

The Geopolitics of Drugs

by George Friedman - July 28, 2025

Last month, President Donald Trump declared – not for the first time – the drug cartels in Latin America to be international terrorists. And to some extent, they are, operating as they do through the use of terror. But they are not religious or even ideological. Their goal is to make money and to use that money to protect their positions of power. Terrorism is merely an adjunct to this goal.

To paraphrase Allen Ginsberg, some of the best minds of my generation have been destroyed by drugs, so I have no moral objection to destroying the organizations that traffic them. But destroying terror organizations is not easy, especially when they are so enormously wealthy. But wealth is just one aspect of their power. The others are based on fundamental elements of human nature: fear and greed. The combination of the two factors makes drug cartels far more powerful than ideologically motivated groups. Those groups can kill; drug cartels can kill, but they can also lavishly reward. Ideology is a powerful force, but nothing near the power of greed and fear, which creates a compelling defensive system.

The only way to destroy the cartels is to cut off the flow of money that buys loyalty in their countries and elsewhere. And the flow of money rests on the vast demand throughout the world – particularly in the United States – for the drugs they traffic, which create a loyal and desperate customer base. Demand, as much as greed, is the foundation of their ability to move their wares across borders. The fear of their ruthlessness and the prospect of earning money can and do shatter border control policies.

Thus, the only way to destroy the cartels is to dramatically lower the price of drugs. Admittedly, there have been many unsuccessful attempts to reduce demand. I have no doubt I could quickly find a source for any narcotic if I wanted to. The idea that we can stop the flow of drugs into the United States while prices and demand are so high is an illusion that has failed for decades.

There is a precedent for this in another substance: alcohol. Its effects can be as addictive and devastating as any narcotic. In an attempt to undermine its influence in society, the U.S. outlawed the sale and production of alcoholic products in the 1920s. Prohibition, as it was called, created several cartels in the U.S, and some of its effects still linger. The theory was that by making alcohol illegal, no one would buy or sell alcoholic beverages. This was an illusion. Prohibition could not eliminate the

desire for alcohol – not only among alcoholics but also among those who enjoyed it responsibly. By making alcohol illegal, Prohibition dramatically increased the price of liquor without reducing demand. If anything, it increased demand by making it cool.

Whatever decreases in demand Prohibition might have created were offset by the increase in price. Ultimately, the end result of Prohibition was the empowerment of organized criminal groups, which were aided by alcohol's addictiveness – and by the seductiveness illicit goods can exude. The money generated by organized crime led to widespread corruption of public and private institutions, in some cases including the police. Prohibition ended in 1933 because the consequences were like those we now see in the drug war.

It brings me no joy to say this, but the greatest blow to Prohibition-era organized crime was the legalization of alcohol. Once it was legalized, money from the alcohol trade ended up in the hands of organized businesses, not organized crime groups. It didn't solve the problems of addiction and demand, but it lowered the price of booze, thus depriving criminal groups of their source of power. As far as I can tell, the only way to break the cartels is to legalize or at least decriminalize narcotics.

Prohibition should have taught us that if something people crave is illegal, merely raising the prices funnels power into the hands of those who, by definition, are criminals. The power of Prohibition-era organized crime lasted a long time after Prohibition ended. Such was the extent of the influence of licit institutions. The fight against the cartels cannot be won if demand cannot be dramatically reduced and prices remain high. There is simply too much money that can be used to buy protection and build power. To be sure, it's a paradox. I don't know how to cut demand, and I would happily destroy the drug cartels if it were in my power to do so.

I stand with Trump on this issue, but I would use another and almost certainly more unpopular solution. It is not my role to suggest solutions, but breaking the cartels without undermining their business model won't work. Governments cannot break drug cartels because fear and greed govern these countries.

The reasonable fear is that legalizing drugs will increase and legitimize drug use. The counterargument is that drug use is rampant in spite of illegality, and illegality is the foundation of the power of the cartels. There is a genuine moral imperative not to legitimize something that destroys lives. But then we must face the fact that the greatest enemy of making drugs legal is the cartels.

I am not recommending this strategy. I am simply saying that you cannot defeat the cartels without undermining their power, and their power is based on the money that buys loyalty and weapons, and is the foundation of the terror of the cartels.

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