strained relations mainly in northern and central Colombia, where the paramilitaries generally had clout, but stronger ties in the south, where FARC enjoyed greater strength in the vast countryside.”¹⁰⁷ The relationship between armed groups and organized crime in Colombia was just as clearly not one of total conflict. FARC had developed mutually beneficial linkages with Colombian and Latin-American criminal organizations based on the exchange of protection for cash or of drugs for cash and arms. The AUC incorporated drug syndicates into its membership by selling entire paramilitary units to autonomous drug lords.

Although both FARC and the AUC formed linkages with criminal organizations when opportunities for mutual benefit arose, during this period each organization participated in the drug trade in a unique way. The AUC developed its “in-house” capability to participate in the drug trade rather than creating alliances with other organizations. The AUC’s behavior conformed to Dishman’s prediction that political organizations would rather mutate their own structure than cooperate with other groups. Significantly, Dishman argues that this mutation is facilitated by the fact that the learning curve for participating in criminal activities

is not steep.¹⁰⁸ FARC uses its own combatants to raise funds through extortion, kidnaping, and cattle theft. However, the group has traditionally relied on alliances with criminal organizations to participate in the most “up-stream” aspects of drug trade. Through at least 2006, FARC’s participation in the drug industry most closely resembled the observations of Williams, who argues that groups participating in crime develop cooperative linkages to facilitate access to markets.¹⁰⁹ FARC participated in three of the five types of cooperation that Williams describes. FARC fronts took part in barter agreements to trade drugs for arms, established long-term strategic alliances with local drug producers for protection services, and participated in short-term tactical alliances with autonomous laboratories to refine coca paste. The case studies of FARC and the AUC further suggest how to predict whether a given armed insurgent organization will create an “in-house” crime network or will form business relationships with criminal organizations.

Political Motivations and Technical Limitations: Explaining the Evolving Criminal Activities of FARC, the AUC, and BACRIMs

Proponents of “in-house” criminality theories persuasively explain why armed groups and organized criminals would generally avoid collaboration. Such interaction is risky and may increase the likelihood of law enforcement surveillance, and generally such groups are likely to regard each other as market competitors and even political opponents, as violent political insurgents and terrorists seek to upset a comfortable status-quo enjoyed by criminal organizations. Despite these drawbacks, and based on the examples of FARC and the AUC, this article suggests two possible reasons why armed groups would choose to form alliances with criminal organizations over developing “in-house” criminal capabilities. First, some criminal activities—like trafficking and distributing narcotics—require resources and networks that are difficult and costly for an armed group to create. Second, the political environment may make certain criminal activities too politically costly for an armed group to be associated with; thus, armed groups may prefer to form short-term agreements with criminal groups and deny that their members take part in such activities.

The AUC, due to the background of many of its members, did not have the technical limitations to entering the drug trade that FARC has traditionally faced. The FARC fronts that refine their own coca paste have relied on the help of criminal networks to acquire the necessary technical skills. According to a Colombian army colonel, some FARC fronts “insisted that its members be allowed to work in laboratories operating in areas under the organization’s control” so that the guerrillas could become “at least broadly familiar with the processing technology.”¹¹⁰ However, while refining procedures can be learned, trafficking and distribution networks must be built from the ground up. While FARC can move drugs internally, as late as 2006, “FARC representatives [were] not dealing drugs in New York, Miami or Los Angeles, nor ha[d] the organization been able to smuggle shipments directly from Colombia to the United States or Europe.”¹¹¹ The comparison between the AUC and FARC suggests that the criminal activities of armed groups can only extend as far as the technical skills and established criminal networks of their members. The AUC’s vertically integrated participation in the drug trade was just an extension of the activities its members were already undertaking. The recent absorption of ex-AUC combatants into BACRIMs supports the inference that the AUC’s members came from, and have joined back into, criminal groups active in the drug trade. By comparison, FARC’s predominantly peasant and *colono* membership meant that the organization faced many more logistical barriers to vertical integration into the drug trade. Future assessments based on new information arising out of the successful counterinsurgency campaigns against FARC in 2008 will

hopefully provide further insight into whether the organization has now established the necessary technical experience and networks to build its own trafficking operations outside of Colombia's borders, or whether it still relies on criminal partners.

Beyond technical constraints, some armed groups may decide that political considerations make it too costly for their members to be associated with certain criminal activities. The AUC was always more open about its economic reliance on and vertical integration in the drug industry. In March 2000 and March 2001, Carlos Castaño publicly acknowledged the AUC's involvement in the drug trade to finance its operations in a televised interview and an interview posted on the AUC's website.¹¹² In a 2001 biography of the AUC leader entitled *Mi Confesión: Carlos Castaño Revela sus Secretos*, Castaño acknowledged that AUC commanders participated in the international trafficking of narcotics, although AUC leaders contend that "trafficking represents unsanctioned behavior by rogue commanders."¹¹³ Although FARC admits that it receives income from taxing the drug trade, the group has consistently denied involvement in trafficking and asserted that narcotic trafficking and even narcotic use by combatants is prohibited.¹¹⁴ FARC has strong motivations for distancing itself from drug trafficking. Allegations of FARC's deepening participation in the production and trafficking of drugs have been used to support a more confrontational military response to the insurgent movement and discredit its political motivations.

When contrasted to FARC's behavior, the AUC's public admission of drug-related activities creates a paradox. The key to understanding this seeming paradox lies in the AUC's political goals and membership. The political rhetoric, military actions, and identity of its members all support the view that, as a political entity, the AUC did not desire formal national power but instead focused on appealing to its local and regional membership. Despite documented ties between the paramilitaries and the political establishment evidencing the AUC's level of access to regional and national politicians, the AUC as an organization never espoused an interest in replacing the government or entering directly into national politics. Furthermore, any attempt to actively distance itself from the drug trade was likely to alienate a significant number of the AUC's members. The AUC did not appear to have much to gain from denouncing the drug trade. The organization's well-known ties to the narcotics industry did not make the group a primary target of the Colombian government. Data compiled by Restrepo, Spagat, and Vargas shows that only after the AUC signed the cease-fire agreement in 2002 did the paramilitaries—mostly those who violated the agreement—become a target of the Colombian military, and even then only a small fraction of the military's total targets involved paramilitaries.¹¹⁵ Furthermore, during the demobilization process, the AUC's illegal incomes were not an issue at the negotiation table. In 2005, the Human Rights Watch obtained copies of secret recordings of negotiations between Luis Carlos Restrepo, Colombia's High Commissioner for Peace, and AUC commanders. In a subsequent report, the organization notes that, "some of the most serious issues in the process—such as what would happen with commanders' massive illegally acquired wealth and their criminal businesses—are not addressed at all in the four hours of recordings."¹¹⁶

By 2008, the Colombian government had begun to change its previously lenient policies toward demobilized AUC members. In 2007, the Colombian Supreme Court struck down the Peace and Justice Law of 2005, criticizing the limited criminal penalties conceded to demobilized paramilitaries. In May 2008, the Uribe administration oversaw the sudden extradition of fifteen paramilitary leaders to the United States, accusing the jailed AUC members of violating the terms of demobilization by continuing to oversee criminal operations from their cells and refusing to disclose illicit incomes.¹¹⁷ While these recent events appear to question the level of forgiveness demobilized paramilitary combatants could

reasonably expect from the Colombian government, these is also significant evidence that the extraditions were initiated in response to a growing “para-political” scandal engulfing the national government. In 2006, the Supreme Court initiated an investigation into ties between the demobilizing paramilitaries and the political establishment, which by April 2008 had led to the arrest of thirty-two members of Congress, the arrest of the cousin of President Uribe and former member of Congress Mario Uribe, and formal investigation into the activities of thirty others, including the president of the Congress, Nancy Patricia Gutierrez.¹¹⁸ The recent extradition of fifteen AUC leaders, which took national commentators and the paramilitary members themselves by surprise, as well as the growing evidence of ties between the defunct AUC and the political establishment, together suggest that the AUC had strong reasons to expect limited criminal punishment for their known criminal activities. The extraditions were unexpected, limited to the top leaders of the AUC, and occurred when the demobilization process had largely already wound down. The vast majority of paramilitary combatants were able to demobilize under the initial favorable terms, and the extraditions can be seen as an abrupt move by an administration under increasing international and domestic scrutiny due to its ties to paramilitaries. Thus, even recent events support the claim that AUC would not have necessarily received any substantial political or negotiation benefits by eschewing its ties to the drug trade.

The forgoing analysis suggests that technical limitations—imposed by the skills and experience of the group’s members—and political motivations—which structure the relative political rewards a group expects to receive should it distance itself from certain criminal activities—impact the types of linkages armed groups form with the drug trade. While both the development of “in-house” capabilities described by Dishman and the “business network” alliances between criminal organizations and armed groups outlined by Williams can be observed among Colombian armed groups, technical and political considerations decide the style of interaction with illicit international markets that each group chooses to adopt.

Conclusions and Policy Implications

Regarding the four models of crime-insurgency interaction—conspiracy theories, conflict theories, “in-house” criminality theories, and business network theories—the cases of FARC and Colombian paramilitaries under and after the AUC show that the technical limitations of a group’s membership and the political goals of an armed group strongly influence the model of crime-insurgency interaction adopted. Thus, when analyzing the criminal activities of armed groups, it is necessary not only to carefully define *how* the group benefits from criminal markets but also *why* a given group cultivates either “in-house” criminal capabilities or business relationships with autonomous criminal organizations. Technical limitations and political motivations can explain the behavior of FARC, the AUC, and BACRIMs, but further investigation into other case studies may suggest other reasons for why groups pursue a specific style of participation in criminal markets.

Significantly, this article suggests that authors who describe a growing convergence between armed groups and criminal organizations may underestimate the importance of political goals and membership composition in sub-state armed groups. Describing the activities of Latin American groups, Serrano and Toro caution that, “as their involvement in the drug industry deepened and participation in the extortion and kidnapping market widened . . . the distinction between political and criminal organized criminals became increasingly problematic.”¹¹⁹ Some authors take this observation further, arguing for example that “there is no longer any dividing line between international terrorism and international organized

crime.”¹²⁰ However, the cases of FARC and Colombia’s paramilitaries show that political agenda and membership can impose constraints on sub-state armed groups funding themselves through criminality that criminal organizations, created solely for economic gain, do not face. In the case of the AUC, the organization’s political agenda—fostering regional stability and security without directly threatening the central government—imposed minimal constraints on its activities and allowed the group to participate in a demobilization and reintegration program with the government, despite known ties to criminal markets. Goals, membership, and political agenda still distinguish criminal groups from armed political organizations and are a valuable explanatory tool when analyzing the criminal behavior of armed organizations.

Notes

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41. Mauricio Romero, "Changing Identities and Contested Settings: Regional Elites and Paramilitaries in Colombia," *International Journal of Politics, Culture and Society* 14(1) (2000), p. 66.
42. Edgardo Buscaglia and William Ratliff, "War and Lack of Governance in Colombia: Narcos, Guerrillas and U.S. Policy," Hoover Institution Essays on Public Policy No. 107 (Palo Alto: Hoover Press, 2001), p. 3; Manwaring, "Non-State Actors," p. 6; McLean, "Colombia," p. 4.
43. Rabasa and Chalk, *Colombian Labyrinth*, pp. 54–55.
44. Peace, *Colombia*, p. 195; Alexandra Guáqueta, "The Colombian Conflict: Political and Economic Dimensions," in Karen Ballentine and Jake Sherman, eds., *The Political Economy of Armed Conflict* (Boulder: Lynne Rienner Publishers, Inc., 2003), p. 82. In fact, Fidel Castaño was a member of the Medellín cartel and a recent land investor in Córdoba when he co-founded the ACCU.
45. "Lording it Over Colombia; Colombia's Paramilitaries and Drug Lords (An Unholy Alliance between Colombia's Paramilitaries and Drug Lords)," *The Economist*, 23 October 2004.
46. Romero, "Changing Identities," pp. 55–56.
47. Guáqueta, "The Colombian Conflict," p. 82.
48. Pearce, *Colombia*, p. 246; Rabasa and Chalk, *Colombian Labyrinth*, p. 54. As the governor of Antioquia from 1995 to 1997, current Colombian President Uribe was not only a proponent of encouraging self-defense groups to combat guerrillas—particularly FARC—but was shown to have connections to *Convivir*. Porch and Rasmussen, "Demobilization of Paramilitaries," p. 526.
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51. Rabasa and Chalk, *Colombian Labyrinth*, p. 59.
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53. Rabasa and Chalk, *Colombian Labyrinth*, p. 56; Doug Stokes, "Better Lead than Bread? A Critical Analysis of the U.S.'s Plan Colombia," *Civil Wars* 4(2) (2001), p. 16.
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