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“Success or Failure? Evaluating U.S.-Mexico Efforts to Address Organized Crime and Violence”

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Introduction

Mexico has seen an upswing in drug-related violence as at least seven different organized crime groups dispute key corridors for trafficking cocaine, marijuana, heroin and methamphetamines to the U.S. market. In 2009 alone, over 6,500 people were killed in showdowns between criminal organizations or between them and public authorities, and a growing number of civilians have been among those murdered.¹ The number appears to have surpassed 10,000 already this year.² In addition, many of the trafficking organizations have branched out into other criminal enterprises, including extortion, kidnapping and immigrant smuggling. The murder of 72 migrants in Tamaulipas in August 2010 was a tragic reminder of these new ventures.

¹ David Shirk, “Drug Violence in Mexico: Data and Analysis from 2001 to 2009,” University of San Diego, Trans-Border Institute, January 2010, available at www.wilsoncenter.org/securitycooperation.

² “Suman 15 alcaldías 50% de ejecuciones,” *Reforma*, November 12, 2010.



Mexican authorities correctly point out that the country's overall murder rate is far below that of several other countries in Latin America, including Brazil, Venezuela, Colombia and El Salvador, and no different than that of the United States in the early 1990s.³ Yet this is small comfort to those who live in those parts of the country, including many of the cities on the U.S.-Mexico border, where trafficking organizations are fighting against each other with a savagery that shapes people's daily life. Moreover, the violence is only one symptom of a deeper problem – the growing strength of organized crime. The murder rate is high in the places where two or more groups are fighting over shipment corridors, but there are many more parts of the country where a single trafficking organization operates with impunity and often, with the complicity of public authorities.

Mexican organized crime groups were not always so powerful, but perhaps it was inevitable that a country located next to the United States, the world's largest consumer market for illegal narcotics, would eventually become home to powerful crime groups bent on satisfying that market. Mexico had long had small drug trafficking organizations that controlled some of the marijuana and heroin trade to U.S. consumers. However, in the 1980s, Colombian drug trafficking organizations began shifting their routes through Mexico, in response to increased interdiction in the Caribbean, and partnered with the Mexican traffickers to transport cocaine. Throughout the 1990s, the Mexican traffickers grew in strength as the Colombian trafficking organizations were weakened, and they grew to control more of the cocaine market, as well as establishing themselves in the newly-lucrative business of synthetic drugs. By the new millennium, the Mexican organizations had established their country as the new epicenter of the illegal narcotics trade in the hemisphere and the principal route to the United States.⁴

U.S. policymakers have rightly recognized a *shared responsibility* for the growing strength of Mexican trafficking organizations and the violence they sow in the country next door. U.S. consumers of illegal narcotics send anywhere from \$19 to \$39 billion southward to Mexico and Colombia each year. Cocaine appears to be the principal driver of this business, although marijuana, methamphetamines and heroin provide significant additional revenues for Mexican trafficking organizations, as do their other domestic activities like extortion and kidnapping.⁵ In addition, Mexican traffickers purchase the vast majority of their high-powered weapons from U.S. gun dealers. In the end, the rising crime rate in Mexico is inextricably linked to ongoing demand for illegal narcotics in the United States.

Under the George W. Bush administration, the U.S. government first committed to provide a \$1.4 billion aid package known as the Merida Initiative to help the Mexican government address the threat posed by traffickers. The administration of Barack

³ Shirk, "Drug Violence in Mexico."

⁴ For an analysis of the rise of drug trafficking organizations, see Luis Astorga and David Shirk, "Drug Trafficking Organizations and Counter-Drug Strategies in the U.S.-Mexico Context," Working Paper, Woodrow Wilson Center Mexico Institute and University of San Diego Trans-Border Institute, May 2010, available at www.wilsoncenter.org/securitycooperation, and Shannon O'Neil, "The Real War in Mexico," *Foreign Affairs*, July/August 2009.

⁵ Beau Kilmer, Jonathan P. Caulkins, Brittany M. Bond, and Peter H. Reuter, *Reducing Drug Trafficking Revenues and Violence in Mexico: Would Legalizing Marijuana in California Help?* Washington, DC; Rand, 2010.



Obama has taken this cooperation a step further, working with the Mexican government to develop a comprehensive strategy to address the growing strength of trafficking organizations on both sides of the border. Often known as “Beyond Merida,” this strategy is based on four pillars that seek to contain the criminal organizations and build the institutional structure that would make it hard for them to operate with impunity in the future.

On paper, this strategy looks well-designed and puts the burden on both countries to take dramatic steps to reorient their individual efforts against organized crime and to dramatically increase their binational cooperation. In practice, however, bureaucracies change only slowly and old inertias often overcome the best intentions of policymakers. How well is the four-pillar strategy to address organized crime working? Will it be able to contain the violence and the strength of organized crime groups in the medium- to long-term? Will it help build rule of law in areas beset by crime and violence and reduce the impunity with which traffickers and corrupt politicians operate? The following pages offer an initial assessment of these efforts and the challenges they face for success. The results are, perhaps not surprisingly, mixed, although it is too early to write a definitive analysis of efforts that are largely still in their early stages.⁶

Pillar One: Disrupting the Operations of Organized Crime Groups

The first pillar of the shared strategy is to arrest the leadership and disrupt the operations of organized crime groups on both sides of the border. According to declarations by senior policymakers in both countries, including the declaration of the two presidents when they met in Washington, D.C., in May 2010, this commitment involves taking a more strategic approach to undermining the logistics of the traffickers by interrupting the flow of money and guns from the United States southward, impounding their assets in Mexico, and arresting top traffickers and public officials who are complicit with them in Mexico.

To date this part of the strategy has met with uneven results. Perhaps the most successful part has been the increase in intelligence cooperation between the two governments, which has been instrumental in the arrest of several top criminal leaders in the past year.⁷ The arrest of top leaders has increased noticeably since December

⁶ This assessment builds in part on work done by the author as part of a Wilson Center Mexico Institute/University of San Diego Trans-Border Institute project, but it looks explicitly at the four pillar strategy in light of the findings. See Eric L. Olson, David A. Shirk, and Andrew D. Selee, editors, *Shared Responsibility: U.S.-Mexico Policy Options for Confronting Organized Crime*, Washington, D.C.: Woodrow Wilson Center Mexico Institute and University of San Diego Trans-Border Institute, 2010.

⁷ There are at least seven major drug trafficking organizations that have a strong presence in Mexico, although several smaller organizations allied with these also exist. The major organizations, often called cartels, are the Sinaloa (or Pacific) Cartel, Tijuana Cartel (or Arellano Félix Organization), Beltrán Leyva Organization (or South Pacific Cartel), the Juárez Cartel, the Gulf Cartel, the Zetas and the Familia Michoacana. Historically, a single “Federation” included most of the traffickers in the western part of the country, but excisions from this alliance led to the emergence of the Beltrán Leyva Organization and Juárez Cartel, fiercely opposed to the Sinaloa Cartel, which has led to intense violence in Ciudad Juárez, and violent clashes in Acapulco, Cuernavaca, and parts of Sinaloa and Sonora. In the northeast, the Zetas, originally hired as hitmen for the Gulf Cartel, broke with their former allies in January 2010, igniting a war over Tamaulipas and Nuevo León, including the city of Monterrey. Previously, in



2009 and appears to be snowballing. This has included most of the top leadership of the Beltrán Leyva Organization and significant arrests of top leaders in the Sinaloa, Gulf and Zeta cartels. The two governments have also used intelligence sharing to dismantle key networks tied to both the Juárez Cartel and Tijuana Cartel, which operate on both sides of the shared border.⁸ The increased intelligence cooperation is partially the result of growing confidence among sectors within the two governments, but it also appears to be the result of the building of new channels for sharing real-time intelligence. The increasing hostility among the criminal organizations has also created incentives for them to provide information to the two governments about their rivals.

It is less clear as of yet what is happening to these organizations as leadership vacuums are created. Will the arrests disrupt the structure of the organizations and fragment them or will these positions be filled rapidly by others waiting in the wings? Will this create incentives for the trafficking organizations to operate less violently and stay out of the limelight or will it increase their tendency towards violence? It will take some time to assess the implications of these apparent successes, and the answers are hardly trivial in a conflict that affects the daily life of millions of people.

At the same time, the two governments have been far less successful on two other key fronts. First, in terms of intercepting both money and arms, there has been a noticeable increase in cooperation and much greater resources dedicated to these efforts, yet the results so far have been minimal. It is perhaps too early to judge these efforts, but all signs point to the difficulty of intercepting both money and arms flows.⁹ Indeed, arms flows will be almost impossible to stop as long as there are lax state firearms purchase laws in several border states. However, the federal government has also been reluctant so far to tackle the two issues that it could promote. The first is an administrative change in the exemption currently given to some semi-automatic weapons that are currently defined as “sporting weapons” and allowed to be imported into the United States, where they are often resold to criminal organizations. The second is to pursue legislative changes in the Tihart Amendment, which would allow greater sharing of information between the Justice Department and state and local authorities on arms purchases.

On money, there have been increasing efforts by the U.S. Treasury Department to list Mexican trafficking organizations on the kingpin list, and increased resources within the Department of Homeland Security and the Justice Department devoted to money

2006, the Familia Michoacana, a group originally under the tutelage of the Zetas, had broken with their former masters and set off a fierce fight in Michoacán and parts of Guerrero. The Sinaloa and Tijuana cartels also have a long-standing feud over Baja California which dates back to the early 1990s. Today there appears to be a *de facto* alliance between the Sinaloa Cartel, Gulf Cartel and Familia Michoacana against the Zetas, Beltrán Leyva Organization, Juárez Cartel and Tijuana Cartel (which are much more loosely allied), although most of the violence in the country has to do with specific fights between two of the criminal organizations.

⁸ The cooperation against the Tijuana cartel has been long-standing, but the increased intensity of cooperation against hitmen of the Juárez cartel increased noticeably after the killing of a U.S. consulate worker in March 2010.

⁹ On money, see Douglas Farah, “Money Laundering and Bulk Cash Smuggling: Challenges for the Merida Initiative;” on arms, see Colby Goodman and Michael Marizco, “U.S. Firearms Trafficking to Mexico: New Data and Insights Illuminate Key Trends and Challenges.” Both are in Olson, Shirk and Selee, editors, *Shared Responsibility*.



laundering, but these efforts have been small compared to the sheer volume of illicit money flowing southward. Mexico has also approved an asset seizure law, but overall still has limited capacity to trace illicit money under its current laws. However, early reports suggest that the Mexican government has had some success through a blanket decree outlawing cash sales in dollars, which has dropped dollar deposits dramatically in a short period of time.¹⁰

It is perhaps unlikely that efforts to reduce money laundering and the flow of weapons will ever impede more than a fraction of this trade, but serious efforts might prove nettlesome for the trafficking organizations and make their supply chains unpredictable. There are signs that these efforts are beginning, but they are a long way from creating a major impact. Perhaps most worrisome is that much of the debate among politicians has focused on increased border security rather than on tackling organized crime operations where they operate in cities away from the border. Illicit money and weapons are far easier to stop away from the border, where profits are bundled and arms purchased, than when they are carefully hidden in cars headed southward.

Second, the Mexican government appears to have made few inroads in ensuring security in parts of the country that are suffering the worst of the drug violence. The initial strategy to deploy federal police and army units throughout the country to patrol cities and towns where the trafficking organizations operate has been highly ineffective. While the military and the federal police have been very successful in the targeted operations against criminal organization leaders, the deployment of troops and police units to engage in a “presence and patrol” strategy across the country has been less fruitful. The lack of sufficient internal controls within the federal police and the absence of a transparent military justice system have also created perverse incentives for human rights violations by federal forces, which have undermined the credibility of these efforts in some parts of the country. It is perhaps wise to think in terms of increased targeted efforts using federal forces, while decreasing their role in daily patrols. A reorientation in this direction might include employing a more strategic display of force to respond to specific incidents of violence that are targeted against civilians and public authorities, as well as when good intelligence on the leaders of criminal organizations becomes available. Using federal forces to respond to major incidents of violence and apprehend kingpins rather than patrol cities would probably be a far more efficient use of resources and begin to mark the limits of what the traffickers can get away with.

Overall, there is some reason for optimism that intelligence sharing is making it harder for organized crime groups to operate. However, until the two governments refine their strategies, it is unlikely that it will be sufficient to contain these organizations’ violent behavior.

¹⁰ According to the president of Mexico’s National Securities and Banking Commission, dollar deposits dropped by 75 percent in September and October following the executive order by President Felipe Calderón. Andrés Martínez, “Money-Laundering Crackdown Cuts Mexican Dollar Deposits 75% in Two Months,” *Bloomberg*, November 9, 2010.



Pillar Two: Strengthening Rule of Law

If U.S. demand for illegal narcotics drives the drug trade, the weakness of Mexico's institutions for rule of law facilitates the operation of organized crime groups within Mexico and makes it a relatively easy country for them to operate in. While Ciudad Juárez has become Mexico's most dangerous city, El Paso, only a few steps away, remains one of the safest in the United States. Although the same trafficking organizations operate on both sides of the border, they are far more circumspect about their behavior on the U.S. side of the border and cautious not to call attention to their actions. Roughly two percent of all major crimes in Mexico are ever fully investigated and lead to an effective prosecution and conviction, according to one study.¹¹ Police, prosecutors and courts all suffer from weak institutionalization and, in some places, are easily co-opted by organized crime interests.

In 2008, Mexico passed two major constitutional reforms to revamp its court system and its police forces. There has been significant movement towards creating a more credible federal police force over the past few years, and the federal police force now has over 33,000 elements, including investigators and intelligence personnel. U.S.-Mexico cooperation to train and equip this force has been significant and is growing (although some of the equipment has been quite slow to arrive). There remain, however, significant challenges for the professionalization of local and state police, and the federal police are still a work in progress, even if a far more successful one than their counterparts at the state and local level. This area provides fertile ground for future efforts at U.S.-Mexico cooperation.

At the same time, the judicial reform has proceeded far more slowly at a federal level in Mexico and appears to lack true champions within the political system. A few states, including Chihuahua, Morelos and Baja California, are proceeding rapidly with judicial reforms that institute oral trials, more transparent records management and expedited proceedings for minor crimes. However, U.S. support, which helped catalyze many of these initial efforts, even before the Merida Initiative, has been sharply curtailed in recent years, to the surprise of many observers.

At the same time, the reform of prosecutors in Mexico has lagged significantly behind even that of the courts. While there are some binational efforts to train prosecutors and improve crime-scene investigation capacities, these also remain incipient. Indeed, one of the weakest links in Mexico's current strategy to contain organized crime is precisely the lack of effective prosecutions of those arrested. This is particularly true of public officials complicit with organized crime. The failure to secure effective prosecutions in the highest profile case, that of several mayors and state officials arrested in Michoacán, has undoubtedly created a disincentive for future efforts and emboldened corrupt officials everywhere.

¹¹ Guillermo Zepeda, "Criminal Investigation and the Subversion of the Principles of the Justice System in Mexico," in Wayne A. Cornelius and David A. Shirk, editors, *Reforming the Administration of Justice in Mexico*, South Bend, IN: University of Notre Dame Press, 2007.



One of the most striking opportunities in the U.S.-Mexico relationship is to stimulate local-to-local partnerships between law enforcement, judicial and legal counterparts on both sides of the border. With small amounts of seed funding, the two countries have already started a series of partnerships between state attorneys general and judges in the two countries. These efforts are obvious targets for future expansion. Unlike other more distant relationships, the United States shares a border with Mexico, which means that much can be accomplished by encouraging local engagement that builds partnerships across the federal systems in the two countries. These efforts could be easily scaled up over time.

Pillar Three: Creating a Twenty-First Century Border

The third commitment between the two governments has been to create a border that is both secure and fluid, where legal commerce and exchange between people is agile and flows of illicit goods are more easily spotted. This pillar responds to the need to make sure that border communities, where much of the stress of the current wave of organized crime violence is located, are secure at the same time that the economies of border communities and their natural ties are strengthened.

The two governments have released an outline of a plan that would do this by expanding risk management approaches to separate out safer and more risky travelers and trucks and by using new technologies for inspection; expediting permitting for new border facilities that can, in some cases, use new mechanisms for financing; increasing staffing of existing border crossing points; and increasing coordination between port authorities on both sides of the border. To date, the two governments have had some success at increasing communication and coordination between port authorities, which is a major advance that can contribute both to safety and to more efficient operation. They have also improved the permitting process for new border construction, which has led to two approvals for new ports of entry between California and Baja California emerging in record time.

However, most of the new resources that Congress has appropriated for border personnel do not appear to meet the actual needs at the border. They have authorized short-term deployments of the National Guard and increased personnel in some Department of Homeland Security agencies, but without taking into account the need for additional Customs inspectors, who are the key personnel at the ports of entry. Moreover, the attempts to start demonstration projects to expand trusted traveler programs have become tied up in politics between the two countries and have languished. There remains a lack of serious studies that could determine how the two countries could better manage ports of entry, including infrastructure and personnel needs for the future, which could help orient these efforts.

Overall, there is a good start to rethinking the management of the border and a reserve of good will to do this, and it seems likely that there will be some real accomplishments



in this area. However, these efforts run counter to the political winds in both countries, where many politicians would rather see a thicker border rather than a more efficient one. Moreover, even once these efforts are underway, bureaucratic inertias will make implementation of new technologies and procedures difficult. However, the shift in paradigm is welcome and could lead to incremental changes to create a safer and more efficient border.

Pillar Four: Promoting Resilient Communities

Following a series of high-profile killings in Ciudad Juárez, the two governments agreed to coordinate efforts to engage civil society and invest in social and physical infrastructure in a few of the cities under the greatest stress from organized-crime violence. This commitment includes efforts to engage citizens in defining priorities for the future of their city, providing job training and employment opportunities for youth and building public space, including parks, libraries and sports centers, to improve the quality of life in these cities.

To date we have seen a significant, if incomplete, investment of resources from the Mexican government in Ciudad Juárez to meet these commitments and a far smaller effort from the U.S. government to complement these efforts. However, this commitment has remained surprisingly underfunded within the Merida Initiative and has never been expanded beyond Ciudad Juárez.

The Mexican government has tried to maintain an ongoing dialogue with civil society actors about the future planning for this initiative, despite the skepticism of many citizens in Juárez about the effectiveness of this effort, and the U.S. government has supported a similar dialogue between citizens of El Paso and Ciudad Juárez on common priorities through a USAID-funded project with the Paso del Norte Group. However, in many ways this pillar appears to be almost an afterthought in the overall efforts of both governments to deal with organized crime, despite the central importance of creating synergies between citizens and public authorities to confront the problem together.

Assessing the Effectiveness of U.S.-Mexico Cooperation

It is too early to draw firm conclusions about the effectiveness of the cooperation between the U.S. and Mexican governments to address organized crime. The mounting violence may well be a sign of failure and impunity, but it could as easily represent the natural reaction of the criminal organizations to increased pressure and greater fragmentation. We cannot yet draw firm conclusions from the evidence on the ground, but we can venture a few initial conclusions about the process itself.

The U.S. government has been slow in living up to its commitments under the four-pillar strategy. This is less a question of the slow pace of the Merida Initiative assistance and far more a question of taking energetic steps to staunch the flow of illicit money and



weapons southward. There is some encouraging groundwork laid for this, but few major successes to date. Similarly, the U.S. commitment to address the demand for narcotics, which technically falls outside the four-pillar framework but is an essential component of the overall strategy, is languishing, despite a modest recommitment to demand-reduction strategies in next year's domestic drug control budget.

At the same time, the Mexican government often appears unfocused in its efforts to take on organized crime. Resources are spread thinly across several fronts, without a single overarching strategy for how to take on trafficking organizations most effectively, and the vital efforts to reform the courts, prosecutors' offices, and police are moving quite slowly. It is not surprising that immediate tasks take precedence over long-term institution-building, but it does not augur well for the eventual success of the strategy.

Nonetheless, the ongoing commitment of both governments to engage with each other to address these issues is a positive sign, and some groundwork has been laid along several fronts, even if both governments have been slow to build on it. The increasing engagement of subnational actors, including judges and prosecutors; the growing trust in sharing intelligence; and the willingness to tackle hard issues like money, guns and corruption, even if only incipient, is a positive sign that we are now in a different era where both sides recognize a shared responsibility for dealing with organized crime. The eventual success of these efforts will require making a substantially greater effort to follow through on commitments and define strategies far more clearly.

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