
THESIS

Kata Varga
2020

BUDAPEST BUSINESS SCHOOL
FACULTY OF INTERNATIONAL MANAGEMENT AND BUSINESS
INTERNATIONAL BUSINESS ECONOMICS
INTERNATIONAL BUSINESS DEVELOPMENT SPECIALIZATION

THE IMPACT OF PABLO ESCOBAR ON COLOMBIAN ECONOMY

Internal adviser: *Ádám Czelleng*
Varga

By *Kata*

Budapest, 2020

Table of Contents

<i>List of figures</i>	5
<i>Introduction</i>	6
<i>Chapter 1</i>	8
La Violencia:	8
His early life	9
His personal life and family	10
Hacienda Nápoles	11
How he became successful and wealthy	12
His career	13
The beginning of the cocaine trade	13
<i>Chapter 2</i>	15
Cocaine	15
What is cocaine?.....	15
The history of cocaine.....	15
<i>Chapter 3</i>	18
The peak of his career	18
Logistics	19
1960s.....	19
1970s.....	19
1980s.....	21
After the 1990s.....	22
<i>Chapter 4</i>	23
How people treated him	23
Robbin Hood archetype.....	23
Muerte a Secuestradores.....	25
Los Extraditables.....	26
<i>Chapter 5</i>	27
Political career	27
After a failed political attempt	29
The war	30
La Catedral	32
Escape and fall	33
<i>Chapter 6</i>	35
United States vs. Cocaine	35
CIA as a drug dealer	36
<i>Basic information regarding the questionnaire</i>	37
<i>Chapter 7</i>	39
Colombia	39
People's first impression about the country.....	39
Basic information.....	40

Economy	40
Before Pablo Escobar:.....	41
During Pablo Escobar	42
Post-Pablo economy	43
Pablo Escobar's impact on Colombian economy.....	45
Political effects:.....	49
Social effects:	49
Conclusion	50
<i>List of References:</i>	<i>52</i>

List of figures

Figure 1 : **GDP per capita 1870-2016.- Our World in Data (2018) Page 42**

Figure 2 : **Colombian drug trafficking income 1981-1998 as a percentage of GDP-
Francesca Muchow, Katee Kuhlman, Bronwyn Lord (2019) Page 44**

Introduction

The world's international trade has changed a lot over the past centuries. In addition to the traditional trade, the illegal black-market trade also appeared, one of the branches of which is the drug trafficking. The definition of drug trafficking according to the United Nations Office on Drugs and Crime is the following: "*Drug trafficking is a global illicit trade involving the cultivation, manufacture, distribution and sale of substances which are subject to drug prohibition laws*"¹. I chose one of the branches of the illegal drug trade, cocaine, as the topic of my thesis. The title of my thesis is *The impact of Pablo Escobar on the Colombian economy*. I chose this because I think through this particular case, we can understand the effects of drug trafficking on a country's economy. I am sure a lot of people have heard about Pablo Escobar, Colombia's best-known drug lord, who earned millions of dollars in his lifetime with disturbing and smuggling only one good, cocaine. He smuggled thousands of kilograms of cocaine into the United States, gaining a huge revenue and reputation. In my thesis I want to dig deep into this trade. Building and operating such an enormous drug empire is by no means a simple task. In the course of my research, countless questions have been raised in me. How he was able to carry out an illegal activity without being caught? What logistics routes did he use to transport the goods into the United States? Did his political aspirations really cause his downfall? However, the most important question I was looking for an answer to, is how did Pablo Escobar's activity affect the Colombian economy? To answer these, it is essential to examine what happened in Colombia during his lifetime in a historical description. After all, every event influenced the course of his life, his actions and these actions have had an impact on the economy. I would also like to show what stages of development the product itself, the cocaine, has gone throughout history, until it has been known as an illegal drug. In my thesis I would also like to mention that, in addition to economic influence, Pablo also has an impact on social and political life in Colombia. Because a certain section of Colombian society treated him not as an illegal drug dealer, but as a kind of Robin Hood.

I would like to structure my thesis based on three main aspects. Presentation of research materials, historical description of the events, and for primary research I chose the questionnaire, because since the topic is not every day, I was wondering how do people see this single person's actions really affecting the entire country's economy? The description of what

¹ United Nations- Office on Drugs and Crime <https://www.unodc.org/unodc/en/drug-trafficking/index.html>
Downloaded 2020-10-17. 15:35

happened was based on various narratives, as the credibility of the sources is quite plastic due to the sensitivity of the topic. I will analyze the questions of the questionnaire at the beginning of the corresponding chapters in order to get a coherent picture of the given topic. Examining these, we will get a complete picture of the impact of Pablo Escobar's person and activity on the Colombian economy. To illustrate the changes that had taken place, I divided the country's economy into three main areas. The economic characters of the country before Pablo Escobar, the changes during his career and the period after his death until nowadays. Furthermore, in my thesis, I am also going to mention the United States, as the country has also been hugely affected by the spread of cocaine and drug trafficking, both economically and politically.

Chapter 1

From the point of view of our subject, it is essential to examine the formation of Pablo Escobar's personality, I believe that every event that happened to him will later precipitate in the actions he has taken. We are aware that his activity was illegal, and that illegality is often accompanied by violence. In the next topic, I would like to present a historical event that had a great impact on the development of his character. Of course, this historic event had a great impact not only on his character, but also on the political instability of Colombia, which laid the groundwork for how society would later relate to politicians.

La Violencia:

Colombia has a long history of internal political instability mostly because the country has challenging geographical features. The country has rough mountainous territories and inhospitable jungles led to regional isolation, moreover transportation, communication and law enforcement were difficult. In the beginning of the 1900s wealthy landowners hired private armies to protect their territories because they could not rely on the state for justice. Taking the law into their own hands to protect their property has been a trend throughout Colombia's history. During the 1900s Colombia's population was divided by two parties: The Liberals and the Conservatives, which created a long-lasting atmosphere of instability and also violence. From October 1899 to 1902 the nation was fighting the Thousand Day's War, a civil war between Liberals and Conservatives and as a result in the entire country was dominance by the Conservative party. In the 1930s and 1940s a Liberal politician, Jorge Eliecer Gaitán was getting more and more popular among Colombians, because he spoke in favor of workers' right and he became a voice of common people. He ran for president in 1946 but lost because there was a split in the Liberal party, which caused two Liberal candidates running, so the votes of the Liberals were divided. Mariano Ospina Pérez won the election and became the Conservative President. This year is often marked as the starting point of one of the darkest moments in Colombian history, la Violencia. After 1946 unprecedented levels of brutality and violence took place in Colombia mainly because of the class conflicts, political rebellion and partisan hatred.

In many areas the Liberals refused to accept Conservative president and they began armed resistance. Conservatives started using public forces as a partisan political instrument for example police officers.²

On April 9th, 1948 Jorge Eliecer Gaitán, the popular Liberal politician was shot and killed, which gave birth to a much more violent atmosphere in Colombia. The chaotic violence often seemed meaningless... An estimated two hundred thousand people lost their lives and 20% of the population was directly affected including those who were injured or forced to leave their homes between 1946 and 1966.³

During these years Pablo Escobar, the main character of my thesis, was born and grew up. He was only seven years old when the guerillas arrived at his village. Their house was set on fire by the guerillas, but they could escape as the soldiers appeared and helped them. The village was covered by smoke and burnt bodies lay everywhere on the streets. In this period citizens and mainly peasants harbored a deep distrust for the government and its institutions. Bandidos were people who travelled the whole country, they stole from rich people and murdered them, however, they became famous because people saw them as rebels against the corrupt system. These memories later surfaced when he maintained his empire by robbing and killing people. He also wanted to be this type of Robin Hood. We could hardly imagine living and growing up in poverty in the middle of a civil war. No wonder that he could not recover from these traumas and memories without proper help.

His early life

Pablo Escobar was born on December 1st, in 1949 on a cattle farm in Colombia. He was the third oldest from seven sibling. His father, Abel de Jesús Dari Escobar was a hardworking farmer trading with cows and horses. His mother, Hermilda Gaviria was a primary school teacher. As a result of La Violencia, which was discussed in detail in the previous section, Pablo and Roberto, his brother were sent their grandmother into Medellín. Pablo was completely fascinating by the stories about his grandfather who was a very successful alcohol smuggler. He was also very intelligent, he was passionate about mathematics, electronics and religion. Pablo's leadership and criminal traits were already beginning to show on the streets of Medellín.

² Jenna L. Bowley (2013), Robin Hood Or Villain: The Social Constructions Of Pablo Escobar, Source: https://www.researchgate.net/publication/304129357_Robin_Hood_or_Villain_The_Social_Constructions_of_Pablo_Escobar Downloaded: 2020-12-02 17:30

³ Shaun Atwood: Pablo Escobar Droghábor, Művelt Nép Könyvkiadó,2020 p.: 8-9

He was the smallest children among his friends, but he became their leaders. At his school, he was elected as the chairman of a student welfare committee, which task was feeding and transporting children in need. It was at this time that he learned that the United States was interfering in the affairs of South America, which caused the poorest strata of suffering to intensify. He was very angry about this and hated that the poor people were the greatest victims of violence and injustice. He looked with contempt towards the structure of the society because a significant portion of wealth was concentrated in the hands of a fraction of the population, while half of Colombia's population lived in absolute poverty. He determined not to fall a victim of this and stated that he would commit suicide if he did not have a million pesos by the age of thirty...

In his spare time, he practiced public speaking on the football field in front of his student audience. He also spoke with passion that he will become the president of Colombia and collect ten percent of the income from the richest people in the country from which he will build roads and schools for the people living in poverty. By the age of sixteen Pablo was extremely confident on the streets of Medellín. He sold fake lottery tickets and committed robbery attacks; however, he explained all this as a residence from an oppressive society. By the age of twenty he had become a routine car thief, his gang forced the drivers to leave their cars and then took the cars to a car wrecker where it was torn to pieces. Pablo managed all the logistics and finances from home. Later they started to steal new cars in order to be resold, Pablo began paying the cops not the deal with the reports from the owners. Complaints about his activities were received by the same officers as those who issued the documents for the new cars. Pablo also built a defense network. Those people who wanted to prevent the theft of their cars paid him protection money.

His personal life and family

In addition to being a criminal, Pablo was also a very family-oriented man. In the next section, we can also gain insight into this part of his life. Also, how he built himself a luxurious estate called Hacienda Nápoles, and his own zoo.

In 1976 Pablo Escobar married María Victoria Henao. Pablo was twenty-six-year-old, but María was only fifteen. Victoria's family was very wealthy, they opposed the marriage, because Pablo was not wealthy at the time, moreover the family did not like the huge age difference between the two of them. However, Victoria fell in love with Pablo and this love

lasted for the rest of her life. According to her, she loved Pablo because he always helped others, he was romantic, he loved nature and he did not say a single bad word to her all in his life, he was a gentleman with her all the time. In the first years of their marriage, Pablo traveled a lot, but he never told her where he was going. Victoria did not know that at that time, that Pablo had already found the business, which will make him a millionaire, the cocaine. During his marriage, Pablo constantly cheated on Victoria, the most famous case was perhaps the relationship with the Colombian media figure, Virginia Vallejo. Their relationship lasted for four years. Victoria knew about Pablo's relationships, but she tolerated them in silence, while Pablo assured her that he only loved her, which she believed.

Their first child, Juan Pablo Escobar Henao was born on February 24, 1977. By this time Pablo's prosperous cocaine business was already felt and they had moved to Medellín's wealthiest area. Their second child, Manuela Escobar was born on May 24, 1984. Pablo wanted to give everything to his children, he loved his family. In addition to business trips, he also organized family trips as well, mainly to the United States. Moreover, if his son or daughter wanted to spend some time with him, Pablo immediately canceled his business meetings. He took not only his wife and children with him to these journeys, but also cousins and friends. Not only did Pablo stand by his family, but his family also stood by him all the time. Whether he was in prison or hiding from the authorities, he always kept in touch with his family. It is one of the important elements of Colombia's culture, family is everything.

Hacienda Nápoles

When Juan Pablo was four years old, in 1981, his father bought the famous Hacienda Nápoles and nine other estates, giving a total 1,920 acres. It was a huge contiguous area, with rivers, mountains and primeval forest. A hundred of workers built up the building on the Hacienda Nápoles in a record time, which was named La Mayoría. The house had two floors with a total of eight bedrooms. There were three garages on the property that could accommodate a total of fifteen cars. However, the Hacienda Nápoles has had so many visitors over the years, that Pablo has transformed these garages into separate living areas with private bathrooms. Furthermore, the estate had its own pool and a television room next to, that could accommodate thirty people. There was a huge bar with lots of alcohol and some of the most popular video games of the 1980s. The building also had a theater, a disco and some jacuzzies.

Victoria and her friends organized trainings and competitions on the court of the property, where the coaches were transported by helicopter from Medellín, because of course the estate had its own helicopter landing. All the wishes of the guests' were fulfilled by the staff of waiters, chefs and maids. The kitchen had its own menu from which the guests could order anything for free. Probably the most fascinating thing in the property were the huge dinosaurs made of cement. (Interesting fact that these animals can still be found on the estate to this day.) Pablo and his family spent essentially every weekend here, and guests could choose from four vehicles (helicopter, private plane, car or motorbike) which would go for them and take them to the Hacienda Nápoles. Aside from the fact that the property itself, along with all the equipment, was built from drug money, this place could have been very impressive for those who had the chance to spend some time here, in this luxury.

Hacienda Nápoles was not enough for Pablo, he decided to build his own zoo. In 1981 the construction of the zoo began. Pablo found two brothers in the United States who was engaged in animal husbandry. Pablo primarily wanted to buy elephants, zebras, giraffes, camels, hippos and other exotic animals from them. The deal was closed later that year in Dallas, Texas, where Pablo paid 2 million dollars in cash for the animals. Obviously, these animals were transported illegally to Colombia. The zoo was open to the public free of charge. It was a huge success. On a three-day weekend, up to twenty-five thousand vehicles arrived at the zoo.

How he became successful and wealthy

Now that we have learned what a luxurious life he has lived, it is time to find out how he became successful and wealthy. You need to know that Pablo was so rich at one time that he offered to pay off Colombia's public debt. Furthermore, in the next topic, I examine how he got involved in the soil of illegality and the cocaine business.

What factors do you think helped Pablo Escobar gain such a great power and wealth? This was my seventh question in my survey. As it was a multiple-choice question, respondent could choose several answers. The most popular one was the corruption level in Colombia, 73 percent, so more than the half of the answerers chose this option. A very similar answer took the second place, the "weakness" of the Colombian authorities, 42 people voted for this, 56.8 percent. The following answer received just one vote less: the situation of the Colombian

economy (55.4 percent). 50 percent of the respondents voted for the ingenuity of Pablo Escobar, which was followed by the cocaine itself (effects, addiction etc.), with 44.6 percent. 21 people, so 28.4 percent marked that the closeness of the United States had a big impact on his success. The least favorite answer was Pablo Escobar's fortune, with only 21.6 percent. Based on the answers, respondents think that Colombia itself played a huge role in his success, because the top three answers were related to the country. Colombia was truly unique among South American countries. The protection provided by the rainforests, the volatile political situation, closeness of the United States, the bribing Colombian authorities and an ingenious man. These were all needed for Pablo Escobar to become the man the whole world knows today. Therefore, I think the answer that is least marked is the most correct one: the fortune.

His career

Many people believe that Pablo's smuggling career began right away with cocaine and he was the only drug lord in Colombia which are not true. He was a subordinate of a powerful smuggler baron, who specialized in the smuggling of cigarettes, electronic devices, clothing and jewelry. He hired Pablo in hopes of reducing working thefts, he could earn his money by protecting the goods. Pablo traveled in a jeep all over Colombia in front of a truck loaded with cigarettes giving bribes to police on the way. The smuggler was utterly delighted by Pablo's performance. They agreed that the baron would give forty percent of his income to Pablo. Thanks to these years and the smuggling, Pablo learned how to transport goods across the country without paying taxes and other fees. He earned two hundred thousand dollars under the supervision of two convoys in a month. Over the years he was invested his money in real estate, farms and construction companies. His agreement with the baron was severed when thirty-two trucks were seized, and their goods confiscated during a police raid.

The beginning of the cocaine trade

During his years working for the baron, he noticed that in many settlements near Medellín, opiates from Peru, Bolivia and Ecuador were processed into white powder, called

cocaine. Pablo contacted with Atelio Gonzalez to find out how he could get into this business. Gonzalez told him about his own places “kitchens” where he produced cocaine. Pablo and Gustavo got into their cars and traveled to the port of Guayaquil, Ecuador where they bought their first five kilograms of cocaine paste, which was hidden above the car’s gas tank during the way back to Medellín. Gonzalez processed the paste into a kilogram of cocaine and sold it to a buyer for six thousand dollars. Encouraged by this, they neglected the other smuggled goods and focused only on cocaine. They created their own “kitchens” and brought more and more cocaine paste into Medellín. At the age of twenty-seven he paid one hundred million pesos (3,225,000 dollars) into a bank called Banco Industrial Colombiano. He surpassed his statement made in his childhood that he would be a millionaire by the age of thirty.

On June 7, 1976, Pablo received a phone call in which one of his workers informed him that the DAS (Departamento Administrativo de Seguridad, in English: Administrative Department of Security) had found a shipment of cocaine paste from Ecuador, but he said that authorities could be bribed. Therefore, Pablo took five million dollars to the agreed place and gave it to the DAS. Unfortunately, this was just a trap, the DAS arrested Pablo on charges of drug trafficking and bribery. It was then that the famous photo was taken in which Pablo with the identification number 128 482 in his hand smiles at the camera because he thought he would not be inside for long. He spent five months in prison... After he was out from the prison, he continued to smuggle cocaine but now police also knew about it.

However, it was not Pablo Escobar who was Colombia’s first cocaine baron. By 1975, Fabio Restrepo exported a hundred kilogram of cocaine a week to the United States. Pablo asked his childhood friend Jorge Ochoa to introduce him to Restrepo, at the meeting Restrepo bought fourteen kilograms of cocaine from Pablo. Two months later Restrepo was killed and Pablo notified Jorge Ochoa that he would take over his business. Some say Pablo killed him to take over the cocaine empire, while others believe Jorge Ochoa is behind the murder because Restrepo gave him up to the DEA (Drug Enforcement Administration).

Chapter 2

We already know that Pablo Escobar smuggled different types of goods during his life for different destinations. However, we can agree that from the different types of goods, cocaine was the most important. This illegal drug made him successful, rich and famous. But what is exactly this drug is? In the following part of my thesis, I would like to gain insight into the history of cocaine, because it was not always illegal.

Cocaine

What is cocaine?

First of all, we have to clarify a mistake that a lot of people make (including myself) who says that all drugs are same. That is not true. Drug can be anything that causes a change in an organism's physiology or psychology when consumed. Do you know what is the most popular drug in the world? Coffee. So, before we go into details, let's see what type of drug cocaine is.

Cocaine belongs to the recreational drugs, which means that by using these kinds of drugs, the user's feelings, emotions and perceptions are modified. However, there are three more categories in recreational drugs. The first one is depressants; these makes the user relaxed and calm. The second one is hallucinogens; these induce perceptual distortions for example hallucination. The third category, where cocaine belongs to, is the stimulants, which makes the user more energetic and alert.

The history of cocaine

The history of cocaine goes back thousands of years. In South America chewing coca leaves was commonplace among natives, because it reduced hunger, energized the people and the leaves was regarded as a gift from the gods. It was widely believed that coca leave was a cure for everything from stomach ailments to snow burn. The Incas in the 1400's used it as an anesthetic, and they operated cocaine plantations for this purpose. In the 1500's European people got the chance to meet with cocaine by Amerigo Vespucci. In the first half of this

century, the Inco coca plantations were taken over by Spanish landlords. Spanish law allowed owners to pay the tax with coca leaves.

In the 19th century Albert Niemann German chemist was the first person, who isolated cocaine from coca leaves. He extracted the primary alkaloid and named it as cocaine⁴, carried the “-ine” suffix like in other alkaloids. He didn’t know it then, but he created a highly addictive drug that led to the death, wealth, success, and fall of many people.

In 1863 cocaine arrived in the Unites States, but not in that form as nowadays. It was an unknown ingredient in a tonic wine called Vin Mariani. The label said “*Mariani wine quickly restores health, strength, energy and vitality. Hastens convalescence especially after influenza*”⁵. Needless to say, that the wine has become a world sensation. The product was recommended by Thomas Edison, Alexander Dumas, Mark Twain and even from XIII. Pope Leo. One of the most shocking things is that the recommended dose was two or three glasses per day for adults and half of this dose for children, so one glass per day. Today we cannot believe that more than three thousand doctors were saying that our children can drink wine with cocaine for illnesses.

We also have to mention that not only alcohol-based drink contained cocaine. John Pemberton, who was an American pharmacist created a medical drink which was soda with spices and cocaine. This drink alleviated his morphine addiction. This medicine was so popular that Asa Candler, an American businessman bought the rights and the recipe from Pemberton for two thousand and three hundred dollars. After thirty-eight years his business worth fifty million dollars. This product is called Coca-Cola. In the 1860s you could go to a pharmacy and for a few pennies you could buy a glass of Coca-Cola for your headache. By 1890 cocaine was everywhere, people said that everything can be cured with it, baldness, impotence, asthma and even alcohol dependence.

In 1884 cocaine was also seized by one the world’s best-known neurologists, Sigmund Freud. He bought a gram from a local pharmacy, a twentieth he tried it himself and gave the remainder to his patients. He used during the day to document its effect, he felt fluctuation in his mood, body temperature and muscle strength. Freud’s fist medical publication was in 1885 called *Über Coca* (About Coca), where he praised the usage of cocaine in case of patients who were suffering from depression and morphine addiction. Moreover, he emphasized the anesthetic effect of cocaine. Unfortunately, it was not Freud who could claim the success. One

⁴ <https://en.wikipedia.org/wiki/Cocaine> Downloaded: 2020-11-30 17:45

⁵ Shaoun Attwood, Pablo Escobar drogháború, Művelt Nép Könyvkiadó 2020 p. 45

of his colleagues Karl Koller experimented with cocaine and made a breakthrough. He developed a local anesthetic that he used for eye surgeries. The members of the medical community could hardly wait to use the drug during their surgeries. The usage of cocaine increased, but not only in the “common” way, people put cocaine into sweets, tobacco and cough suppressants. Not only the demand increased, but the prices as well. Before Koller’s breakthrough one gram of cocaine was two dollars in the United States, after it increased by nine dollars.

By 1885 side effects have appeared, especially for those who used the drugs among the first ones, doctors, pharmacists, dentist and chemists. It was realized that cocaine does not cure morphine addiction, only one addiction was replaced by the other, but in some cases both remained. A Russian doctor gave a girl twenty-three grams of cocaine before surgery. The girl died; the doctor committed suicide. This unusual case clearly shows how unaware people were of the power and dosage of cocaine during this period. Although much of its health benefits have been refuted, Americans have become addicted because of the over-the-counter medications, which contained cocaine. Therefore, the consumption of the drug increased in the country.

In the 1900s, cocaine was thought to have a bad effect on Afro-American people, making them violent and unmanageable. Therefore, in 1901 Henry Cabot George passed a law banning the sale of alcohol, opiates and cocaine to black people and other “uncivilized races” such as natives and Eskimos. However, southern states banned cocaine for these races, but the illegality did not affect availability. The first drug dealers appeared, shoe polishers sold cocaine, a sniff cost twenty-five cents. White people could continue to consume cocaine- based medicines. By the 1900s five percent of the American society was addicted to some form of cocaine-based medicine. But the shocking thing was that they did not know that. Pharmaceutical companies refused to list the ingredients, so even children could use cocaine-based medicines and become addicted. Until 1906, when the Congress passed the Food and Drug Act, which required companies to list the ingredients. Therefore, plenty of companies took cocaine out of their products, even Coca-Cola as well. However, cocaine, marijuana, morphine, opium were still legal for white people. In 1914 Narcotic Tax Act. was passed, doctors, pharmacists, distributors were required to pay an annual tax and they could use the drug only for medical purposes. In the following decades cocaine addicts will become accustomed to other, still legal, drugs such as amphetamines. Cocaine, on the other hand, made its way into black markets. This is time when drug barons, like Pablo Escobar appeared.

Chapter 3

The peak of his career

After taking over the empire of the cocaine baron Restrepo, Pablo needed new smuggling methods to export as much cocaine as possible to the United States. These methods are covered in detailed in the logistics section, but will include the usage of airplanes, submarines, suitcases and other refined methods. At the peak of the cocaine smuggling the Medellín cartel had a revenue of seventy million US dollars a day, which is a total of twenty-six billion dollars a year.

In my questionnaire I asked the respondents to guess how much Pablo Escobar's fortune was. There were no choices, they had to enter their own answers. Many have guessed very well if we compare it to the annual revenue. The most popular answers were between twenty and thirty billion dollars. However, I think I would still agree with those who replied that his wealth was inestimable. Even to this we do not know exactly how much money he had. According to narratives he put most of his money in different places, a certain part was chewed by rats, there was some amount he put into foreign accounts, he dug it into the land of his property, and he hid it many different ways. In 1989 according to Forbes magazine he was the seventh richest person in the world with the estimated three billion US dollars of wealth⁶. At this period, he controlled 80 percent of the world's cocaine market. He set up dozens of laboratories "kitchens" in the depth of the rainforest, which, over time, transformed into a whole village from the families of those who worked there. He did not only transport his own cocaine to the United States, but also handled shipments of other cocaine barons around Medellín, after he received 25 to 35 percent of the income.

⁶ Christian Cipollini (2019) : Colombian Drug Lord Pablo Escobar Spent Seven Years On Forbes List Of World's Richest Source: <https://themobmuseum.org/blog/colombian-drug-lord-pablo-escobar-spent-seven-years-on-forbes-list-of-worlds-richest/> Downloaded: 2020-11-26 9:50

Logistics

As we already have a great knowledge about his activities we also have to highlight one of the most important and most amazing factors that how can he smuggle such a huge amount of cocaine during his career. In the following topic I would like to present the continuously renewed logistics routes over the decades which contributed to his success. Miami was 2,225.7 km far from Medellín by plane, nowadays this does not count as a long distance, but in the 1900s it was, especially when you would like to export illegal narcotics through the border of the United States. Let's find out how can they do that decade by decade.

1960s

In the 1960s people did not pay attention to cocaine as much as later, marijuana was more popular export at that time. Colombia was not even on the map of smuggling these drugs. The mayor exporters were Argentina, Chile and Brazil. They shipped cocaine along with marijuana. They used the following logistical routes from Brazil: they flew from Rio de Janeiro to Havana, where they unpacked the cargo and shipped them through the Gulf of Mexico until Miami. From Chile, they flew from Valparaíso to Panama City, and from Brazil, planes went from Buenos Aires to Barcelona, Spain. As we can see the following routes were mainly by plane, however there were some examples where authorities found 288 kilos of cocaine transported on a donkey's back in Chile.

1970s

In the 1970s Colombia took their place and exported cocaine to the U.S. from Medellín to the United States. At the beginning of the decade cocaine was exported to the United States only in small portions. The cocaine was hidden in the wheels of the airplanes flew from Medellín to Miami. When the demand become more and more, Pablo Escobar, the main exporter, hired Colombian and American citizens who smuggled cocaine with suitcases and special cloths. A double-walled suitcase could hold five kilograms of cocaine. There were some people who pretended to be blind and put cocaine in their stick, some of them dressed as nuns and put cocaine under their dresses. A wheelchair man could smuggle up to a million dollars' worth of cocaine in his chair. The most dangerous way was when they put cocaine into condoms and swallowed it, if it is opened during or after the flight they could die. But Pablo also hired

pilots and stewardesses for the task, they could pass through the airports without control. At that time authorities considered marijuana to be a more dangerous drug than cocaine, so they did their best to prevent it from entering and spreading in the United States. Therefore, the cocaine passed through the airport unnoticed. Then Pablo realized that he could do it easier, he did not send passengers carrying suitcases, but only suitcases. They were listed before takeoff and were just taken away at the other airport. Airport employees were given hundreds of thousands of dollars in lubrication money to turn a blind eye to it.

In the middle of the 1970s a new partner was involved into the business, Carlos Lehder. At that time Pablo Escobar earned millions of dollars, but he wanted to be a billionaire, that is why he needed Carlos Lehder's idea. He was a half German half Mexican man. He was arrested in 1973 because of smuggling marijuana. In the prison he met George Jung who was sitting there for the same reason as Lehder. They created a plan together about smuggling cocaine from Medellín into Miami. They wanted to carry as much as they can, so they decided to create a stop where they can refuel the airplane between Colombia and the United States. How could they do that? In 1978 Carlos Lehder started buying up properties at Norman's Cay, which was a small island at the Bahamas. He closed the runway, forbade hotels to receive guests and went from house to house with his suitcase full of money to buy the properties. Whoever refused to sell his house, Lehder threatened and forced him to leave. By the beginning of the 1980s, he owned the whole island. He hired forty German bodyguards to protect the island and if anyone came too close to it, a helicopter arrived and threatened them. Lehder paid huge money to the police officers in the neighboring islands, so nobody can disturb them. The island became a key and safe stopover for smugglers. Pilots transported a more than three hundred thousand kilograms of cocaine from Medellín to the United States over five years. The planes came from Medellín to Norman's Cay where they split the cargo into smaller portions and flew them to several destinations but mainly to Florida. When they arrived at the final destination, they did not use public airports. Cocaine bales were unloaded on hidden runways or thrown into the water and fished out by speedboats waiting nearby. In the end of the 1970s Pablo Escobar earned millions of dollars per week as the cocaine arrived at several destinations like Colorado, Texas and California. The tip of the iceberg was when Escobar transported 80-145 tons of cocaine to the US by military cargo planes. He also bought 13 Boeing 727s from a bankrupt airline, he removed the seats and equipped them to carry 11 tons of drugs. At that time, they exported 4,000 kilogram of cocaine per year to the United States and 80 percent of the cocaine market was supplied by them, the Medellín Cartel.

1980s

In the 1980s things had changed. The United States realized that cocaine is more dangerous than marijuana and started chasing drug smugglers more heavily than ever before. In 1983 an arrest warrant was issued against Carlos Lehder. His proven route through Norman's Cay was out of the question. Pablo and the Medellín Cartel had to find a new route for smuggling. As they had to leave Colombia because of increasingly stringer measures and arrest warrant. Pablo signed an agreement with Manuel Noriega who was Panama's military and political leader between 1983 and 1989. The agreement settled that Panama would be available for them as a transit station for cocaine trafficked to the United States, paying huge amount of money to Noriega. The route was the following: the cocaine was put on planes at Medellín, flew to Panama and from there the drugs were smuggled by land with trucks through Mexico across the US border. For this transportation they found a special person, his name was Barry Seal. At that time, he smuggled billion dollars' worth cocaine to the United States. Pablo and the Medellín cartel trusted him, they called him 'El Gordo'. For the first time Pablo commissioned Barry for exporting a six-hundred-kilogram package of cocaine to the United States. However, the DEA (Drug Enforcement Administration) seized the cargo in Florida. What Pablo did not know that Barry Seal was a pilot at CIA (Central Intelligence Agency) and one of the DEA's informer. After the Florida incident, Pablo was still trusted in Barry and commissioned him to export a thousand and five hundred kilograms of cocaine to the United States. On the 20th of May 1984 Barry Seal met with the cartel, in a secret location in Panama. The cartel introduced him to Federico de Vaughan who was part of the Sandinista National Liberation Front in Nicaragua. Vaughan played a key role in the 1980s in the cartel's drug smuggling activities. Just to mention some examples, he showed the country's oil refinery, and he pointed out that Barry should never flew over it, during the transportation, because the plane will be immediately shut down. Barry reported the cargo to the CIA, he got the instruction that he have to take photos of Nicaraguan representatives who were included in this action. Moreover, they placed a transmitter on the plane so that the DEA could track the plane's location. On June 25, 1985 Barry arrived in Colombia and while the plane was loaded, he took photographs for the CIA. When the plane arrived in Miami, the DEA seized the cocaine. This is just one of the stories in which the DEA has managed to seize cocaine shipments that arrived in the United States.

After the 1990s

In the late 1990s after Pablo Escobar's death everything has changed. New players arrived in the market for example the Mexican Sinaloa Cartel. The cocaine came from Cali (Colombia) was transported by plane to La Ceiba (Honduras) and from there the cartel used trucks through Mexico until its final destination the United States. By the end of the 1980s 80 percent of the cocaine came to the United States through Mexico.⁷ Europe was also targeted by the cartels, they exported huge amounts of cocaine there, but not as much as to the United States. Thanks to the new routes and methods, it was even more difficult for the authorities to seize these shipments. Cocaine is still smuggled around the world and the authorities are doing everything to stop these illegal activities and drugs spreading. But unfortunately, there are still a lot of criminals who find loopholes for their activities.

⁷ Peter S. Green (2020), How Cocaine Traffickers from Medellín Transformed the Multibillion Dollar Global Drug Trade, Source: <https://www.wsj.com/ad/cocainomics> Downloaded: 2020-12-03 11:40

Chapter 4

In my dissertation I also considered it important to point out that despite being a criminal, people in Colombia treated him differently. In the following chapter I would like to show the two faces he had in the society.

How people treated him

In my survey I asked the respondents to answer the following question: In the 1970s and 1980s, how do you think people in Colombia treated Pablo Escobar? By answering this question, I thought I might also get a little insight into how the respondents relates to Pablo. There were divisive responses. The most popular answer was that people respected him, 35.1 percent of the respondents voted for this. In second place based on the answers of the voters, was admiration, people were passionate about him. This answer got 24 votes, so 32.4 percent of the people chose this. The answer that people were afraid of him received only one less vote. Which means 31.1 percent of the respondents this answer is the most accurate. It is also clear from this answer how little separates fear and passion, in both sensations, adrenaline is released. In the questionnaire there were two more options, the first one: that he was not significant to the people, this got only one vote, and the second one: that people hated Pablo, which surprisingly did not get any votes.

It is clear from this question that to this day, people have divided opinions about Pablo and the people around him. The fact that he was a criminal who was responsible for the death of hundreds of people, either directly or indirectly, is unquestionable. But then why do most respondents think that people respected and admired him? Let's look at the deeds, the events that support these responses.

Robbin Hood archetype

I have already mentioned in the very first chapter of my thesis, that how much Pablo respected the so called *bandidos*, who were people during the years of La Violencia and how he saw them as a kind of Robin Hood. Then he had no idea that years later the Colombian people would refer to him with the same adjective. But what does this indicator really mean?

One of the most famous outlaws is definitely Robin Hood who lived in the Sherwood Forest in England. Based on the legend, Robin Hood was a commoner who opposed the repressive rules of corrupt authorities. He also had a group of followers, the Merry Men, they helped him robbing rich travelers who crossed the forest. The most important feature of his character was that he did all these robberies not for his own sake, but to help the poor. His support base of the poor had always considered him fair and noble, even though they knew that he was a criminal. The reason behind this is that he insisted a much fairer code of morality than the laws of the authorities. He was portrayed as a symbol of justice; they were not afraid of him at all. In the legend, the law enforces, primarily the sheriff, were depicted as villains.

Figures and heroes like Robin Hood are called “social bandit” which term was created by Eric Hobsbawn in 1959. In his book *Primitive Rebels* he studied these kinds of figures first. He characterized social bandits as individuals who engage in illegal behavior, social protest and glorify them as heroes among the people they represent, distinguishing them from outlaws who simply serve their own interest. *“Hobsbawn argued that the social bandit is a reality that motivates certain forms of political resistance to oppressive regimes within peasant societies.”*

8

Pablo Escobar also possesses the typical dual social identities of the modern Robin Hood figure. On the one hand people said that he was an extremely evil killer and terrorist, who killed without mercy. He was willing to do anything for success, he murdered people, threatened politicians and judges and he kidnapped people for a ransom. But on the other hand, he was a charitable and benevolent man, who dealt with the poor of Colombia, who were oppressed by the political laws of that period. In Colombia, the judgment of good and evil depended on the perspective from which it looked. Those people who admired him spoke of him as a soft-spoken polite man who loved his family, he was a faithful Christian and sincerely selfless. But how exactly did it manifest itself? Today in Medellín there is a place called Barrio Pablo Escobar, which means Pablo Escobar district. Back in the 1980s thousands of inhabitants lived here, who were unable to put roof over their heads. Pablo provided building materials, furniture and houses for these homeless people. He built soccer fields, schools, skating rinks and organized tree plantations. Of course, these actions did not take place only in this district, but also in other poor neighborhoods as well. He also built a zoo, not far from his estate, which was free to visit for the Colombian people. Besides these, walking the poorer paths of Medellín

⁸ Jenna L. Bowley (2013), Robin Hood Or Villain: The Social Constructions Of Pablo Escobar, Source: https://www.researchgate.net/publication/304129357_Robin_Hood_or_Villain_The_Social_Constructions_of_Pablo_Escobar Downloaded: 2020-12-02 17:30

Pablo gave money for those in need. In 1979 he started his social program called *Civismo en Marcha* in which he planted trees in poor neighborhoods emphasizing environmental protection. During his political speeches, the other members of the cartel also distributed money to the crowd. At Christmas he bought a present for all the children in the nearby areas, knowing that their parents could not always do that. He once took four helicopters to the primeval forest of Chocó county to bring medicines to the Indians living there. Thanks to his donations and generosity, the poorer strata referred to him as a hero, Robin Hood.

Looking back what I wrote in the first chapter of my dissertation, that he was already enraged by the situation of the poor in Colombia as a small child, and vowed that if he grew up, he would change that. According to the previously showed facts, and deeds, he succeeded.

Once we get to know Pablo Robin Hood's side, turn back a bit to his criminal self. We must not forget that he was responsible for the deaths of many people, committed kidnappings, and engaged in illegal pursuits.

Muerte a Secuestradores

Of course, even so, there were some people who opposed Pablo and other drug lords. On November 12, 1981, M-19 (Colombian guerilla organization movement) kidnapped Jorge Ochoa's sister Martha. Millions of dollars were demanded from the family as ransom. Jorge Ochoa, Pablo Escobar, Rodriguez Gacha (who was an emerald smuggler and later drug lord) and Carlos Lehder came together and founded the MAS- Muerte a Secuestradores (Death to Kidnappers) army. In addition to them, a total of two hundred and twenty-three businessmen attended the meeting and signed the principles of MAS, that all perpetrators of kidnapping would be publicly executed. Flyers were scattered from an airplane, so that everyone was informed about it in Medellín. On February 17, 1982 Martha Ochoa was released unscathed. This meeting highlighted that together they can achieve much more than when they were fighting with each other. In the subsequent meetings they modernized the methods of cocaine trafficking, for example production, distribution and marketing. Government officers were offered only one option: "plata o plomo" – silver or bullet, meaning either they accept the bribe amount or get a bullet in their head. After the MAS began to liquidate the guerrillas responsible for the kidnap of Martha Ochoa, Pablo met with the leader of M-19 to make peace.

Los Extraditables

By September 1985, six of the hundred and five Colombian criminals on the United States' list had been extradited. Pablo founded a group called *Los Extraditables*, with the motto of: "We prefer a grave in Colombia to a prison in the United States"⁹. Cartel leaders pledged by blood contract to commit suicide rather than sitting in a U.S. prison. The Los Extraditables sent letters to judges of Colombian supreme court demanding the extradition convention to be declared illegal. Moreover, they were threatened the judges on their private phone numbers. The judges feared as not only they, but their families were threatened as well.

In 1985, the guerilla organization called M-19 launched an attack on the Colombian Supreme Court. Three hundred hostages were taken, including judges, lawyers and secretaries. The doors and the staircases were clogged with furniture. They appealed to the Supreme Court to start negotiations with the President for failing to keep his promise and fail to make peace in the country. The Colombian army marched to the scene with tanks, grenade launchers, helicopters and hundreds of armed soldiers. Rockets were fired at the huge building hitting holes in the walls. The guerrillas kept the building under their supervision for a day. The guerrillas had several telephone conversations with the police during that one day, asking for peaceful negotiations. Around seven o'clock in the evening smoke rose from the building. The M-19 destroyed all the papers and files which was related to the Los Extraditables and those who were threatened of being extradited to the Unites States. The president ordered military intervention. Hundreds lost their lives during the fight, including all the guerillas and eleven police officers and soldiers. The other victims were all civilians. Pablo only supported financially the destruction of the documents and he offered a double fee to the M-19 is the negotiations were successful. However, violence escalated in 1986 against journalist, prosecutors and judges...

⁹ Shaoun Attwood, Pablo Escobar drogháború, Múvelt Nép Könyvkiadó 2020 p. 118

Chapter 5

After feeling little of the power he had, Pablo wanted to be successful in other areas of life. Therefore, and for many other reasons, he mingled in a political career. Did this move really cause his downfall? Let's find it out in the following topic.

Political career

In my questionnaire I asked the respondents the following question: Did you know that beside being a drug baron, Pablo Escobar wanted a political career? Most of the answers were yes. 82.4 percent, sixty-one people know that he had such ambitions. However, 17.6 percent, so thirteen people have never heard about it.

We already know that a lot of people were a fan of Pablo Escobar, looked up to him and respected him. Therefore, he felt that he had enough support to embark on a political career. His goal was to obtain a seat in the Chamber of Representatives. Escobar was recruited as a reserve candidate in the party called *Movimiento de Renovación*. The candidate of the list was Jairo Ortega for the House of Representatives election. Pablo knew that the *Movimiento de Renovación* was supporting Luis Carlos Galán for president, who started in the colors of the New Liberalism (*Nuevo Liberalismo*) party. Escobar had a good opinion about Galán because of his excellent oratory and ideas.

Pablo took the nomination so seriously that three days later he gave his first speech in the district called La Paz, while standing on a top of a Mercedes Benz car. About a thousand people listened as he spoke of how much he cares about this district and he promised he will work for the poor of the whole province in Congress. The campaign went well, Pablo became more and more popular, this was evident in the confidence of his speeches. However, Luis Carlos Galán decided he is going to distance himself from the coalition with *Movimiento de Renovación* in case of the congressional campaign. He wrote a letter to Jairo Ortega, that he will not continue the work with party, because people may not bind him to a person whose work is contrary to the moral renewal and politics represented by their party, the New Liberalism. In this letter he clearly aimed at Pablo's work... Therefore, Ortega was forced to enter into a coalition with another party called the Liberal Alternative (*Alternativa Liberal*). The campaign thus gained new strength and Pablo continued visiting the slums throughout Antioquia. He arrived in the Moravia district when a huge fire was suppressed, destroying several paper huts,

leaving its inhabitant homeless. Even that day he presented mattresses, blankets and other useful items to the injured people. It was then that the Medellín sin Tugorios (Medellín without Shanty Towns) program was started, under which he built houses for the poor for free. Obviously, this has further increased his popularity.

On the 12th of March 1982 Pablo was elected deputy to the House of Commons. As the Election Office approved the results and found no fraud, the prime minister, Mario Eastman, issued credentials, Pablo also received one. Why was it so important to him? Because with this, he got a full protection, including extradition. Forty-five days before the election of the new prime minister, Pablo made a deal with Gustavo. The deal was the following: Pablo will support (with money of course) the liberal Alfonso López Michelsen, while Gustavo will do the same with the conservative Belisario Betancur Cuartas. Therefore, they will be able to maximize their chances. However, on the day of the election this support was not just in money, Pablo hired buses to transport liberal voters, and Pablo spent the whole day bringing voters into the polling station. Finally, the collaboration of the Conservatives led to Betancur's victory. Moreover, López, who was supported by Pablo, lost because Galán's separation took a lot of votes from him.

Pablo Escobar was inaugurated on July 20, 1982. He was in trouble with the strict etiquette of Congress on the first day, as the porter did not want to let him in, because he was not wearing a tie. Finally, he was able to enter the building after convincing the porter to give his tie to him. On August 7, 1982 Pablo and all the other mafia members listened with relief to Betancur's speech at his inauguration as the president, where he did not mention the issue of extradition. However, Pablo and the Medellín Cartel was not even on the list yet. By the end of 1982, Pablo believed he had consolidated his place in Colombian political life.

However, in 1983 there was a man who started anti-corruption campaign across Colombia. His name was Rodrigo Lara Bonilla who became the Minister of Justice that year. Members of the DEA in Colombia noticed him and his ambitions and offered their help. At one of the congressional sessions, Lara questioned the origin of Pablo's wealth and claimed that he was earning the money through illegal drug trades, which is not allowed among the members of the Congress. The next day Pablo announced to the public that the minister has one day to substantiate his allegations, otherwise Pablo will sue him. Lara presented the arrest picture which was taken in 1976 of Pablo and the accusation points as evidence. Moreover, he also got a copy of an ABC News documentary showing Colombia's best known drug smugglers, including Pablo Escobar. Lara also revealed how drug dealers funded the most important football teams in Colombia and named thirty politicians who he assumed had taken drug money

from Pablo. On September 10, 1983 the senator asked Pablo to give up his political career, resign from the protection afforded by the parliament and stand up to the charges against him. Pablo rejected that. The search for evidence continued and had such overwhelming force that Pablo was expelled from the Colombian Liberal party. He withdrew from Congress in January 1984. That was the end of Pablo Escobar's political career.

As so much has come to light in the course of his political career about his illegal activities, I boldly state that indeed his political aspirations caused his downfall, at least so soon. The government wanted to cover up all his illegal trade and put an end to his activities at the same time.

After a failed political attempt

Although Pablo's political career failed, Lara Bonilla was still chasing after the Medellín cartel. Pablo's men kept following him and either threatened him on the phone or offered him huge sums to stop his activities. In response, Lara has snapped up several cocaine labs across the country with the help of the DEA. As a part of these actions, they also came across a huge drug lab in the jungle which was called Tranquilandia (the island of tranquility). The Medellín cartel produced twelve million dollars' worth of cocaine here in just two years and nearly two hundred people lived in the lab area. But how can the authorities find this lab in the middle of the jungle? They heard that a Colombian man who was working for Pablo, wanted to buy ether worth four hundred thousand dollars, which is an essential accessory for cocaine production. Two built-in agents sold him this huge amount of ether in barrels, which were equipped with beacons and with that the authorities could follow the path of the goods all the way to Tranquilandia. Colombian police only found out where they were going on the day of the raid, preventing Pablo from receiving inside information about the operation, as most of the Colombian police officers were still corrupt. Tranquilandia crashed on March 10, 1984, where the authorities found a huge complex of nine laboratories and eight runways. This was the largest cocaine lab in world history. They also found important documents (bills of lading, receipts and notes) which provided more information on the cartel's activities to the authorities. After this action Pablo decided that Lara Bonilla was too much of a threat to him. He gave the Los Quesitos gang a half-million-dollar commission to kill Lara. Lara knew that he and his family was in danger and managed to be transferred to Czechoslovakia as ambassador. On April

30, 1984 Lara set off for the airport, so the assassination began. Three motorcyclists surrounded his limousine and Lara Bonilla was shot seven times. He was the first minister in charge assassinated in Colombia. Following Lara's death, the Colombian Prime minister said that he is waging a war on drug traffickers, because he believes that drugs are the most serious problem Colombia has ever faced. The President also signed the Extradition convention to the United States. He also issued an arrest warrant against Carlos Lehder. Drug traffickers responded before military courts and had no opportunity to pay bail. The gun license of those suspected of drug trafficking was revoked. Hundreds of people were arrested and imprisoned in a short time. Authorities also crashed into the famous property of Pablo Escobar, the Hacienda Nápoles, where they found weapons and evidence against the drug lord. In response the smugglers declared war against Colombia. Chaos began: kidnappings, bombings and massacres characterized this period. The government has compiled a secret list of the one hundred and twenty-eight most sought-after cocaine traffickers, eight of them have been arrested. On February 3, 1987, the authorities successfully captured Carlos Lehder, who arrived at the United States two days later, thanks to the extradition. He was sentenced to life imprisonment plus one hundred and thirty-five years. Colombian authorities prepared for that the cartel will commit more violent acts after Lehder's extradition. But this time they resorted to other methods. With the help of their lawyers, they were confronted with the Extradition Act and, by judgment of 25 June 1987, the Extradition Act violated the constitution. The cartel won the fight against extradition without bloody attacks.

The war

However, the abovementioned fight was won without violence, in the following topic I would like to show the event which is called the "drug war" in Colombia.

The authorities did everything they could to catch Pablo Escobar. They used all methods which was imaginable to find Pablo, who was already hiding at that time. Their family, friends, business partners and bodyguards were tortured and killed by the police for some information. Of course, Pablo could not watch it idle. He imposed a blood feud on the heads of the police officers, as a result of this teenage assassins attacked the captains with machine guns. By 1989, bombs had exploded almost on a daily basis and it was not known whether the local police were behind this or Pablo. When a 10-million-dollar blood feud was imposed on Pablo's head, he

fled without his bodyguards and family. He was hiding for eight months on a farm forty miles from Medellin. As the police were very determined they kept track of him, although he always changed his position.

On August 18, 1989, Luis Carlos Galán, a Colombian presidential candidate, gave a speech in a working-class city. Galán was also one of the people who helped Lara Bonilla work against Pablo. While his speech was being given, unknown perpetrators began firing at him with machine guns and collapsed dead. The Colombian and U.S. governments claimed that the Medellín cartel was behind of the assassination.¹⁰ In the same month, the extradition became legal again. The smugglers could be extradited to the United States without trial. In response to extradition, bombs exploded at Medellin offices of Liberal and Conservative parties on 24 August. Bush sent sixty-five million dollars' worth ambulance to Colombia which included helicopters, fighter jets, anti-tank guns and grenade launchers and many other weapons. On August 25, Medellín cartel declares that ten judges will die for all extradited Colombians. As a result, more than a hundred judges resigned. A car packed with two hundred and twenty pounds of dynamite exploded on September 2, injuring seventy-five people. On November 27, 1987, one Colombian presidential candidate was scheduled to board a plane from Medellin to Cali. Pablo hired a man to listen and record a conversation on the plane as a passenger, or at least he was told that. A bomb was placed in his suitcase instead of the eavesdropping device. After the plane took off and it had been in the air for five minutes the bomb had exploded. Unfortunately, one hundred and seven passengers were on board and everyone lost their lives. Since U.S. citizens were also traveling on the plane, Bush provided even more support to the Colombian government to capture Pablo. However, it was soon revealed that the presidential candidate was not on the plane. In the following years the attacks took place continuously from both sides without sparing the civilian population. The war between Colombia and the US government against Pablo Escobar is estimated to have claimed more than twenty-five thousand lives.

Pablo had only been in prison once, but that wasn't really a prison. Many at the time referred to it more as "Escobar hotel". This place is none other than the La Catedral.

¹⁰ Shaoun Attwood, Pablo Escobar drogháború, Művelt Nép Könyvkiadó 2020 p.219

La Catedral

After so many murders and attacks, in 1991, both sides finally realized that this could not go on. The government knew Pablo would not surrender so he could be extradited to the United States. Several people were in favor of peace talks in Colombia, resulting in the issuance of Decree 303 on January 29, 1991. In this decree, the government promised reduced punishment and non-extradition to drug traffickers turn themselves in. In April 1991, Pablo Escobar initiated negotiations with the Colombian government, in which he stated that he wanted to go to a safe prison. In June, a day after the government canceled the extradition for all Colombian citizens, Pablo surrendered.

In Envigado, the prison was housed in a property called La Catedral de Valle, where Pablo enlisted. Although this place could not be called a prison at all. After Pablo renovated the building, he created a bar, chat room and also a disco where he organized parties and wedding. Famous people for example models, politicians and football players visited him. He also built a sauna, jacuzzi and hot tubs, football fields, playhouse for their kids and bungalows where he welcomed his female guests. As the government was no longer haunted for him, Pablo's cocaine business flourished again. He also visited football matches several times, at Christmas he was shopping at the mall, so apparently, he was subject to different rules than other detained criminals.

The media began to notice that Pablo was controlling the remaining members of the Medellín cartel from prison in the same way as he did it before and also pictures of how luxurious he lives appeared. The government, seeing the acts of violence, decided to transfer Pablo to another prison. Pablo resisted this and while the authorities were working to get into the La Catedral, Pablo escaped. He was afraid that the Colombian government would actually want to extradite him to the United States. On July 24, 1992, Pablo recorded a statement in which he offered to surrender if he could return to the La Catedral.

Escape and fall

As the authorities continued to search for Pablo across the country, it became clear to him that his bargain had not been accepted. Colombia re-accepted the help of the United States as the government wanted to catch Escobar as soon as possible. George H. W Bush put forward a 2 million dollars prize for all the information that led to Pablo's trail. The governments of both countries tried to involve as many units as possible in the search. Moreover, Pablo's enemies formed a group called Los Pepes (Los Perseguidos por Pablo Escobar, meaning 'People Persecuted by Pablo Escobar')¹¹. This group was also hunted for Pablo. After the government realized that Pablo would always be one step ahead of them, Pablo's family and friends were targeted. In response, on January 30, 1993, a bomb hidden in the car, organized by Pablo, exploded at a bookstore in Bogota, killing twenty-one people. The government made Pablo the number one public enemy and offered 6 million dollars for information leading to his capture. The search squad and Los Pepes began executing Pablo's minions and anyone associated with Pablo. The drug lord responded with bombings, but he was less and less able to keep things in his hands as his supporters ran out. While Pablo was on the run, he wrote several letters to people in the government, such as senators, that he will surrender under various conditions. But these letters were ignored by the government. On the one hand, because they had already put too much time and energy into the fight and the caught of Escobar and no longer wanted to bargain. On the other hand, the U.S. government has also put pressure on them, as it has once been proven that if Pablo's requests are allowed, it won't have a good ending. Pablo also wanted to know his family was safe, but the U.S. government would not allow them to leave the country. However, his family was housed in a government-owned building surrounded by guards. Due to the threats of Los Pepes, Pablo contacted his family more often than usual. He called his son several times a week of course they used codes. The authorities overheard these conversations and at first found it difficult to understand what they were talking about. The CIA has repeatedly raided various properties because they thought the drug lord was hiding there. Now the search had lasted fifteen months, and people were starting to get impatient. In October 1993, the government threatened to remove the guards from Pablo's family house, which would have completely exposed them to Los Pepes, who had ruthlessly murdered anyone who could

¹¹ Shaoun Attwood, Pablo Escobar drogháború, Művelt Nép Könyvkiadó 2020 p. 230

be linked to Pablo. As a result, Pablo reached an agreement with the Attorney General in November. The agreement included that Pablo would go to the Itagüí prison and could have twenty-one family visits a year. Pablo's last demand was for the authorities to take his wife and children out of the country. The attorney general promised to help the family find a safe country but only after Pablo surrendered. Pablo finally gave his word to surrender as soon as his family was taken overseas. However, the U.S. government did not support the surrender and also asked the Spanish, British and German ambassadors to reject the family's request. His family was already on their way to Germany when Pablo heard that the country refused their entry. They were transported back to Colombia and accommodated in a hotel, but no guards were set up, so the family was exposed to Los Pepes. Pablo became more and more worried about his family, so he called them more often. He usually called from a moving taxi, but the U.S. authorities still managed to measure the calls which were from the Los Olivos district of Medellín. Pablo still had helpers, mostly poor people he had helped a lot before. They warned him to stop the calls because he would be caught. Escobar was determined to flee to the jungle where there would be less chance of being captured and there, he would build a life for himself. On December 2, 1992, he made phone calls to get everything he needed for his new life, but he made the mistake of being on the line for more than five minutes. The authorities managed to get closer to his location, but they still did not know exactly where he was. During the day Pablo made several phone calls, he said goodbye to his family and talked to his son for a very long time. They talked for so long that the search squads were already on the street where Pablo was hiding. Eventually they managed to find the house and broke into it. After the drug lord spotted the authorities he tried to escape through the roof, but the soldiers opened fire and Pablo Emilio Escobar Gaviria lost his life.

Chapter 6

I would like to examine the role of the United States in the drug trade. This issue is still very important to the world to this day, because what the members of the government show us is not necessarily a reflection of the truth, so it was in the 1980s and 1990s. I don't want to weave conspiracy theories, I just describe a few facts that very few knew then, but by now it has become almost clear.

United States vs. Cocaine

Which country do you think had the best interest in eradicating drug labs in Colombia? This was the last question in my survey and the answers were shockingly correct. 93.2 percent answered that this country was the United States. The country of origin, so Colombia got four votes (5.4 percent) and Peru, the neighboring country received only one. But why was it so in the interest of the United States to liquidate those drug labs?

The Reagan-Bush administration extended its war against drug in the 1980s and the "Just say no" campaign has been created. According to Nancy Reagan all occasional drug consumers are also an accomplice in murders. Ronald Reagan founded the South Florida Task Force in 1982 with George H. W. Bush. The group consisted of people from the FBI (Federal Bureau of Investigation), the navy and the army, whose task was to fight against the smugglers. The media was filled with images and videos of the army fighting against Pablo's smugglers along the Florida coast. Authorities have managed to seize more and more cocaine and they said that the war against the drugs was successful. However, even the DEA knew that time, that the price of cocaine is constantly falling, which has meant that there is still a huge supply in the market. How was this possible? Pablo Escobar used the tactic of sprinkling a couple of pieces of information to the authorities and while they were chasing a fifty kilograms consignment, Pablo could smuggle the double or triple amount without being noticed.

In 1983 Drug Abuse Resistance Education program started in the schools of the United States. Students were encouraged to inform the police about the drug use habits of their friends and family members. As a result of this, the number the number of detainees doubled. However, the United States have not only fought against cocaine. The government has issued instructions to spray illegal marijuana plantations in the country with toxic herbicides, endangering the lives of marijuana users.

By 1986, Florida officials acknowledged that the amount of drugs flowing into the United States had reached historic highs. According to the Government Accountability Office, cocaine imports doubled in one year. On January 20, 1989 George H. W Bush was inaugurated as the President of the United States. On September 5, 1989 he outlined a strategy to eliminate drug usage, in which he appealed to the Congress for seven billion US dollars. 70 percent of that money, almost five billion dollars, would go to justice. This amount if a fraction of the money, which was flowed out of the United States and then returned in the form of cocaine during the career of Pablo Escobar.

Meanwhile in Colombia, it was clear that the Colombian authorities were incapable of apprehending drug lords. The United States sent DEA agent to Colombia to help the authorities. Why was this necessary? The United States had plenty of reasons. First of all, they could no longer allow that the money of the American citizens flow out of the country all the way to Colombia. Secondly, Bush needed a new enemy after the fall of the Berlin Wall in 1989, as the number of the communist had greatly diminished. Thirdly, and perhaps the most important reason that through the CIA (Central Intelligence Agency) the government itself facilitated the import of cocaine into the United States.

CIA as a drug dealer

Not surprisingly, the U.S government was playing on both sides. In the book of former DEA agent Cele Castillo (*Powderburns: Cocaine, Contras & Drug War*) we can find detailed stories to confirm this. In 1986 Castillo had to investigate a pilot in El Salvador who had left his plane at the Ilopango air base. During the investigation he found out that Nicaraguan rebels smuggled cocaine into the United States and used the same pilots, planes and hangars as the CIA. He also reported that a CIA agent had applied for an American visa for a rebel drug smuggler from Nicaragua, who was transporting cocaine from Costa Rica to Miami.

Pablo was aware that the CIA had helped overthrow the Bolivian government in 1980 and put cocaine smugglers in their place. After the coup, the Bolivian government began to export raw coca with the help of the CIA. The CIA has developed a safe route from Bolivia to Colombia for the cocaine paste, where the Medellín cartel bought some of it. The cartel processed the paste and exported it to the United States. It was also proven that the Nicaraguan rebels were involved in the cocaine trade in the 1980s and they bought guns with the money

they received. Of course, these weapons were bought from the United States, so it is how happened that Bush made huge profits from the cocaine trade. Moreover, when Bush was the head of the CIA in 1976, the U.S government paid two hundred thousand dollars a year to the aforementioned Noriega who turned Panama into a drug money paradise.

After a while Pablo fell out of Bush's favor for some reasons, probably because he was more valuable to Bush as an enemy. So, as we turn back, the U.S military has stepped up its actions against Pablo Escobar. Bush would have benefited from the upcoming election if he could arrest Pablo, showing the American people how important it is to fight against drugs, and how successful is the American government.

Before we begin the analysis of my main topic, I would like to present the basic information of the respondents to my questionnaire. With the questions they answered, I learned a lot about people's opinions and was able to enrich my analyzes with very interesting information.

Basic information regarding the questionnaire

First of all, I would like to present the data of the questionnaire I have already mentioned. The survey was completely anonymous, thinking about the sensitivity of the topic and I used the platform of the social network to gather responses. Fortunately, the curiosity of the topic has moved a lot of people, regardless of gender, place of residence or age.

By creating this survey, I just wanted to gather information about people's opinion and knowledge about Pablo Escobar, because I thought many of the people just know that he was a drug lord in Colombia. However, he was way more than that.

A total of seventy-seven responses were received to my questionnaire. Based on the data 37.8 percent, so totally 28 men and 62.2 percent, 46 women answered to the questions.

Regarding their age most of them, 73.0 percent, are between eighteen and twenty-five, 24.3 percent are between twenty-six and forty, 1.4 percent are under eighteen and above sixty and none of them are between forty-one and fifty-nine.

Based on the responses, more than the half of the respondents live in Budapest, 56.8 percent. 35.1 percent live in other cities for example Szeged, Pécs or Debrecen. The remaining 8.1 percent of the people live in villages.

Regarding the educational level among the respondents, I received varied answers. The majority of the people answered high school or vocational high school as the highest level of education. 35.1 percent have ongoing studies at the university. 17.6 percent have their

bachelor's degree and 5.4 percent obtained their master's degree. Only 1.4 percent of the people responded that they only went to elementary school, therefore this is their highest level of education.

The average monthly earnings of the respondents are the following. Most of the people, 36.5 percent has a salary between 101 000 and 200 000 forints. 28.4 percent earns between 201 000 and 300 000 forints. Unfortunately, 16 respondent's earning are below 100 000 forints. 5-5 people, so 6.8 percent of the answers were that their average monthly salary is between 301 000 and 400 000 forints, or above 400 000 forints.

As we can see from the answers, the respondents are in very different ages, financial status and their place of residence is also different, but they have one thing in common. All of them has heard about Pablo Escobar. This was the first question asked in the questionnaire and 100 percent of the responses showed that they have knowledge about him.

The second question was regarding the source where he or she has heard about Escobar. It was a multiple-choice question, that is why if we add up the following percentages, we will get more than 100 percent. 83.8 percent said that heard about Escobar from movies. 67.6 percent answered they obtained the information by word of mouth. Slightly fewer people, 62.2 percent, responded that they had learned of him based on news. This could be written articles, heard on the radio or in the television. 51.4 percentage voted that they gained information from books. As the answers were fixed, I had to add an "Other" option to the question, if none of the above mentioned are correct for a person. 5 people added their own answers, 6.8%, which were the following: through studies and research, heard it from an interview and last but not least 3 people mentioned that they get their knowledge from the Internet.

Chapter 7

In the next part of my dissertation, I would like to talk about Colombia itself. I will what is people's first impression of the country and then characterize the country with some general information. After that I illustrate the changes that took place in the country in the three periods I examined. At the end of the topic I draw final conclusions based on the changes taking place in the economy.

Colombia

People's first impression about the country

Before we are going into details, I want to show the results of my questionnaire regarding the knowledge and first impression of people about Colombia. The question was the following: What is the first thing that comes to your mind about Colombia? I was wondering if people really think about cocaine regarding the country, because the media only provide information which is related to this drug. I rarely hear about the Colombian culture or tourism. And unfortunately, I was right. Almost half of the respondents, 41.9 percent, answered that the first thing that comes to their mind about the country is cocaine. The second most popular answer was crime, 14.9 percent, so eleven people answered that. The surprising thing is that coffee was only ranked third, 9 people, 12.2 percent, chose this answer. Corruption, poverty and culture equally got 6-6 votes. The least favorite answer was illegality, which is surprising for me. I thought this answer will be on the second place. However, this was the last item on the list where they could choose only one. To sum up, people's opinion is unfortunately negative... Most of them think Colombia is about crime, cocaine and corruption, which is quite true, however, they also have a beautiful culture, and we can buy really good coffee thanks to them.

Basic information

Colombia, officially the Republic of Colombia is one of the best-known countries in South America. The country was named after Christopher Columbus; however, he never visited this place. Colombia is bordered by land with Venezuela, Brazil, Ecuador, Peru and Panama. This is the only country in South America which has coastlines and islands in both the Atlantic and Pacific Oceans. The capital and also the largest city is Bogotá, more than seven million people lives there. Colombia is the 28th most populous country in world with a total population of more than fifty million. Due to a lot of inhabitants, Colombia is one of the most linguistically and ethnically diverse country in the world. They are proud to be Colombians which is represented by their culture, showing the common things among diversity. The official language is Spanish; however, the country has 68 recognized regional languages. The official currency is the Colombian peso since 1810. Regarding the religion, 88.6 percent of the people are Christians, which is a huge number compared to Hungary, where only 54.3 percent of the population. Music plays a very important role in the lives of Columbian people, the country even has different musical regions, which led to diverse and dynamic musical environment. Not only music is different by regions, but dishes and ingredients as well. Some of the most common ingredients are rice, potato, beef, chicken, fish and seafood. Moreover, the country is one of the world's largest consumers of fruit juices thanks to the many different fruits that can be found in Colombia. Based on my survey a lot of people think about Colombia as a dangerous country, because of crime, violence and corruption, but during the last two decades the country's crime rate declined steadily. This means that the country is trying to change and dispel established stereotypes

Economy

Colombia is an agricultural industrial country, moderately developed among the Latin American countries.

In my questionnaire respondents had to answer the following question: Based on your knowledge, please rate Colombia's economic standard in the following periods: Before Pablo Escobar, During the "work" of Pablo Escobar and after Pablo Escobar's death. They had to

assessed on a scale of one to five, where one meant weak and five meant strong. Let's see the answers period by period.

The first period (Before Pablo Escobar) was rated as a two by thirty-nine people, twenty-one gave this period a one, which is the weakest rate, thirteen people voted to three, the average, and only one person rated this period as a four. Five, the strongest rate did not receive any votes. Calculating the average rate, we get 1.84, which is not a high value.

The second period (During the "work" of Pablo Escobar) was rated as a four by thirty people, twenty-six respondents gave a three to this period, twelve people voted to five, and six people rated it as a two. None of the respondents voted for one. The average rate of this period 3.51, which is almost the double of the first period's rate.

Finally, the third period (After Pablo Escobar's death) got thirty-nine votes for three, eighteen votes for two, eleven people gave a four to this period, five respondents voted for one and only one vote were given to five. The average rate for this period is 2.69, which is 0.82 less than in the second period.

Based on the answers, most of the participants think that Pablo Escobar had a huge impact on Colombia's economy in a positive way, however after his death, the country did not fall back as much as it was before Pablo. In the following section I would like to show whether this is true or not.

Before Pablo Escobar:

Between the 1920s and 1950s Colombia was a mono-export economy, due to the fact that 75% of the country's exports were coffee. Almost all of the Colombian exports were shipped to the United States and Europe to the main commodity markets, New York, Hamburg and London. Colombia also had trading partners on the South American continent. Venezuela was the largest one and during the 1920s the main products which was exported to the country were coffee and hides. The main import goods from Venezuela were cocoa, salt and cattle. In the following years Colombia included some plant products, cotton and meat to the exported items. Ecuador was the second largest trading partner of the country. The exported items were the following: hats, coffee and livestock, while the imported goods from Ecuador were cocoa, raw cotton, vegetable products and wool yarn. The rapid economy growth, which was due to the export of coffee, strengthened the country. The success of coffee thus eventually led to a reliable transport network that accelerated urbanization and industrialization. During the second

world war the trade increased between Colombia and other South American countries for example Brazil, Argentina, Chile and Uruguay. The main exported items to these countries were textiles, footwear, sugar, tobacco, crude oil and coffee. The main imported goods were cocoa. If we want to observe this economic growth through numbers, we have to take a look at the country's growing GDP. In 1920 the Colombia's GDP per capita was \$ 1,484.00 and increased continuously and in 1950 the GDP per capita rate was \$ 2,984.00, which is more than twice as much as it was in 1920. However, we have to mention that during the Second World War we can observe a decrease in the rates, due to the closure of the European markets.

Between 1950 and 1967 Colombia followed a program called import-substitution industrialization, in which most of the manufacturing companies turned to domestic consumption. In the 1950s, high coffee prices facilitated the availability of resources and therefore the financing of sectors such as the industrial sector. After 1967, designers in both government and industry shifted their economic strategy to promoting exports, emphasizing non-traditional goods, such as clothing and other manufactured consumables in addition to processed coffee. In 1967 the country's GDP per capita was \$ 3,747.00.¹²

During Pablo Escobar

Between 1967 and 1980 the Colombian economy experienced a sustained growth, especially in the coffee industry. Before this period Brazil was the main exporter of that good, however, due to severe weather problems coffee prices reached unprecedented levels in the 1970s. These high prices led to a significant expansion of production in Colombia. In just over a decade, Colombia's coffee production doubled. This growth led to an increase in the income and purchasing power of thousands of households, which were involved in coffee production, therefore the consumption has also increased. Most of the economic activities took place in the northwestern part of the country. The main agricultural areas for coffee, sugarcane and cotton were Montebello, Cali and Cartago. Santa Maria and Turbo were the areas where bananas were grown. Most of the mines were located in the middle part of the country, where coal, iron, gold, silver platinum and emeralds were found. Manufacturing industries were also located in the northwestern part of Colombia, mainly in bigger cities like Cali, Medellín, Barranquilla and Bogotá. They were characterized by the following activities: production of textiles, cement, pharmaceuticals, also food processing, petroleum and sugar refining. One of the most important

¹² Leonardo Villar Pilar Esguerra (2005) El comercio exterior colombiano en el siglo xx. Source: <https://www.banrep.gov.co/docum/ftp/borra358.pdf> Downloaded: 2020-10-30 9:30

changes during this period was that the exports of crude oil and mining products almost completely disappeared by 1970s.

In the 1980s the decline in the coffee prices and the global recession caused balance of payments problems for Colombia. Therefore, the government stated import controls in 1983 to prevent the depletion of the country's foreign exchange reserve. The government on a proposal from the IMF (International Monetary Fund), reduced social spending and subsidies for education and housing. Meanwhile the international competitiveness of domestic products has deteriorated due to the crisis in the industry. Moreover, internal strife caused by guerillas and drug traffickers was not conducive to Colombia's legal agricultural activity. It has also created a very unfavorable are for both domestic and foreign investors. By the 1980s the country became one of the largest suppliers of cocaine in the world. The majority of Colombia's exports were illegal drugs, marijuana and cocaine. In 1967 the country's GDP per capita was 3,747.00 dollars. At the end of the 1980's this rate was 6,825 dollars, which is almost the double of the rate that was in 1967. Considering that other export items were pushed into the background by drugs, during this period of time this is a huge increase in just two decades.¹³

In the late 1980s and early 1990s mainly those sectors developed (not just in Colombia) which helped catching the drug lords. Let me show some examples. Thanks to the strict drug laws, which resulted in high incarceration, private prisons have made huge profits. Some companies made millions of dollars. Airline companies made hundreds of millions of dollars because they had to build helicopters for the authorities to catch the drug lords.

Post-Pablo economy

In my questionnaire I asked the respondents the following question: In your opinion did cocaine production in Colombia decline after the death of Pablo Escobar? Surprisingly more than the half of them, thirty-nine people (52.7 percent) said no. 44.6 percent answered that somewhat yes, the production declined. And only two respondents said yes, definitely. So, in the following topic let's find it out.

The Medellín cartel lasted until 1993, until the death of Pablo Escobar. However, in Colombia this was not the only drug cartel that existed. The Cali Cartel, which was located in southern Colombia, assisted in capturing Pablo Escobar. The two cartels have always been rivals of each other. The Cali Cartel operated between 1977 and 1998. The Norte de Valle

¹³ Leonardo Villar Pilar Esguerra (2005) El comercio exterior colombiano en el siglo xx. Source: <https://www.banrep.gov.co/docum/ftp/borra358.pdf> Downloaded: 2020-10-30 9:30

Cartel appeared in Colombia in the 1990s but did not gain huge power until the Cali and the Medellín cartels came to an end. After this they became the most powerful illegal drug traffickers in Colombia. They operated from the 1990s until 2012. Colombia still has illegal drug laboratories and still exports cocaine to the United States and Europe. After the death of Pablo Escobar, the drug trade receded somewhat in Colombia, but much work remains to be done by the Colombian government to completely eradicate it.

In 1993 Colombia's GDP per capita was 7,170 dollars. The late 1990s and early 2000s showed fluctuations in the country's GDP.¹⁴ But since 2002 GDP values have been rising steadily. In 2017, which is the most recent data about the country, GDP by sectors were the following. Financial services industry played a huge role 21 percent of the GDP, this was followed by the social services sector with 16 percent. Trade, hotels and restaurants had 12 percent, while manufacturing 11 percent. The following three areas had 7 percent in Colombia's GDP: Agricultural sector, Construction, and Transport, storage and communication. Mining gained 6 percent from the total while electricity, gas and water supply only 3 percent. Moreover, Colombia's poverty rate is steadily declining. While in 2001 more than the half of the population, 60 percent lived in poverty, data from 2017 shows that this percent now is just 27.8, which is still high, but shows a very impressive declining trend.¹⁵

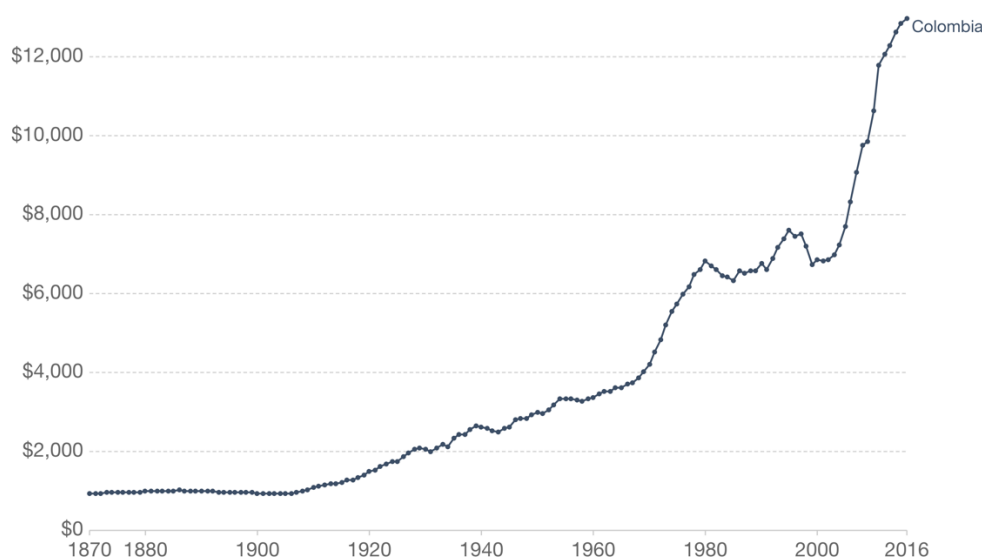
In summary, the figure below shows how the country's GDP per capita has evolved over the years. It has shown a steady upward trend since the 1970s. When Pablo's illegal activities peaked, the country's GDP also showed growth. However, due to fluctuations in the political and social situation, GDP began to decline by the 1990s. This fluctuation also characterizes the late 1990s and early 2000s. However, since then, the country's GDP has been steadily rising and in 2016, GDP per capita was 12,000 dollars. This amount is double what it was in the 1980s, when the Medellín cartel made a huge profit.

¹⁴ Our World in Data. Source: <https://ourworldindata.org/economic-growth> Downloaded: 2020-11-24 20:34

¹⁵ Leonardo Villar Pilar Esguerra (2005) El comercio exterior colombiano en el siglo xx. Source: <https://www.banrep.gov.co/docum/ftp/borra358.pdf> Downloaded: 2020-10-30 9:30

GDP per capita, 1870 to 2016

GDP per capita adjusted for price changes over time (inflation) and price differences between countries – it is measured in international-\$ in 2011 prices.



Source: Maddison Project Database (2018)

OurWorldInData.org/economic-growth · CC BY

Note: These series are adjusted for price differences between countries using multiple benchmark years, and are therefore suitable for cross-country comparisons of income levels at different points in time.

Figure 1: Source: <https://ourworldindata.org/economic-growth> Downloaded: 2020-11-24 20:34

Pablo Escobar's impact on Colombian economy

Of course, since Colombia was one of the most successful drug exporters in the world, a number of calculations were made of the magnitude of exports, but all of this could only be estimated, as being an illegal trade, the path of money is untraceable. Today, we still hear in the media news that shows the value of the seized drugs, their street value in the seizure area, but as in any commercial process, we set more prices here if we look at exports. Export prices can be estimated by taking into account the following factors: the capital invested in the crop, the amount paid by distributors and finally the final amount paid by the consumer. As I mentioned, the path of money is untraceable, as drug traffickers invest their money not only in their own countries (in this case Pablo Escobar and Colombia) but also in other countries, such as banks, which offer discrete options for dealing with illegal income (e.g., Switzerland, Caribbean).

In the following topic below, I would like to present some estimated calculations from different authors, regarding the Colombian drug trafficking.

Hernando José Gómez estimated the total income of Colombian drug traffickers between 1981 and 1988 at 14 billion dollars, which includes the production of the cocaine base,

i.e., coca paste itself, its import and processing to Colombia, and its export to the United States. However, marketing in the United States and consumer prices sold there are not included¹⁶.

Salomón Kalmanovitz estimated in 1994 that the country's total revenue from illegal exports was 18 billion dollars between 1988 and 1992. He carried out his calculations in such a way that the aforementioned price was a net price, since he deducted 30 percent from it.

However, we must not ignore the fact that Colombian drug dealers did not have to convert their income in dollars into pesos, because it was not profitable for them. In only a few cases did it make sense for drug barons to pay in dollars, for example in the following.

1. Imports of raw materials mainly from Peru and Bolivia, purchases of chemicals (which are needed for the final product) from other countries, security services such as communication devices and weapons. Furthermore, the salaries of the Colombian producers, the costs of transportation and refining, the payment or purchase of the vehicles such as aircraft, and last but not least the payment of the Colombian authorities. These activities cover the 30 per cent deducted from the calculations of Kalmanovitz mentioned above.

2. The spending and consumption of cocaine lords, for example, the construction of luxury homes, as in the case of Pablo Escobar, the Hacienda Nápoles, and the generous donations to the poor, such as construction in poor neighborhoods. Also, travel costs such as American vacations several times a year.

3. Individual investments that were sought to be kept out of large financial and industrial groups by, for example, transport companies, Pablo, for example, operated its own taxi company.

Drug trafficking displaced the country's other exports so much, that it was difficult for the economy to stabilize again after the end of the Medellín Cartel.

The figure below shows Colombia's revenues from drug trafficking as a percentage of GDP between 1981 and 1998. As the figure shows, between 1985 and 1993, cocaine accounted for an average of 5 percent of the country's GDP, which was between 70 and 80 percent of the total exports. Of course, this was also the period when Pablo Escobar made the most fortune. After his death in 1993, we can see that revenues fell sharply, but even so they did not reach zero. Income from drug trafficking as a percentage of GDP stagnated around 2 percent. This percentage is real to this day, with a 25 percent of the country's total export is drug trafficking.

¹⁶ Jorge Orlando Melo (1998), *The Drug Trade, Politics and The Economy: The Colombian Experience*, Source: https://www.researchgate.net/publication/312997042_The_Drug_Trade_Politics_and_The_Economy_The_Colombian_Experience Downloaded: 2020-11-29 13:00

FIGURE: COLOMBIAN DRUG TRAFFICKING INCOME 1981 - 1998, AS A PERCENTAGE OF GDP

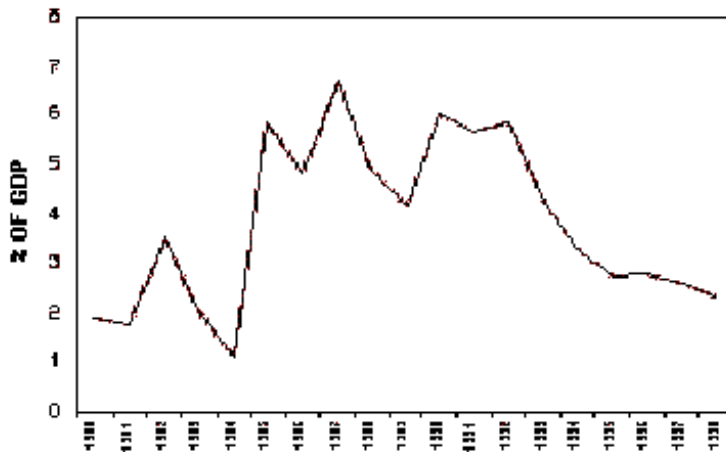


Figure 2 : “Drug Cartels and The Colombian Economy” Francesca Muchow, Katee Kuhlman, Bronwyn Lord University of Oregon.
https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/24636/muchow_urs_2019.pdf?sequence=1&isAllowed=y
 Downloaded 2020-11-23 12:20

Since cocaine dealers were not worth the dollar exchange peso, a money laundering system was set up. Often, the proceeds of one illegal trade were invested in another illegal trade, the smuggled goods. They imported household appliances, textiles, spirits and tobacco from abroad, which were passed on at low prices in Colombia, at a loss, of course, but the money was laundered. These goods had a negative impact on decent businesses, as they sold their products at much higher prices and could not compete with illegally smuggled goods. However, through smuggling, some households were able to afford items that they could not afford at normal imported prices.

From a macroeconomic point of view, the drug trade has undoubtedly contributed to the development and stability of the economy, as the size of the dollar appearing in the country has helped Colombia reduce its public debt, for example, and the country has had to demand less credit internationally. However, due to the violence and illegality in the country, fewer and fewer foreign investors have arrived in Colombia.

Of course, we must not forget the workers for whom the drug trade has provided a fixed income. In 1994, Kalmanovitz pointed out that about forty-five thousand people in the labor market depend on cocaine cultivation and about twenty thousand on drug processing. including other job opportunities such as transport workers, armed custody, etc., the livelihoods of a total

of seventy thousand people depend directly on this drug. These people represents less than 0.5 percent of national employment, but they account between 6 and 7 percent income. However, the drug trade has only provided people with short-term jobs and diverted attention from legally produced crops such as coffee, making this sector of agriculture less profitable. One of the long-term negative consequences of the short-term recovery is that 6-7 percent of the labor market has lost its income, and some people who did not want to participate in the drug trade have been relocated to other areas of the economy. At the peak of cocaine cultivation, it is estimated that the land ownership of drug traffickers accounted for one-third of Colombia's agricultural land. So far, the loss of livelihoods of peasants has shown huge income inequalities between rich and poor. Although the livelihoods of those working in cocaine fields proved to be secure in the short term, they had a negative impact on peasants in the long term.¹⁷

It is important to mention that Colombia fought against cocaine producers and this was reflected in the country's spending. In the 1970s, the fight against drug barons accounted for a total of 1.7 percent of the country's GDP, including police, military and other officials, as well as equipment.¹⁸ Over the years, these forces proved to be small and the cocaine empires continued to grow, so by 1994 the aforementioned rate had reached 3 percent. During the drug war, demand for services provided by private security companies such as alarms, security grilles and vehicle armor jumped.

Thanks to Pablo's investments, the city in Medellin has reached a level never seen before. In the 1980s, the number of construction sites quadrupled thanks to drug money. Changes can also be observed in the education system, as Pablo Escobar has built schools and donated various learning aids to poorer neighborhoods. The cartels redesigned the city, causing its social structure and legal wealth to disintegrate.

Analyzing Pablo Escobar's fortune, some sources pointed out that the cartel spent 2,500 dollars a month just to collect the banknotes in bundles with rubber bands. Moreover, thousands, if not millions, of dollars fell as rats chewed banknotes stored in various buildings¹⁹.

¹⁷ Jennifer S. Holmes Sheila Amin Gutiérrez De Piñeres (2006) *The Illegal Drug Industry, Violence and the Colombian Economy: A Department Level Analysis* Source: <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.0261-3050.2006.00155.x> Downloaded: 2020-11-05 13:20

¹⁸ Jorge Orlando Melo (1998), *The Drug Trade, Politics and The Economy: The Colombian Experience*, Source: https://www.researchgate.net/publication/312997042_The_Drug_Trade_Politics_and_The_Economy_The_Colombian_Experience Downloaded: 2020-11-29 13:00

¹⁹ Sarah Becker (2013), *The Effects of the Drug Cartels on Medellín and the Colombian State*, Source: <https://bir.brandeis.edu/bitstream/handle/10192/25053/BeckerThesis2013.pdf?sequence=1> Downloaded: 2020-11-27 09:35

Political effects:

The biggest impact of drug trafficking on politics is clearly measurable in corruption. It became clear that the Medellín cartel was able to influence politicians and the local police. They achieved their goals with bribes and threats. The payouts of the local police started as early as Pablo's young age, as I mentioned earlier and during his career the vast majority of the police officers also worked for him. Pablo backed the presidential candidate he favored with his huge fortune. Although everyone knew, or at least suspected, that Pablo was not seeking his property legally, they were more afraid of him than to take action against it. This continued until Justice Minister Lara Bonilla spoke against Pablo in Congress. It also shows that politicians had enough of a "little hope" that politics could take a legal line, after Lara Bonilla's speech they also resisted Pablo. Although many unfortunately paid for it with their lives. Unfortunately, the Colombian judiciary was so weak, and intimidation and corruption were so commonplace that during the aforementioned drug war, the Colombian authorities also had to fight with the weapon of violence. Furthermore, the authorities were so unable to take up the fight against the cartels that they were forced to enlist the help of the United States.

Social effects:

Armed violence has also emerged in Colombia as part of the illegal trade. Perhaps the most conspicuous form of this in the society is the young people who were called sicarios. Sicarios were most often young teenagers living in the slums of Medellín. When Pablo Escobar set a blood feud on the heads of members of the Colombian police, these young people received thousands of dollars for killing an officer. More than three hundred police officers, politicians and journalists lost their lives during this period, resulting a huge amount of money flowing into the slums.²⁰ Of course, this created an image in young people that is very disadvantageous for society. This violence has become commonplace in their lives, thus gaining a distorted picture of the world. After all, normally juveniles do not kill people for money. Furthermore, they developed the image that making money is a simple and quick process, they don't have to work so hard for it and thus they didn't have a real profession. During the 1980s and 1990s the increase in the number of homicides was the most worrying factor in everyday life. In 1983 the number of the murders per 100,000 people did not exceed a hundred, but in the following year

²⁰ Pilar Riaño-Alcalá (2017) Source: https://www.academia.edu/11425480/Medellin_Colombia_Reinhabiting_Memory Downloaded: 2020-11-20 15:46

the value increased steadily. Reached its peak between 1990 and 1992 when the quarrel between the Medellín cartel and the Colombian authorities (and the DEA) became unmanageable. In this period the number of murders per 100,000 people was almost 450. Colombia was then only referred to as the murder capital of the world.²¹

Conclusion

Overall, Pablo Escobar's activities had different effects on Colombia's economy. In the short run, the positive effects can be highlighted, while in the long run, this positivity cannot be detected, and even turned into a negative one. Short-term GDP per capita growth, driven by illegal trade, has led to long-term fluctuations since the decline in activity, as the economy has had to recover. Due to the reorganization of the labor market, workers employed at the peak of the cocaine trade have had to look for new jobs since the mid-1990s and thus unemployment has risen. Illegal activities in agricultural production, cocaine cultivation, displaced most of the legal crops, so after several drug-producing areas were eliminated, the economy had to restart agricultural activities in the country. The drug trade was a significant source of revenue for the Colombian economy, but the stability of the economy would have been different. Although, the country also had other exports, there was a period when they were pushed into the background and replaced by cocaine. Nevertheless, Colombia would still have a functioning economy, as there was always a huge market for example coffee or oil. The only foreseeable effect of the cessation of drug trafficking that the country's economic market would be less competitive, Colombia would not have a separate commercial market. So, the country would have to compete with other high oil-producing economies for example with the Middle East. Indirect effects of Pablo Escobar include, for example, that after his death, the animals in his zoo escaped and the hippos he brought in have since become an integral part of Colombian wildlife. Political corruption would not have reached such proportions in the country if there had been no illegal activities. Also, we can be sure that the crime rate, number of homicides would have been much lower, and the country would not have struggled to this day to control this violence. The poorer sphere in society would probably never have benefited from the luxury of more expensive items, but they could have done so thanks to illegal smuggling. Although these events have upset the economic gap between the poor and the rich. Young people who were eliminated

²¹ Brauer, Jurgen and Gomez-Sorzano, Alejandro Gustavo (2004), Homicide Cycles In Colombia, 1950-1999, Source: <https://www.usc.gal/economet/reviews/ijaeqs112.pdf> Downloaded: 2020-11-27 12:30

from the slum later found it difficult or impossible to integrate into society and fell back into the slums. Colombia has gained a place on the map of drug trafficking itself thanks to Pablo Escobar and the Medellín cartel. Furthermore, people have stigmatized the country that only drug trafficking, corruption and violence characterize the country. And perhaps this is one of the biggest negative effects the country is struggling to this day.

List of References:

Books:

1. Juan Pablo Escobar, Apám, a dorgbáró, Helikon kiadó, 2017,2018,2019,2020
2. Shaoun Attwood, Pablo Escobar drogháború, Múvelt Nép Könyvkiadó 2020
3. Victoria Eugenia Henao, Mrs. Escobar- Életem Pablóval, Múvelt Nép Könyvkiadó, 2019

Online sources:

4. Brauer, Jurgen and Gomez-Sorzano, Alejandro Gustavo (2004), Homicide Cycles In Colombia, 1950-1999, Source: <https://www.usc.gal/economet/reviews/ijaeqs112.pdf>
Downloaded: 2020-11-27 12:30
5. Christian Cipollini (2019) : Colombian Drug Lord Pablo Escobar Spent Seven Years On Forbes List Of World's Richest Source: <https://themobmuseum.org/blog/colombian-drug-lord-pablo-escobar-spent-seven-years-on-forbes-list-of-worlds-richest/> Downloaded: 2020-11-26 9:50
6. Francesca Muchow, Katee Kuhlman, Bronwyn Lord (2019), “Drug Cartels and The Colombian Economy”, Source: https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/24636/muchow_urs_2019.pdf?sequence=1&isAllowed=y Downloaded: 2020-11-30 18:05
7. Francisco E. Thoumi (2002), Illegal Drugs in Colombia: From Illegal Economic Boom to Social Crisis, Source: https://www.jstor.org/stable/1049737?seq=13#metadata_info_tab_contents Downloaded: 2020-11-20 10:05
8. Grace Brown (2017), Barrio Pablo Escobar: where Colombia's most infamous drug lord lives on, Source: <https://colombiareports.com/barrio-pablo-escobar-medellin/> Downloaded: 2020-11-26 13:45
9. Graham Seal (2009), The Robin Hood Principle: Folklore, History, and the Social Bandit Source: <https://www.jstor.org/stable/pdf/40206940.pdf?refreqid=excelsior%3A68fc7e0877b54db2e1b04672759eaa1b> Downloaded: 2020-11-05 11:25
10. Jenna L. Bowley (2013), Robin Hood Or Villain: The Social Constructions Of Pablo Escobar, Source:

https://www.researchgate.net/publication/304129357_Robin_Hood_or_Villain_The_Social_Constructions_of_Pablo_Escobar Downloaded: 2020-12-02 17:30

11. Jennifer S. Holmes Sheila Amin Gutiérrez De Piñeres (2006) The Illegal Drug Industry, Violence and the Colombian Economy: A Department Level Analysis Source:

<https://onlinelibrary.wiley.com/doi/abs/10.1111/j.0261-3050.2006.00155.x> Downloaded: 2020-11-05 13:20

12. Jorge Orlando Melo (1998), The Drug Trade, Politics and The Economy: The Colombian Experience, Source:

https://www.researchgate.net/publication/312997042_The_Drug_Trade_Politics_and_The_Economy_The_Colombian_Experience Downloaded: 2020-11-29 13:00

13. Juan E. Méndez (1992) Political Murder and Reform in Colombia, Source:

<https://books.google.hu/books?id=dkpSEasMpi0C&pg=PA77&lpg=PA77&dq=colombia+1991+january+29+3030&source=bl&ots=4NjvSwKpfu&sig=ACfU3U2r0f70HFbZBBris-vLsXmgw0iVxg&hl=hu&sa=X&ved=2ahUKEwiq1tv-m8LtAhVFKBoKHS5qDZAQ6AEwAnoECAEQAg#v=onepage&q=colombia%201991%20january%2029%203030&f=false> Downloaded: 2020-12-01 18:30

14. Juan José Echavarría (1987) Colombia, 1970-85. Management and consequences of two surge external shocks. Source: <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6883.pdf> Downloaded: 2020-11-04 10:25

15. Leonardo Villar Pilar Esguerra (2005) El comercio exterior colombiano en el siglo xx. Source: <https://www.banrep.gov.co/docum/ftp/borra358.pdf> Downloaded: 2020-10-30 9:30

16. Magyar Nemzeti Bank (2016), A kolumbiai békefolyamat politikai és gazdasági vetülete, Source: <https://www.mnb.hu/letoltes/a-kolumbiai-bekefolyamat-politikai-es-gazdasagi-vetulete.pdf> Downloaded: 2020-11-27 19:40

17. Maria Isabel Restrepo Estrada (2017): Regional trade integration and industrialization. Colombia and South America in the first half of 20th Century.

Source: https://earchivo.uc3m.es/bitstream/handle/10016/25625/Tesis_MariaIsabel_Restrepo_Estrada_2017.pdf?sequence=1&isAllowed=y Downloaded: 2020-10-14 16:50

18. Our World in Data, Source: <https://ourworldindata.org/grapher/average-real-gdp-per-capita-across-countries-and-regions?country=~COL> Downloaded: 2020-10-27 17:40

19. Patricia Micolta (2012), Illicit Interest Groups: The Political Impact of The Medellín Drug Trafficking Organizations in Colombia, Source:

<https://digitalcommons.fiu.edu/cgi/viewcontent.cgi?article=1732&context=etd> Downloaded: 2020-11-15 19:45

20. Peter S. Green (2020), How Cocaine Traffickers from Medellín Transformed the Multibillion Dollar Global Drug Trade, Source: <https://www.wsj.com/ad/cocainenomics>
Downloaded: 2020-12-03 11:40
21. Ricardo Rocha García (2003) Drug Trafficking And Its Impact On Colombia: An Economic Overview, Source:
https://www.jstor.org/stable/41800192?seq=1#metadata_info_tab_contents Downloaded:
2020-11-21 17:40
22. Sarah Becker (2013), The Effects of the Drug Cartels on Medellín and the Colombian State, Source:
<https://bir.brandeis.edu/bitstream/handle/10192/25053/BeckerThesis2013.pdf?sequence=1>
Downloaded: 2020-11-27 09:35
23. United Nations, Office on Drugs and Crime, Source:
<https://www.unodc.org/unodc/en/drug-trafficking/index.html> Downloaded: 2020-11-21 11:20
24. <https://en.wikipedia.org/wiki/Cocaine> Downloaded: 2020-11-30 17:45

DECLARATION

I, the undersigned **Kata Varga** aware of my criminal responsibility, I declare that the facts and figures contained in my dissertation correspond to reality and that it describes the results of my own independent work.

The data used in the dissertation were applied taking into account the copyright protection.

No part of this dissertation has previously been used in other training at an educational institution during graduation.

I accept that my dissertation is subject to plagiarism control by the institution.

Budapest, 2020 year December month 14 day

.....

.....
student's signature

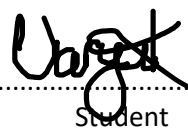
Declaration on the work uploaded to the BBS Repository of Degree Theses

I, the undersigned **Kata Varga** (Neptun code **EQ4HNQ**), declare the following in connection with my dissertation (hereinafter work) entitled **The impact of Pablo Escobar on the Colombian Economy**

I declare that I have not infringed any other author's rights by uploading the work to the BBS Repository of Degree Theses. I understand that the University does not check the existence of copyrights.

- I declare that the work is (*underline the relevant part*)
 - confidential
 - available for the public.
- I acknowledge that
 - in case of copyright infringement, the University temporarily restricts the availability of the relevant document for the period of clarification of the copyright infringement.
 - in case of copyright infringement, the relevant work will be immediately removed from the Repository by the Repository administrator.
 - if I declare my dissertation available to the public, the university will make the dissertation accessible on the Internet. My consent is a non-exclusive, unlimited authorisation in time, provided that my copyright is fully respected.

Place and date: Budapest. 2020.12.14



.....

Student

OH