



# Calderón's Caldron

Lessons from Mexico's Battle Against  
Organized Crime and Drug Trafficking in  
Tijuana, Ciudad Juárez,  
and Michoacán

Vanda Felbab-Brown

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# Preface

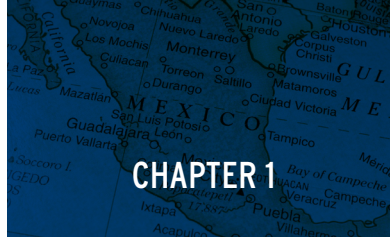
Over the past several years Mexico has suffered from drug-trade-related violence, extraordinarily intense and grisly even by criminal market standards. Its drug trafficking organizations have been engaged in ever-spiraling turf wars over smuggling routes and corruption networks, turning the streets of some Mexican cities into macabre displays of gun fights and murders. The criminal groups have shown a determined willingness to fight Mexican law enforcement and security forces and an increasing ambition to control other illicit and informal economies in Mexico and to extort legal businesses.

Finding Mexican police forces pervaded by corruption and lacking the capacity to effectively deal with organized crime, President Felipe Calderón dispatched the military into Mexico's streets. Yet while scoring some successes in capturing prominent drug traffickers, the military too has found it enormously difficult to suppress the violence and reduce the insecurity of Mexican citizens. Institutional reforms to improve the police forces and justice system, although crucial for expanding the rule of law in Mexico, have been slow and will inevitably require years of committed effort. Meanwhile, patience among many Mexicans with the battle against the criminal groups is starting to run out.

To a degree unprecedented in the history of U.S.-Mexican relations, Mexico has welcomed U.S. cooperation in combating organized crime. An assistance package approved in 2008 by the U.S. Congress and called The Merida Initiative first focused on beefing up Mexican law enforcement agencies through technological transfers and intelligence sharing. A subsequent iteration of the U.S. approach adopted in 2009 and referred to as Beyond Merida emphasized deeper institutional reforms. It also expanded the scope of policies to combat illicit economies in Mexico by emphasizing socio-economic approaches to strengthen the resilience of communities against organized crime. But the government of Mexico has found the U.S. partnership lacking and has complained about the persistence of demand for drugs in the United States and the flows of guns and criminal money from the United States to Mexico.

This monograph explores the effectiveness of the security and law enforcement and socio-economic approaches adopted in Mexico over the past several years to combat the drug trafficking organizations. It also analyzes the evolution of organized crime in Mexico, including in reaction to anti-crime actions taken by the Mexican government. It is based on fieldwork I undertook in Mexico in October 2009 and particularly in March 2011.

The first chapter examines the accomplishments and limitations of anti-crime strategies in Tijuana and their transferability to other parts of Mexico. The second chapter on Ciudad Juárez, the most violent place in Mexico, provides a similar analysis of the evolution and effectiveness of security policies in that city. The third chapter, also focused on Ciudad Juárez, explores the accomplishments of the city's socio-economic approaches to combat illegality and violence and the challenges such policies face in design and implementation. The fourth chapter analyzes the complex and insidious ways by which organized crime has entrenched itself in the state of Michoacán and the shortcomings of the Mexican government's policy of breaking up the drug trafficking organizations into smaller groups. The fifth chapter expands the analysis to encompass other forms of criminality in Michoacán, specifically illegal logging. It also discusses the rise of nonstate militias in Mexico in reaction to the criminal violence. The final chapter pulls the policy lessons together and provides a set of recommendations for reshaping interdiction approaches and improving law enforcement policies in Mexico not only to weaken the criminal groups, but also to reduce the violence.



# The Tijuana Law Enforcement Model and Its Limitations

**A**midst Mexico's relentless violence, Tijuana has been highlighted not only as an important success story, but also as a law enforcement model for other Mexican cities. Its homicide rate has fallen from the peak levels of 2008 and 2009. In the first four months of 2011, 176 people were killed in the city, a 40% reduction from the same period in 2010.<sup>1</sup> Violence in all of Baja California continued to decline through August 2011, driven to a large extent by the decrease in homicides in Tijuana.<sup>2</sup> The bustling business center of the city gives every appearance of normalcy, with busy avenues dotted by street vendors. Although shopkeepers and business owners maintain that the number of tourists visiting the city is still considerably lower than before the drug violence started in 2008, the vibe of the center, at least, is one of economic activity and ease, a stark contrast to Ciudad Juárez. Indeed, so strong is the image of success that the man widely credited with reducing Tijuana's crime—Col. Julián Leyzaola—has been moved to Ciudad Juárez and been appointed that city's police chief.

Since Tijuana is put forth as an example for others, it is important to examine what actually happened in the city, how robust the improvements have been, and to what extent these policies can be applied to other areas.

## The Demise of the Tijuana DTO and the Rise in Violence in the City

For almost three decades, drug smuggling from Baja California into the United States was dominated by the Arellano Félix DTO, also known as the "Tijuana Cartel."<sup>3</sup> Once a key conduit of drugs into the U.S. market, the DTO became progressively weakened starting in the 1990s, largely as a result of pressure from U.S. and Mexican law enforcement agencies. (The cartel's founder, Miguel Ángel Félix Gallardo, was complicit in the prominent murder of U.S. Drug Enforcement Administration Special Agent Enrique Camarena in Mexico in 1985).

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<sup>1</sup> Amy Isackson and Vicente Calderón, "Three U.S. Citizens Murdered in Baja California," *Tijuanapress.com*, June 2, 2011.

<sup>2</sup> *Grupo Reforma* statistics cited in Transborder Institute, *Justice in Mexico News Report*, August 2011, [www.justiceinmexico.org](http://www.justiceinmexico.org).

<sup>3</sup> Although the term cartel is frequently used to describe drug trafficking organizations, such groups in Mexico in fact do not have the power to dictate prices for drugs. Thus, they are not cartels in the economist's sense of the term.

The latest dramatic wave of violence in Tijuana began in 2008 when the Arellano Félix DTO fractured into two large groups. Fernando Sánchez Arellano, in charge of one of the factions, allied with the Beltrán Leyva DTO and signed a nonaggression pact with the Zetas. His rival from the fractured Tijuana DTO, Eduardo Teodoro García Simental alias El Teo, made a counteralliance with the Sinaloa DTO.

The subsequent warfare between the two alliances unleashed intense violence over control of the drug trade to the U.S. as well as over extortion rackets, local drug distribution in Tijuana, human smuggling, and even the city's prostitution enterprises. On one particularly bad day in 2008, seventeen people were left dead on the streets after a fight between the two groups as scores of bullets littered the pavement. The Tijuana drug war has also contributed some of the country's most gory incidents in a drug market already characterized by extraordinary violence and gruesomeness, where torture, beheadings, and dismemberments have become routine, all as the DTOs try to outcompete each other in brutality. The case of José Santiago Meza, nicknamed, "El Pozolero," is a case in point: at his Tijuana property, this Sinaloa DTO associate was believed to have dissolved in acid over three hundred bodies between 2008 and 2009.

## The Government Response

Tijuana's municipal police forces, hollowed out and corrupt as elsewhere in Mexico, were unable to suppress the violence. In response to the crisis, Mexico's federal government deployed over 3000 soldiers to the city in 2008. At the same time, ex-military colonel Leyzaola was appointed chief of the municipal police.

Leyzaola set out to clean up corruption in the municipal police and make local police officers a more visible component of law enforcement efforts in central parts of the city. He encouraged policemen to denounce their colleagues cooperating with criminal groups and arrested tens of officers en masse on suspicion of ties to organized crime, handing them over to the military for interrogation. (These purges were subsequently surrounded by allegations of abuse of power and torture, with many of the allegations directed at Leyzaola himself.)

In an equally controversial move, Leyzaola changed the way police patrols were deployed in Tijuana, concentrating his units heavily in the city business center. Greater concentration of forces enabled a faster response in the center and made patrol units more capable of resisting the *narcos'* firepower and intimidation. Isolated single-car patrols had been vulnerable targets. But in a municipal police force consisting of approximately 1200 patrol units in total, with 200 available for street patrols on any given day due to rotations and bodyguard responsibilities, the decision also meant that large parts of the city, especially its outskirts, would be left with an even thinner police presence than was already the case. (With approximately 1.8 million inhabitants, metro Tijuana is Mexico's fifth largest city.)



A secure hotline was also established for citizens to report crime. The purpose of the hotline was twofold. First, the line was supposed to boost intelligence gathering. Second, it was also meant to increase the credibility of law enforcement institutions by demonstrating to citizens that the police were now responsive to their concerns and no longer oblivious to (or even complicit in) crime in the city. (Some of the former police officers I interviewed in Tijuana in March suggested that the Sinaloa cartel took advantage of the hotline to report actions by their rivals.)

Perhaps because of his military background, Leyzaola also proved quite capable of working with his military counterparts in the city, headed by General Alfonso Duarte Mújica. The two managed to break up institutional rivalries and stove-piping; and Leyzaola even integrated prosecutors into some investigations the police conducted.

When Leyzaola left Tijuana in 2010, he and Duarte were widely celebrated as local heroes. The murder rate in the city was down considerably, El Teo was captured, and the sense of impunity and brazenness of the criminal groups that used to be palpable at the height of the crisis was no longer there. Gone were the *narcos'* pickup trucks loaded with men with assault weapons that at one point drove on major avenues in plain view.

## Policy Accomplishments

Many of these are significant developments. The cross-institutional cooperation under Leyzaola's and Duarte's tenure is no meager accomplishment for Mexican standards.

A reduction in violence and in the brazenness with which criminals operate allows a community to start organizing once again, whereas violence hollows out communities. Even if it is mainly *narcos* killing other *narcos*, the organizational capacity of a community that lives surrounded by such violence becomes eviscerated. Intense and pervasive violence pushes people indoors and out of touch not just with the state, but also with their neighbors. A sense of greater security and greater recourse to state authorities allows people to come out on the street again and discuss their lives and concerns. Even if they do not develop a community action response, such exchanges and the reclaiming of the public space by communities strengthen the social fabric.

Such positive dynamics can sometimes take place even if the criminals remain but no longer act with brash impunity. Much of what law enforcement agencies seek to do is to deter criminals from certain types of behavior—especially violent behavior—even if they cannot hope to eliminate criminality altogether.

## The Pros and Cons of a Narcopeace

A major question about the improvements in Tijuana, however, is to what extent the reduction in violence can in fact be attributed to law enforcement and security policy in the city and to what extent it is the result of the victory of the Sinaloa DTO in the cartel war over Tijuana.

Often the dominance of one group over a criminal market brings stability to the market, less violence, and greater predictability. The business owners and former police officials I interviewed in Tijuana did in fact report a calming of the criminal market there: They claimed, for example, that while extortion and kidnapping continued, they were now more predictable. If ransom were paid, the chances were good that a victim would be released. During the intense drug fight in the city during 2008 and 2009, ransom had to be paid several times and even with that, there was still uncertainty as to whether the hostage would indeed be released. (That kidnapping model, with great uncertainty about the release of the victim even after ransom is paid, is counterproductive from a criminal business perspective. But it has in fact become common in Mexico. To motivate families to pay despite the uncertainty of release and despite repeated demands for increased payments, kidnapping outfits in Mexico now routinely torture their hostages and send the torture recordings to the victim's families.) But the establishment of such dominance over the criminal market by one group also comes with costs. Most obviously, it strengthens the group vis-à-vis both the state and the community. An academic expert on prostitution and human smuggling in Tijuana also contended that as organized crime groups asserted greater control over these illicit markets in Tijuana, the conditions of sex workers and of the smuggled people worsened, and that individual *coyotes* (smugglers of people into the United States) were finding it harder to operate independently. At least in these illicit markets in Tijuana, their vertical integration seemed to generate few benefits.

The big danger that the violence reduction is the result of victory by one criminal group rather than of greater effectiveness of law enforcement institutions is that such “narcopeace” is ultimately vulnerable to changes in balances of power in the criminal market. Should another group operating in Tijuana increase its strength relative to the Sinaloa DTO, whether through its own growth or as a result of law enforcement actions against the Sinaloa cartel, Tijuana's narcopeace could unravel. It is not clear that Tijuana's law enforcement institutions would have the deterrent capacity to keep a renewed power contestation from once again visibly and bloodily spilling out on the city's streets.

Moreover, even with the current stabilization, the *colonías* (the poor outskirts of the city) still continue to experience one to two murders per day. The Sinaloa DTO does not dominate the outskirts in the same way that it now rules the city center: Violent contestation in the *colonías* has not abated, and criminal groups pushed there from the city center continue to fight over the remains of the criminal

market. In late spring, rumors also circulated in Tijuana that La Familia Michoacana—another one of Mexican DTOs—was trying to muscle its way into a greater presence in the city, even as the government of Mexico had declared that DTO dismantled.

## The Limitations of Security Policy Reforms in Tijuana

The second important question about Tijuana pertains to the robustness and institutionalization of the positive developments. It remains to be seen how deeply the municipal police force was in fact cleansed of corruption and whether the mechanisms put in place can ultimately survive Leyzaola's departure. Even more disturbingly, the quality of Leyzaola's own anti-corruption campaign is also questionable. Out of the sixty-two former and active police officers and Baja California federal agents rounded up in one of Leyzaola's cleanup drives in July 2010, forty were later released due to insufficient evidence.<sup>4</sup> Similarly, out of the thirty-five Tijuana public officials arrested for ties to organized crime in 2009, all have been released for insufficient evidence. Most recently, after the dramatic arrest of Tijuana's former mayor Jorge Hank Rhon, one of Mexico's richest businessmen, on charges of illegal weapons possession and murder, the prosecution's case once again seemed to have collapsed and he was released from prison for insufficient evidence. As elsewhere in Mexico, the police and the prosecutors in Tijuana continue to place blame on each other for failing to collect admissible and sufficient evidence to achieve successful prosecutions.

Beyond the needed improvements in the investigative and prosecution capacities of law enforcement institutions and the justice system, Mexico continues to lack a policy for dealing with law enforcement officials purged from the force for alleged links with organized crime. The former Tijuana police officers released from custody, for example, will return to the city, but cannot be readmitted to the police force (though they will receive a severance pay of 15,000 to 20,000 pesos). Without a robust monitoring and rehabilitation process in place, such discharged police officers will be susceptible to recruitment by organized-crime groups.

Finally, whether or not the improvements in Tijuana can be attributed to the security policy in the city, they are hardly sufficient or consolidated. Little effort seems to be underway to expand the security bubble beyond the city center into the outskirts. And resources for such an expansion are lacking. Police presence, especially a presence that results in positive interactions between law enforcement agencies and the population, continues to be minimal in the *colonías*. Concentrating resources into a particular area—a standard practice in counterinsurgency and in law enforcement efforts—makes good sense, but underlying such an “ink-spot approach” is the assumption that the spot of greater

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<sup>4</sup> Sandra Dibble, “Crackdown on Police in Mexico Falls Apart,” *Union Tribune*, April 17, 2011.

security will progressively expand and cover larger and larger areas. Otherwise, the bifurcation of the city center and outskirts will persist and violence could once again spill into the business areas.

The underlying social problems of Tijuana also go on unaddressed. They include persistent poverty, social underdevelopment, and a lack of social and public services in the extensive outskirts. Employment in Tijuana's *maquiladoras* does not sufficiently compensate for the absence of the social services and public goods in the *colonías*. Despite having jobs, many of those who moved to Tijuana to work in the *maquiladoras* experience deep social dislocation. Unlike Ciudad Juárez, Tijuana has not received a large financial package from the federal government to begin addressing these long-running and deep-seated problems. The city itself and the state of Baja California lack the resources to undertake such an effort on their own.

In short, even if Tijuana does indeed represent a success attributable to effective policies, it is hardly a mission accomplished. Declaring victory prematurely will only allow old problems to fester and eventually break out again.

## The Way Forward in Tijuana and Lessons for Other Cities

It would be unfortunate for policy-makers to miss the opportunity that a reduction in violence in Tijuana offers, whatever its cause.

Consolidating police reform in the city should be a priority. Beyond increasing salaries and self-esteem of municipal police officers, such reforms need to include continued vetting and training of officers in the city, including in such basic matters as how to handle a gun. (Not infrequently, Mexican police officials are issued guns with little or no training.) Appointing competent police leaders down to precinct captains is also critical, even if they should be reposted from other cities. If improvements in the municipal police force can be consolidated, the force would be better able to cope with any collapse of the narcopeace.

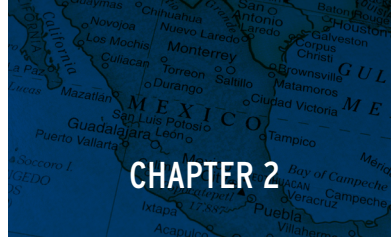
Expanding the safety zone beyond the city center is also needed. Given the acute limitations of available resources, there may be two different options for such an expansion. One is simply to push the perimeter of the safety zone outward by several blocks. Another is to pick one of the *colonías* that can be linked to the city center through a secure corridor and deploy a sufficiently strong law enforcement contingent there to reduce crime in that area and to establish a permanent presence and positive relationship with the population. The latter approach would entail greater security risks and be more demanding on local police forces. But it would also send a stronger message throughout Tijuana that public safety is provided not merely to the affluent and that the government is also

committed to improving the lives of its less privileged citizens. A granular level of operational details is necessary to determine which of the two possible strategies should be chosen and cannot be provided from the outside.

Finally, if there is indeed a push to improve security in at least one of Tijuana's poor neighborhoods, it would be highly desirable to accompany any improvements in security with socioeconomic interventions, such as public infrastructure development, to reduce the social drivers of crime in the chosen neighborhood(s). The governments in Mexico City, Baja California, and Tijuana should attempt to generate resources for such a socioeconomic program. However, it would make little sense to focus such socioeconomic interventions on Tijuana's already developed commercial center. The *Todos Somos Juárez* program in Ciudad Juárez<sup>5</sup> provides important lessons about how to structure such interventions.

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<sup>5</sup>See chapter "Socioeconomic Policies for Combating Organized Crime: The Case of Ciudad Juárez"



## Ciudad Juárez and the Evolution of Mexico's Security Policy

In the middle of this year's hot summer, the government of Mexico announced that in September it will begin withdrawing its 5,000 federal police officers from the violent border city of Ciudad Juárez. Although framed as policy success, the decision is symptomatic of the trials and tribulations through which Mexico's public security policy has gone over the past five years. Despite an easing of the murder rate in Ciudad Juárez this year, there are good reasons to doubt that the security policy in the city has been robustly effective.

Perhaps more than any other place in Mexico, Ciudad Juárez has become a symbol of the drug-related violence of the 2000s and a test and proving ground of the effectiveness Mexico's national security strategy to combat its powerful drug trafficking organizations (DTOs).

### The Extraordinary Violence Levels in Ciudad Juárez

Some of Mexico's most dramatic violence has taken place in the city. With 3,097 homicides in 2010,<sup>6</sup> Juárez was not only one of the most violent cities in the world, but its murder rate alone was on par with violence in Afghanistan, a country with an intense insurgency and counterinsurgency campaign. Several vicious massacres have occurred in the city, including one at a party of young people in February 2010, and another at drug rehabilitation center. In March 2010, two people linked to the U.S. consulate in Juárez were killed and several others injured in an attack by Los Aztecas, one of the drug trafficking organizations (DTOs) operating there.

When I visited Ciudad Juárez in March of this year, it was palpable how strongly the community was gripped and pained by the violence. I was taken on a tour of some of the *colonías* (the poor outskirts particularly affected by violence), with a local guide who was determined to point out the places on the streets where people had been killed five days ago, two days ago, and one week ago. The doors

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<sup>6</sup> "Mexican Inmates May Have Partied Before Prison Riot, Police Chief Shot at While Responding," *Associated Press*, July 27, 2011.

and walls of the city's judicial buildings were covered with hundreds of photographs of people who had disappeared.

Feeling particularly vulnerable to attacks and extortion from the DTOs, many government officials, business owners and community leaders were moving their homes out of the city across the border to El Paso, commuting back into Juárez for work each day.

Such flows across the border are hardly new and rarely linked to the drug violence alone. The border has always been not only a line of division, but also a membrane of connection, facilitating exchanges and joining communities. For many, crossing the border has been part of daily economic and social routine.

But the drug violence has disrupted these flows, particularly from the U.S. side. During my visit, shopkeepers and restaurant owners bemoaned the steep drop in visitors from the United States and its resulting adverse effect on the local service economy. Restaurants, bars and discos previously thriving on U.S. customers were shuttered. Spreading extortion also forced many to go out of business, especially as undiminished contestation by criminal groups over the market left many businesses having to pay protection fees to multiple criminal groups. Downtown streets were mostly devoid of people as balaclava-covered federal police units patrolled at intersections.

## The Government Response

Judging local police unable to cope with the steadily increasing violence, President Felipe Calderón ordered Mexico's military forces to Ciudad Juárez in 2008 to secure the city. At the strategic level, the policy response was well-articulated: The military would be deployed to crisis areas where police forces, corrupted and hollowed out by criminal groups' penetration spanning many decades, were unable to provide public safety. Once the local police forces were retrained and their capacity to provide public safety strengthened, the military would be pulled back from the area.

The strategic articulation of the overarching policy, however, was not translated into sufficiently specific operational and tactical guidelines. The Mexican military was sent to the streets of Juárez with little understanding of what it was that its soldiers were actually tasked to do there. Were they supposed to push the *narcos* out of the city or out of particular neighborhoods? Were they charged with apprehending the *narcos* for prosecution and with arresting the top leaders of the DTOs operating in the city? Were they to concentrate on reducing violence in the city's main avenues during daylight? Or were they supposed to reduce violence, such as homicides and extortion, and interface with the local community? To borrow counterinsurgency terms, were the street-patrol soldiers supposed to conduct population-centric law enforcement or focus on high-value targeting, like the

more select and specialized units of SEMAR (Mexico's navy) and SEDENA (Mexico's army and air force)? (The government of Mexico strongly objects to any suggestions that the criminal violence in Mexico in any way resembles insurgency. However, after the August 2011 torching of a casino in Monterrey during which fifty-two people died, it has started referring to at least some of Mexico's criminals as terrorists.)

In addition to rather vague campaign orders, the military patrolling the streets of Juárez also had little intelligence-gathering capacity, and little knowledge of the city and its criminal and other dynamics. Without a clear mandate and with little practice in urban policing and criminal investigations, the military in Ciudad Juárez was quickly accused of using disproportionate force and other human rights violations, such as breaking into people's houses without a warrant. Meanwhile, violence in Ciudad Juárez kept steadily escalating.

In April 2010, federal police forces were sent to replace the military in the city. Soon their effectiveness was also questioned. Violence continued rising, with 2010 ending as the most violent year in Juárez, with 3,097 homicides.<sup>7</sup> Often, federal police patrols stood guard on busy avenues, stopping traffic and searching cars, while the *narcos* merely shifted their firefights to other areas. *Halcones*, as street-level lookouts for the criminal groups are known in Mexico, widely believed by Juárez citizens to be omnipresent in the city, would tip off the DTO operators about the movements of the *Federales* undermining the effectiveness of the federal police operations. Like the military, the federal police contingent in Juárez also had little local knowledge and local intelligence capacity.

## Limitations and Deficiencies of Security Policy in Ciudad Juárez

Good local intelligence is essential for law enforcement agencies in order to reduce epidemic levels of violence in an urban area. The criminal market in Juárez has become especially complex, putting further premium on good situational awareness and local intelligence. As a result of Mexico's overarching strategy of focusing on high-value targeting and breaking up the DTOs into smaller outfits, there has been a proliferation of drug trafficking groups in Mexico, with the larger ones splintering into smaller groups and new groups emerging in areas of power vacuum. In Ciudad Juárez, it is no longer just the big groups, such as the Sinaloa and Juárez DTOs, and the Zetas that operate in the city, but also a variety of smaller outfits and upstarts, such as La Línea and Los Aztecas. Because interdiction operations by Mexican forces generate a great uncertainty about the ever-shifting balance of power in the criminal market and about the robustness of corruption networks, allegiances and alliances of such smaller groups toward their larger patrons have become highly fluid. Such

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<sup>7</sup> "Mexican Inmates May Have Partied Before Prison Riot, Police Chief Shot at While Responding," *Associated Press*, July 27, 2011.



murkiness and complexity of the criminal market makes it very challenging for law enforcement institutions to develop a good intelligence picture, despite the extensive data flows that signal intelligence can now provide.

## The Complexity of the Criminal Market in the City

The intelligence challenge is further compounded by how deeply integrated criminal groups are into the social structures of the city. This is the case both in the poor *colonías* where the *halcones* and *sicarios* (hitmen) live and operate and, as a result of decades of corruption and minimal accountability, within the city's law enforcement structures. However, a detailed understanding of the complex networks, shifting alliances and strategic calculations of the criminal groups is necessary for devising an anticrime policy that is effective, pacifying violent neighborhoods, and even generating actionable intelligence for high-impact tactical operations.

The complexity of the criminal market in Juárez is further exacerbated by the breaking down of specialization among the criminal group operatives and by an increased trend among the DTOs toward franchising and outsourcing operations. In order to reduce the group's visibility to law enforcement agencies and rivals, the DTOs increasingly recruit among youth gangs or hire young people for one-time hits. An NGO worker operating a reintegration program for gang members in one of Ciudad Juárez southern *colonías* described to me how young boys are currently given an assault weapon for a hit and end up spraying a target with bullets, no matter how many bystanders get caught in the crossfire, because they have never been trained to operate the weapon. If they fail to kill their target, they risk being killed themselves by the criminal group that hired them. Gone are the days, he elaborated, when the *sicarios* would be select professionals, stalking their mark for days to be certain of the precision and infallibility of their hit and of the safety of their escape.

Similarly, specialization that once characterized local drug distribution in Ciudad Juárez—with one person bringing drugs to a local dealer, another serving as a lookout and another working as the dealer on the block—has collapsed. Now one person would conduct all three operations: “These days, no one can trust anyone, the guys tell me,” the NGO worker explained, referring to the young men he was trying to help.

Mexico's government may well be correct in believing that this breakdown of specialization and the great level of uncertainty in the criminal market indicate that DTOs are under pressure, but the criminal market's chaos is also intensifying violence and making it very difficult for Mexico's law enforcement agencies to suppress crime.

## Persisting Challenges amidst Some Security Improvements

This year, the escalating homicide trend in the city finally appears to have broken. Compared to the first seven months of 2010, the murder rate through July 2011 was down 22 percent.<sup>8</sup> When Ciudad Juárez Mayor Hector Murguía announced the departure of the federal police from the city, he maintained that the decision was made by the federal government which now assessed Ciudad Juárez to be “under control.”<sup>9</sup>

The mayor himself has placed trust in Julián Leyzaola, whom he named the chief of Juárez’s municipal police, and whom he tasked with increasing public safety in the city. A former lieutenant colonel in the Mexican army and municipal police chief in Tijuana until 2010, Leyzaola is widely credited with reducing Tijuana’s violence.<sup>10</sup> Leyzaola is known for his aura of a tough cop hero and allegations of condoning torture. He arrived in Ciudad Juárez in March 2011. Beyond saying that he would clean up the municipal police, he has maintained silence on his strategy for the city so as not to tip off the *narcos*.

Yet there are good reasons to probe how deeply and robustly security has improved in Ciudad Juárez over the past several months. For example, it is unclear to what extent the 22 percent drop in homicides can be attributed to more effective policing actions by either federal or municipal law enforcement agencies or to what extent it merely represents a slow-down in the operational tempo by the DTOs, unrelated to the security policy. Such a slowdown does not necessarily imply a burnout on the part of the DTOs. The 2009 and 2010 operational tempos were in fact extraordinarily high by criminal market and even insurgency standards and unlikely to be maintained for extended periods.

Furthermore, it is important to note that despite the decline, violence in Ciudad Juárez is still very high. As of the end of July 2011, 1,314 people have been killed there this year. That is still more than 100 murders per 100,000 inhabitants—ten times what is considered an epidemic-level homicide rate, at which law enforcement institutions become deeply challenged to contain violence. (The murder rate above is just an illustration. A homicide rate is normally given as the number of murders per 100,000 inhabitants *per year*, whereas I used only the first 7 months of 2011 in the above calculation.)

Only at their own peril, analysts measure policy success in terms of short-term fluctuations in casualty levels. Violence patterns—whether in criminal markets or in insurgencies—are driven by a host of factors, many highly idiosyncratic, temporary and unlinked to government strategy, such as the above-mentioned slow-down in the operational tempo of the DTOs.

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<sup>8</sup> “Mexican Inmates May Have Partied Before Prison Riot, Police Chief Shot at While Responding,” *Associated Press*, July 27, 2011.

<sup>9</sup> “Mexican Federal Police to Withdraw from Violent Border City, Leaving Security to Local Police,” *Associated Press*, July 26, 2011.

<sup>10</sup> See chapter “The Tijuana Law Enforcement Model and Its Limitations”

Even if the reduction can actually be attributed to policy effectiveness, the success is still highly incomplete and could well be temporary. Criminal groups often reduce the level of operations in response to greater law enforcement presence and action, only to increase their tempo and brazenness once law enforcement operations are reduced. Frequently they can afford to wait it out.

They can also adapt to law enforcement action. The response of Juárez's extortion groups to greater police presence in downtown Juárez, one of their most lucrative areas of operation, provides an example of such adaptation. After failing to contain extortion, law enforcement officials finally saturated the area with police forces and established a *cordon sanitaire* around it, diligently checking all entering vehicles. For a while, this approach brought down the extortion rate as the criminals found it too risky to enter the area to demand payments and undertake retaliation against those who refused to pay. But after some weeks, the criminals began phoning business owners in the area, threatening that unless they would be paid outside of the safe zone, they would hit the business owners and their families at home, instead of burning down their businesses. Extortion therefore increased once again.

The ground-level context of the decision to withdraw the *Federales* from Ciudad Juárez also gives little confidence in the improved capacity of various branches of Mexico's law enforcement apparatus. Tensions between the *Federales* and the municipal police in the city have been running high for months, and their relationship has recently experienced a series of crises. In January, federal police officers shot one of the mayor's bodyguards. In late July, during a police action to contain violence at a Ciudad Juárez prison, the *Federales* repeatedly fired at Leyzaola's police vehicle. Soon afterwards, Mexico's federal government suspended aid for local police-training in Ciudad Juárez, saying that the city's authorities had not followed reporting rules and had trained too few police officers to qualify for the aid package. (It is important to note that the suspension was not an isolated decision—171 other municipalities were similarly disqualified from receiving federal aid—and that the decision preceded the confrontation over the prison. Shortly after the decision was announced, federal and Tijuana law enforcement officials worked out a deal reinstating the aid flows.)

Disturbingly, the investigation capacity in Ciudad Juárez is still minimal. The police often lack the ability to gather evidence on the scene for prosecution and for building strategic operations out of individual tactical actions. Local intelligence capacity continues to be lacking in the city. The city's prosecutors are badly overtaxed and often do not have sufficient skills to develop effective evidence-based prosecutions. As elsewhere in Mexico, the successful prosecution rate for violent crime is

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<sup>11</sup> Author's interviews with justice officials and human rights NGOs in Ciudad Juárez and elsewhere in Mexico. See chapter "Mexico's Dilemmas and Strategies for Dealing with Organized Crime."

about one to two percent.<sup>11</sup> Thus, with such extraordinarily low effective prosecution levels, it is not only uncertainty, but also a sense of impunity that still characterizes the criminal market in the city.

## The Way Forward

The verdict on the effectiveness and robustness of the security policy in the city is thus still out. Policy changes take time to percolate through city neighborhoods. Hopefully, the reduction in violence will ultimately be attributable to law enforcement improvements and violence will continue to decline. Ciudad Juárez has gone through an extraordinary trauma. It is one of the key symbols of the contestation between the Mexican state and the violent criminal groups over where authority lies and to what accountability Mexico's citizens should be entitled. The city is also an important interface between Mexico and the United States that once again should be facilitating the best of flows and exchanges in both directions.

Since Municipal Police Chief Leyzaola has not disclosed even a broad outline of his public safety strategy for the city, it is difficult to provide meaningful policy recommendations beyond some general points for consideration.

As federal police forces are transitioning out of Ciudad Juárez, the public safety burden will increasingly lie with the municipal police. In order to influence violence patterns, the municipal police will urgently need to develop local intelligence capacity. That means that vetted patrols will have to be placed at least in selected areas on a permanent basis in order to get to know the local population and establish trust among the inhabitants.

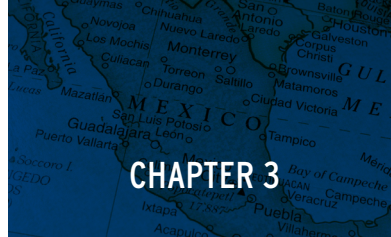
Since even the city's commercial center continues to be plagued by high levels of extortion and other crimes, it is logical to make this part of the city a priority and concentrate a strong contingent of the municipal police there. Policing efforts, however, need to go beyond street checkpoints and drive-by patrols and the local forces need to intensively engage in person with inhabitants of the areas where they are placed.

The layout of Ciudad Juárez makes it difficult to insulate the city core from insecurity leaking there from the *colonías*. Thus, at least buffer *colonías* will need to be incorporated into a first or second phase of a security expansion plan, should the center be the first security focus.

*Colonías* and city blocks selected for socioeconomic interventions in the city under the Todos Somos Juárez program and its subsequent versions (See paper "Socio-economic Policies for Combating Organized Crime: The Case of Ciudad Juárez") should be prioritized in the selection of where to expand or reinforce security. (Conversely, it makes little sense to locate such socioeconomic packages

into areas of intense violence and little prospect for improvements in public safety. In such areas, systematic and sustainable long-term development programs will have little chance to take off and the money will amount to little beyond political patronage.)

Finally, but importantly, increasing the numbers and capacity of prosecutors in the city is imperative. To achieve synergies and begin demonstrating some policy success, it will be useful to focus the prosecutors' efforts on zones selected for security reinforcements and socioeconomic interventions. To facilitate their work, city officials will also need to establish better cooperation between police and prosecutors.



# Socioeconomic Policies for Combating Organized Crime: The Case of Ciudad Juárez

One of the most interesting innovations in Mexico's approach to combating its violent drug trafficking organizations (DTOs) has been the adoption of socioeconomic policies to strengthen a community's capacity to resist the penetration of organized crime into its social processes. The flagship program has been a developmental package in Ciudad Juárez called *Todos Somos Juárez*. Since its adoption in the spring of 2010, the city has become not only a meter of the effectiveness of Mexico's security policy, but also a laboratory for the design of such socioeconomic programs.

## The Political Capital of Criminal Groups

There are good reasons to incorporate socioeconomic policies into efforts to combat organized crime. Populations in areas of inadequate state presence, poverty, and social and political marginalization are often dependent on illicit economies, including the drug trade, for the satisfaction of their socioeconomic needs, including livelihoods and social advancement. The more the state is absent or deficient in the provision of legal jobs and public goods—starting with public safety and suppression of street crime, and including the provision of dispute resolution mechanisms, access to justice, enforcement of contracts, infrastructure, health care and education—the more communities become susceptible to developing dependence on and supporting criminal groups that sponsor illicit or informal economies.

Just like insurgent groups, even criminal groups without an ideology can thus politically exploit state absence. By sponsoring illicit and informal economies and distributing patronage and public goods underpinned by resources obtained from such economies, criminal groups can obtain substantial political capital. This effect is especially strong when criminal groups couple their distribution of material benefits to underprivileged populations with the provision of otherwise-absent order and minimal security. By being able to outcompete the state in the provision of governance, socioeconomic services, and public goods, organized-crime groups can pose significant threats to states in areas or domains where the government's writ is weak and its presence limited.

## Life and Crime around the *Maquiladoras*

The North American Free Trade Agreement (NAFTA) and Mexico's economic growth of the 1990s brought foreign factories to places like Ciudad Juárez and stimulated an extensive influx of workers from other parts of Mexico. Vast new quarters (*colonías*) spurted out on the outskirts of the city for workers employed in the assembly lines. The expansion of the *colonías* took place without social planning, and the new *colonías* have had insufficient state presence since then. The large demographic shifts that places like Ciudad Juárez experienced occurred without social integration policies in place.

Although the wage paid in the factories (*maquiladoras*) often surpasses Mexico's minimum wage, public goods coverage and other social deficiencies in the *colonías* are often acute. The lack of roads and public transportation mean that *maquiladora* employees have to travel two or three hours one way to get to work. Even when the *maquiladora* offers its workers transportation, many still have to travel such two or three hours to bring their children to school. The result is that many employees need to leave their house in the very early hours of the day and return home very late at night. The lack of post-school opportunities for children and teenagers and the frequent absence of extended families to care for them in turn mean that many youth spend an extensive amount of time on the streets, susceptible to mobilization by youth gangs or criminal groups. Deficiencies in health care provision in the *colonías* create further pressures on the family. Since many *maquiladoras* hire their employees on a temporary contract to avoid paying social benefits, many households experience periodically significant drops in their income, but have little ability to save for the times of unemployment.

Police presence in the *colonías* is typically minimal and sporadic, inviting criminal groups to fill in the vacuum. The employment they offer in the drug trade and even local drug distribution promises quick and large financial returns for even low-level members, relative to the other economic opportunities they have. Moreover, criminal groups not only bring in illicit economies, but also function as providers of order, suboptimal as it may be. By arbitrating life on the street, organized-crime groups can deeply permeate the neighborhood. The lack of courts and justice resolution mechanisms further disconnects the *colonía* residents from the state. Rarely would they interact with officials at the local, state or federal level.

The fact that places like Ciudad Juárez have also been staging grounds for migrants seeking employment in *maquiladoras* in other parts of northern Mexico as well as trying to cross the border into the United States also means that such transient communities have little social cohesion. The lack of public spaces for neighbors to interact further compounds the lack of social bonding within the communities.

## The Government Response

Although deficiencies in the *colonías* are acute and create important opportunities for criminals, only recently has a socioeconomic policy been incorporated into Mexico's strategy for combating organized crime. For the first half of President Felipe Calderón's administration, Mexico's strategy against the DTOs mainly focused on capturing high-value capos. Historically as well, Mexico has not emphasized socioeconomic approaches to reduce illicit economies and criminality. The government has, for example, not adopted any alternative livelihoods programs to wean Mexico's poppy and marijuana farmers off their drug-producing crops, preferring to address illicit crop cultivation through forced eradication. (The Mexican government also repeatedly expressed disinterest in U.S. proposals to establish alternative livelihoods programs there.)

A combination of two factors finally moved President Calderón to embrace socioeconomic mechanisms for combating crime. With the 2009 arrival of U.S. Ambassador to Mexico Carlos Pascual came an emphasis on such socioeconomic approaches in U.S. policy toward Mexico. This emphasis ultimately became known as *Pillar IV: Building Resilient Communities in "Beyond Merida,"* the Obama administration's policy toward Mexico.

A February 2010 massacre that left 17 young people dead at a party in Ciudad Juárez generated the immediate political impetus. President Calderón first tried to dismiss the horrific event by suggesting that the slaughtered children were members of a criminal organization. The resulting political firestorm prompted him to show compassion for the victims of the drug-related violence and announce a quick-impact socioeconomic package for Ciudad Juárez named *Hundred Days of Juárez*. *Hundred Days of Juárez* quickly became a longer effort: *Todos Somos Juárez*.

Mexico's federal government appropriated the equivalent of US\$250 million for the urban development program, to be disbursed within one year. In its design, *Todos Somos Juárez* emphasized engagement with the local community. It established boards composed of federal and local government officials and representatives of the business community, NGOs, trade unions, and youth groups to provide input into developmental priorities of the program, such as education, housing, health, employment, poverty reduction, and youth programs. This engagement was also meant to stimulate the growth of local development capacity and reinforce civil society's cooperation with local authorities. To ensure that projects consistent with the priorities of *Todos Somos Juárez* would indeed be swiftly carried out, line ministries were asked to report their initiatives to the president's office every week.



## The Achievements and Limitations of *Todos Somos Juárez*

A year and a half later, what has *Todos Somos Juárez* accomplished? Despite the program's own timelines—as short as one hundred days—there are, in fact, great limits to what effects can actually be observed over a period as short as 18 months. Urban development requires time, and its effects on social dynamics, including crime and violence patterns, often take even longer to register. Thus, at this point, an analysis of the program's implementation and effectiveness can only be an early and hardly definite assessment.

Nonetheless, there are good reasons for concern even with respect to some of the procedural components of the program and its execution.

So far, for example, a smooth coordination among the various levels of government has not yet been robustly established. In my interviews in Mexico City and Ciudad Juárez, federal officials and local authorities blamed each other for a lack of interest and slow execution. Similarly, cooperation between government officials and the local community appeared to be limited. Federal officials in charge of the program felt that their engagement with the civil society in Ciudad Juárez was deep and extensive and that it was the local input that drove the design of individual programs. However, the local NGO and business representatives in Juárez with whom I spoke felt that their input was ignored, the engagement boards were often only pro-forma, and federal officials informed them about the coming programs, rather than genuinely seeking their input.

Beyond an overall needs assessment at a city-wide level, few on the ground evaluations were carried out by programs' designers in order to determine what was actually needed in any particular neighborhood. Not every area, for example, needed a soccer field, nor would soccer fields necessarily alter some of the pernicious social processes and crime patterns in the area, even if the local community welcomed having a soccer field. Yet few analyses of the critical drivers of violence and poverty in any particular neighborhood were conducted.

At the same time, the one-year overall timeline and the weekly reporting requirements created strong incentives within the line ministries to show outputs quickly. The burn-rate pressure of dispensing money to projects soon encouraged the line ministries to expand existing programs, rather than to identify and address the critical drivers of illicit economies and violence in particular neighborhoods. For example, if an area had a hospital with 100 beds, money from *Todos Somos Juárez* was allocated to expand the hospital capacity to 120 beds. Such an expansion probably improved life in the *colonia*, but it was hardly sufficient to change its basic social patterns. Local community representatives

complained that often such an expansion of existing programs was not a priority for the community. Insufficient attention was also paid to developing synergies among the various sector efforts, more often than not leading to isolated, discreet interventions.

Since *Todos Somos Juárez* was authorized as a one-year one-time program, after which local authorities in Ciudad Juárez and state authorities in Chihuahua would pick up the burden of development, strategic planning was greatly complicated by the lack of clarity as to whether resources would be available beyond the expiration of *Todos Somos Juárez*. Only several months past the expiration of *Todos Somos Juárez* did Chihuahua authorities announce that Juárez would receive additional US\$498.4 million from city, state and federal sources for the continuation of public works projects. Questions remain about the basis on which the new money will be allocated to specific programs. One project already announced is a \$10.8 million for a new baseball park.<sup>12</sup>

As is often the case, political imperatives, as well as the size of the city in need of socioeconomic development, privileged the adoption of a wide-coverage, but consequently scatter-shot approach to development efforts. Instead of pooling resources in select areas so that all of the drivers of the negative social dynamics in that area could be addressed, the tendency became to give each community in need some project. Such limited handouts may improve the life of a community to some extent, but they are often insufficient to reform the community. Yet justifying why a particular neighborhood is deserving of a comprehensive socioeconomic package while others go lacking is extremely politically difficult.

Nonetheless, at least with respect to the need to concentrate resources, some important learning has taken place on the part of the various stakeholders involved in the socioeconomic efforts to combat organized crime in Ciudad Juárez. An exciting new initiative—a comprehensive development of the Francisco Madero neighborhood in Ciudad Juárez—seeks to bring together the various lessons of *Todos Somos Juárez*. Spearheaded by Paso del Norte Group—a joint U.S.-Mexico organization of El Paso and Ciudad Juárez business and community leaders—and embraced by Ciudad Juárez Mayor Héctor Murguía, Francisco Madero is to serve as a model for efforts to develop communities and strengthen their resilience against organized crime in the city.

Another positive development has been the recovery of the auto and electronics industry along Mexico's northern border, reinforced by the increasing costs of labor in China and transportation costs

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<sup>12</sup> See, Alejandro Martínez-Cabrera, "Juárez security aid loses \$4.9M: Gov't says city fell short training police," *El Paso Times*, July 29, 2011; and Damien Cave, "A Long-Necked Sign of Hope for a Frightened City," *The New York Times*, July 25, 2011.

from China. According to Mexican government statistics, as of January 2011, the recovery brought 176,824 new jobs (a 1.3 percent increase) to Ciudad Juárez, which has the largest number of *maquiladoras*.<sup>13</sup> The city has been eager to refurbish its image further to attract new investment.

## Socioeconomic Programs for Combating Crime Elsewhere in Mexico

To improve its image tarnished by violence and to attract new investment, Tijuana held a major business promotion event—Tijuana Innovadora—last October. It is not clear to what extent the event per se, rather than changes in the U.S., Mexican, and global economy, increased investment and encouraged the trade expansion in the city. However, the immediate expenses for the event turned out to be large, for both the city and the state of Baja California.

The city of Monterrey, the technological and business hub of Mexico, has also adopted a socioeconomic program for one its underdeveloped *colonías*, in the sector Independencia. Modeled after Medellín's efforts to incorporate its marginalized *comunidades* into the rest of the city, the Monterrey initiative seeks to bring infrastructure and social programs into the neighborhood after a police station was established there. Such an expansion of crime-fighting methods in Monterrey is a significant and very positive development. Prior to the adoption of such socioeconomic approaches and instead of reforming the city and state police forces, Monterrey's business elite had flirted with establishing private militias<sup>14</sup> as a mechanism to reduce the city's dramatically expanding violence after the Zetas, one of Mexico's most violent DTOs, began operating there in 2009.

## Impact of *Todos Somos Juárez* on Violence Dynamics

Efforts to assess the impact of Mexico's socioeconomic programs on violence dynamics are fraught with analytical uncertainties. Initiatives encouraging the growth of legal economies and fostering broader social development of a neighborhood are meant to provide legal employment opportunities so that young people especially do not seek employment in illegal enterprises. But several factors beyond the number of recruits available to criminal groups influence violence patterns and intensity.

Moreover, shifting a community's allegiance away from criminals and toward the state cannot be expected to take place quickly. Indeed, efforts to buy allegiance through quick-impact handouts and buyoffs have proven ineffective in many diverse parts of the world—from Afghanistan and Pakistan to Rio de Janeiro and Colombia.

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<sup>13</sup> Randal Archibold, "Despite Violence, U.S. Firms Expand in Mexico," *The New York Times*, July 10, 2011.

<sup>14</sup> See chapter "Illegal Logging in Michoacán: Butterflies, Indigenous Communities, Organized Crime, and Militias"

Similarly, many factors other than support for criminal groups or the state influence whether a community provides intelligence to law enforcement agencies. Foremost among them is an assessment of whether or not criminals will retaliate against those who cooperate with law enforcement agencies. Such calculations include assessments of how corrupt the existing law enforcement apparatus is. In other words, a community may well develop strong support for the state on the basis of well-executed socioeconomic programs and still not provide intelligence.

In Ciudad Juárez, some of the immediate and visible outcomes have been mixed. In some areas where public spaces were created (such as around newly-built playgrounds), violence fell off and criminals moved away. In our conversations, community representatives from these areas maintained that the criminals realized the community did not want the gangs around and could report them to law enforcement agencies. Other public grounds, however, attracted the presence of youth gangs and became recruiting grounds for the DTOs.

The mere creation of a public space was clearly insufficient to either motivate or enable the surrounding community to resist the presence of violent groups. What the different outcomes suggest is that factors other than the delivery of a socioeconomic project matter to a great degree—be they preexisting levels of security or the preexisting organizational capacity of the community, changing balances of power in the criminal market in the neighborhood, a greater deterrence capacity of law enforcement institutions, characteristics idiosyncratic to particular youth gangs and criminal groups, or others.

## **The Way Forward in Ciudad Juárez and Lessons for Other Cities**

Socioeconomic programs for reducing violence are not a substitute for security. In fact, they are often dependent on the establishment of greater security on the ground to have a chance to take off at all. If an urban sector continues to experience intense warfare among criminal groups that law enforcement institutions or the military are unable to suppress, few but illegal economies will thrive. However, if designed as a comprehensive social development effort and executed well, such programs reinforce the bonds between communities and the state, and critically hamper the operational space of criminal groups. Thus, they reduce the negative effects of criminal groups on both national security and the community's social fabric.

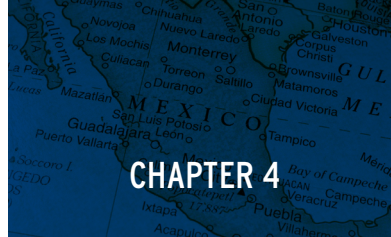
The 2011 appropriation of additional funds for socioeconomic development in Ciudad Juárez can improve the chances that the efforts undertaken in 2010 will become sustainable and be expanded. It can perhaps also enhance the desired social effects, including crime reduction. However, for that to be the case, money must be allocated based on ground assessments of local structural drivers

of social ills. Resource allocation procedures need to move away from merely expanding existing programs and shift toward addressing all the structural drivers of underdevelopment, illegality, and crime. Such an allocation basis in turn requires that assessments of such structural drivers are developed for each intervention area. All of which most likely means timelines longer than one year.

It is equally important to move away from a broad coverage and scatter-shot approach and instead concentrate resources in specific selected areas in the city. Cross-sectoral synergies significantly augment that chance of reforming the social dynamics in a community as compared to isolated discreet interventions. The Francisco Madero neighborhood may well be one such appropriate area of intervention.

Pooling resources in a particular locale allows for demonstration effects to take place. But such concentration of resources is only politically sustainable if the city presents a credible plan for expanding the development zones to areas at first left out.

It is also vital to locate the socioeconomic development packages in areas of sufficient security. Placing them in highly insecure zones greatly undermines the chance that the development efforts will take off.



## Organized Crime and State Authority in Michoacán

“The moment you land at the airport and rent a car, they’ll know about the *gringa* in town,” my contact in Morelia—the capital of Michoacán—tried to warn me. “The *halcones* [as the lookouts and informants for organized-crime groups in Mexico are known] are everywhere. They will know very quickly what kind of questions you’re asking. It’s very dangerous here.”

**W**hen I arrived in Michoacán in March, I encountered a place almost gripped by psychosis—captured by widespread belief, and frequently outright fear, that the presence of organized crime in the state was pervasive. There was a prevailing sense that criminal groups were increasingly affecting people’s lives despite the fact that the government declared victory over the most notorious drug trafficking group in the state, La Familia Michoacana. Three months earlier, in December 2010, the government captured the head and founder of the group, Nazario Moreno González, known as El Más Loco (The Craziest One), and stated the group was dismantled. (In June of this year, Mexico’s law enforcement agencies also arrested José de Jesús Méndez Vargas, a.k.a. El Chango (The Monkey), another important figure in the cartel. Once again, government authorities pronounced that the capture was the death blow to La Familia).

### Fear and Extortion in Michoacán

By Mexican standards, Michoacán is far from being the most violent state. Between 2006 and 2010, violence has reached around 30 to 40 homicides per 100,000 inhabitants, i.e., in the low hundreds per year. The Mexican states most affected by the drug violence (including Chihuahua, Sinaloa, Guerrero, Tamaulipas, Durango, and Nuevo León) have been experiencing homicides in the upper hundreds or even thousands per year.<sup>15</sup> Even though this year, violence in Michoacán increased substantially as a result of infighting between the established La Familia Michoacana and new splinter and emerging

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<sup>15</sup> For details on homicide trends, see, for example, The Trans-Border Institute, *Justice in Mexico*, August 2011, <http://www.justiceinmexico.org>.

DTOs, violence has still not reached the levels of Mexico's north. (As of August 16, 226 people were killed in Michoacán this year.)<sup>16</sup>

Nonetheless, the common belief in Michoacán was that authority did not lie with the government. Those I could persuade to speak with me reported that the *narcos* had an impressive informational network both within government offices and in society at large. Many, whether shopkeepers in rural villages or former government officials in Morelia, refused to talk, citing the danger to their lives if the criminals found out about the conversation. Extortion by criminal groups was seen as widespread, affecting anyone with a profitable business—logging companies in the central part of the state, businesses in Michoacán's big trading hub Lázaro Cárdenas, or avocado farmers in Uruapan. Students at the Universidad de Morelia said they would receive threatening calls demanding money, or else risk having harm done to their boyfriends or girlfriends. (The details of such attempted extortion suggested a rather amateurish operation, perhaps conducted by fellow students. However, the frequency of such calls does suggest an atmosphere of widespread extortion and a sense of impunity for such behavior.)

Business owners in Morelia complained that extortion was now affecting them to an unprecedented degree. While most were bothered by it, some suggested that the protection racket was not so bad after all: The criminals would keep the state tax collectors away and, they argued, the demands for payment were more predictable. There would be no more health inspectors showing up at the restaurant and making up fake violations unless they received a bribe.

Others exhibited a similar ambivalence toward the authority of the state versus the authority of the criminal groups. Particularly outside of Morelia, people reported that the local criminal group would adjudicate disputes more swiftly than the state and, unlike the state, had a capacity to enforce its judgments. Then, why bother going through the official courts? they asked. But my interlocutors could not, or would not, identify whether the adjudicating criminal group was La Familia Michoacana, its offshoots, or one of its rivals, such as Los Zetas.

It is difficult to ascertain the extent to which such beliefs about the penetration of organized crime into the many aspects of people's lives reflect reality, or precisely how much extortion and fear of crime have changed in the state. Although some avocado farmers admitted that they had to pay criminal groups a percentage fee on every crate of avocados shipped out of the state to the United States, two leaders of the avocado farmers' association I interviewed denied that such extortion was taking place. According to them, in fact, Uruapan did not have a problem with organized crime at all.

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<sup>16</sup> Ibid: 6.

“Some years back, there were two or three murders, but now Uruapan is fine,” they insisted. In spite of such differences in assessment, the perception of widespread presence of organized crime indicates, that at least to an important degree, authority has been transferred away from the state to the criminal organizations. If citizens fear and obey a nonstate actor without the group having to resort to great violence and if citizens seek out the group for the provision of public goods, the nonstate actor has scored a critical advantage in its competition for power and influence.

## **La Familia Michoacana’s Political Project**

Perhaps to a greater degree than most other drug trafficking organizations (DTOs) in Mexico, La Familia Michoacana specifically set out to develop such authority over the population. To facilitate this process as well as to ensure the allegiance of its members, La Familia wrapped itself in a cloak of mystique, cult-like practices and religiosity, which it extensively advertised. It issued manuals of conduct to its members, prohibiting them from using drugs, for example, even while its key business was rooted in the production of methamphetamines, heroin and marijuana and their transportation to the United States.

For decades, Michoacán has been one of Mexico’s centers of poppy and marijuana cultivation. La Familia and other DTOs have developed such control over access to the Tierra Caliente and other parts of the state where the illicit crops have been cultivated that even relatives of the illicit crop farmers would not dare go there in recent years. Periodic drives by the Mexican military to eradicate the illicit crops have done little to break the criminal groups’ control over these areas.

La Familia’s cult also centered on the use of atrocious forms of violence. In two early high-profile acts of brutality, five decapitated human heads were thrown into a disco club and two grenades were lobbed into a crowd celebrating Mexico’s Independence Day were. (Eight people were killed and one hundred injured during the attack. Among its early high-profile acts of brutality were throwing five decapitated human heads into a disco club and in 2008 lobbing two grenades into a crowd celebrating Mexico’s Independence Day.)

La Familia Michoacana was also a pioneer among Mexican DTOs in exploiting such spectacular violence to dominate other illegal and informal economies in areas it controlled. During my research in Michoacán, I repeatedly heard a story about how La Familia took over prostitution in a municipality by killing off half of the pimps and telling those left alive that they would have to pay a cut of their take to La Familia or lose both their business and life.



## The Government Response and Its Limitations

La Familia's rapid growth, viciousness, and cultish overtones did not escape the attention of the government of Mexico, Michoacán being the home state of President Felipe Calderón. Brutal violence on the streets would hardly project an image of an effective national security strategy to confront the DTOs. Thus Michoacán became one of the first areas where the Mexican military was deployed to combat criminal groups. Among the military's key missions was to back up, and in some circumstances completely replace, Michoacán's municipal police forces which were undertrained, under resourced, deeply corrupt, and completely overwhelmed by organized crime. In addition to conducting raids against high-value targets, such as key operatives of drug trafficking groups, the military also set up numerous checkpoints to search people and vehicles.

My bright-red rented compact became one of the cars searched at a military checkpoint about 120 kilometers outside of Morelia on my route to Tierra Caliente. The hour-long interlude during which the soldiers searched my car and bags for drugs and weapons provided me with an opportunity to explore the military's mission with the checkpoint's patrol. The soldiers revealed that about once a month they found some contraband, usually transported by poor villagers, but they mainly considered the checkpoint duty quite boring. When I inquired whether the *narcos* had perhaps learned where the checkpoint was located and only sent decoys through it every so often to distract the military from the *narcos'* other operations, they shrugged and admitted that they simply wanted to get through their tour. They came from out of state—Aguascalientes and San Luis Potosí—did not know the locals who regarded them with suspicion, were hot under their balaclavas and uniforms, and simply wanted to get home with as little hassle as possible.

Typical or not of the military deployment in Michoacán, this particular patrol and the attitudes expressed hinted at broader problems with the dispatch of the military to Mexico's streets to take on the cartels. The military has been struggling to develop local intelligence capacity. High-value interdiction operations have been predominantly driven by signal intelligence intercepts. Such limits to intelligence collection and others imposed by Mexican law that restrict the military's investigations of crimes to *in flagrante* responses, mean that the military has limited ability to shape criminals' propensity to violent crime in local areas. Often times, the military contingents struggle to even understand patterns of organized crime influence in their areas of operation.

The federal police forces similarly lack effective local intelligence. A member of Michoacán's state judiciary complained to me in frustration that it often takes two or three days for the federal police to drive to one of the more distant municipalities where a dead body had showed up. By then, little

forensic evidence is left and the locals are not interested in talking with the police (or the military). Given such inefficiencies in obtaining evidence, the overwhelmed and under resourced justice system greatly struggles to improve its prosecution capacity. My interlocutor found it even more frustrating that continuing bureaucratic and coordination problems further compromised the effectiveness of the military presence in the state: several times, they could not respond to tipoffs of *narcos'* activity because their trucks had run out of fuel. "If they cannot resolve such a simple logistical problem, what can they accomplish here?" he asked. But meanwhile, he complained, the *halcones* inform their bosses every time the military vehicles leave the barracks.

Perhaps more strongly than in other parts of Mexico, President Calderón's strategy in Michoacán, at least in the initial phase, also focused on tackling corruption in the official political system and the penetration of organized crime into government institutions. In a massive operation in May 2009, on the cusp of state and municipal elections, the federal police rounded up thirty-five municipal governors, state officials, former security directors and a judge on charges of links to La Familia Michoacana.

A determined and effective policy to clean up corruption, impunity and organized crime's penetration of the Mexican political system and government institutions would significantly advance Mexico's effort to combat the power of the DTOs. More broadly, it would enhance rule of law in the country. But this particular operation in Michoacán turned out to be a fiasco. Not only were the arrests and subsequent detention of the officials surrounded by complaints of serious human rights abuses, but the prosecution's case collapsed for lack of evidence. By July 2011, all but one of the original detainees had been released. The half-brother of Michoacán's governor also indicted during the operation, Julio César Godoy Toscano, has remained in hiding. Michoacanazo, as the operation became known, added little credibility to President Calderón anti-crime strategy.

## **The Next Generation of DTOs and the Government's Strategy of Breaking Cartels into Smaller Groups**

In short, despite the national government's declaration of victory against La Familia some weeks back, the Michoacán I encountered in March exhibited little belief that the power of organized-crime groups in the state was weakened. During my stay there, some of the first *narcomantas* (posters produced by DTOs) announcing the presence of Los Caballeros Templarios, a new drug trafficking group, were hung around Morelia and elsewhere in the state. The state was rife with speculation about whether Los Templarios were a descendant of La Familia, and if so, how much of La Familia's corruption and coercion networks Los Templarios inherited.

Believed to be founded by former school teacher Servando Gómez, Los Templarios have also cloaked themselves in religious language, symbolism, and allusions to “justice.” They have promised to bring such justice to thieves, extortionists, rapists, and also to los Zetas, if they tried to encroach on the criminal enterprises belonging to Los Templarios. Since March, several bloody killings have been attributed to Los Templarios, including, on a particularly bad weekend in June, the murders of twenty-three people in different parts of Michoacán.

A critical component of the anti-crime strategy of Mexico’s government has been to break up the DTOs into smaller groups on the premise that such smaller groups will have lesser capacity to threaten the national state. The evolution of Los Templarios, however, shows that such a policy aimed at fracturing them is not sufficient on its own. Few of the people I spoke with in Michoacán believed that the grip of organized crime on people’s lives in the state had significantly loosened as a result of the demise of La Familia and the arrival of the supposedly smaller Los Templarios.

Meanwhile, in July of this year, a reputed hitman of Los Templarios, Javier “El Chivo” Beltrán Arco, was captured. The government of Mexico celebrated the operation as a crippling blow to the DTO and the liberation of Michoacán from organized crime. At least in March, Michoacán’s citizens’ perceptions of safety and the locus of power were not easily swayed by such declarations.

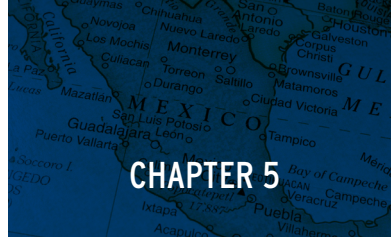
## The Way Forward

Tackling corruption in law enforcement and political institutions is a critical element of any strategy to reduce the power of organized crime. Such an effort must be prioritized in Mexico’s anti-crime strategy. However, the nature of the existing complicity between crime entities and government officials raises some complex issues when it comes to undertaking such a policy. Reinforcing the resilience of law enforcement and political institutions to organized crime penetration must go considerably beyond merely arresting people for cooperating with criminals.

Such an anti-corruption strategy must also provide law enforcement and state officials with mechanisms to resist coercion by organized crime. This can only be achieved by providing them with protection. Several sources I interviewed in Michoacán believed that as many as 97 out of Michoacán’s 113 municipalities had some narco-linked politicians on the municipal councils. To the extent that people, including officials, believed that the *narcos* had such a presence and hence knowledge of the inner deliberations of the council, they would fear standing up to the criminals. Similarly, I was repeatedly told the following story of machine-gun-toting hitmen belonging to La Familia Michoacana arriving in the capital of a Michoacán municipality. They would drive up to the mayor’s house and inform him that they knew where he and his family lived and hence could harm them if he crossed the

DTO. But La Familia would leave him in peace if he refrained from interfering with certain aspects of the group's operations and their safehouses and promised to appoint the local police chief only with La Familia's approval. The mayor was reported to find little backup and advice from higher authorities and felt powerless. His municipal forces were not up to the task of taking on the DTO and he expected that many were in fact already on La Familia's payroll.

To the extent that local officials feel they do not have the protection and support of the state and federal levels, many may consider themselves powerless to resist the criminals' coercion and, as a result, will yield to extortion. Thus, an effective strategy to break the cartels' stranglehold on local officials must include developing procedures for a trustworthy and reliable federal or state backup. Similarly, to reduce the political power of organized-crime groups, it is not sufficient to merely break them up into smaller groups. For people to believe that authority was significantly transferred from criminal groups back to the state, the perceived capacity and integrity of law enforcement, justice, and other government institutions must also increase along with the interdiction hits against the DTOs. Otherwise, the power distribution in the criminal market may change without people believing that their security has been enhanced. There may well be a new order, but it could still well be a non-state-actor order. Such growth in the capacity and projected authority of law and justice institutions often requires a lot of time and is yet to take place in Michoacán and elsewhere in Mexico.



# Illegal Logging in Michoacán: Butterflies, Indigenous Communities, Organized Crime, and Militias

One piece of positive news coming out of Mexico this year has been the drop in illegal logging in the monarch butterfly reserve that spans the states of Michoacán and Mexico. The reserve system, a very small forest area in the central highlands of the country, is the wintering ground of the butterflies that will migrate to the United States in the spring. The monarchs form colonies on fir trees, huddling together like densely stacked Christmas lights. The trees are so packed with the gossamer butterflies that even large branches sometimes break off under their weight. When the butterflies take off into the air, their shimmering wings cover the sun in the forest.

## Butterflies, Stallions, and Organized Crime

If the wintering grounds are lost, the monarchs may go extinct. This past winter season, illegal logging in the 13,550-hectare reserve declined to less than half a hectare.<sup>17</sup> In the mid-2000s, at the height of illegal logging in the area, logging destroyed as many as 461 hectares (ha) annually.<sup>18</sup> Much of the illegal logging is linked to organized crime, including Mexico's major drug trafficking organizations (DTOs), such as La Familia Michoacana and the Zetas. The DTOs extort logging companies for protection fees and sponsor illegal loggers. They also operate methamphetamine labs deep in Michoacán's forests, with some of the labs furtively whispered to be located in the butterfly reserve. (With a Chekhovian-type humor, given that its participation in illegal logging hurts the monarch butterflies, La Familia Michoacana adopted the symbol of a butterfly as its trademark on pirated goods franchised or sponsored by the DTO. The Zetas chose the somehow more-appropriately testosterone-laden symbol of a stallion as their trademark.)

## The Complex Web of Illegal Logging in Michoacán

But it would be a mistake to assume that all illegal logging in Michoacán, and for that matter in Mexico, is linked to drug trafficking organizations. Amounting to between 150,000 and 350,000 ha per

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<sup>17</sup> "Deforestation in Mexico's Monarch Butterfly Reserve Drops to Very Low Levels," *Associated Press*, July 21, 2011.

<sup>18</sup> *Ibid.*

year during the 1990s and 2000s,<sup>19</sup> illegal logging predates the participation of the DTOs in Mexico's deforestation. It involves a complex web of actors and some intricate symbioses and intense rivalries.

As elsewhere in the world, much of illegal logging in Mexico is conducted by licensed logging companies who log in excess of their quota. By some estimates, Mexico's timber processing industry has twice the capacity necessary to process the legally-approved timber volume,<sup>20</sup> and thus it has a strong incentive to illegally supply the excess capacity. Many of the existing timber concessions have their origins in the parastate logging companies—partnerships between the federal government and national industries—that dominated logging in Mexico through the 1970s and operated with a great deal of sanctioned impunity. Forest inspectors sporadically sent out to check whether the timber companies comply with logging plans are easily intimidated, muzzled, and bribed. The atmosphere of chaos and danger generated by the DTOs in Michoacán and the sense that many of its forests are off limits to anyone but hardened criminals prevents forest inspectors from fully investigating the extent of the logging fully. At the same time, many logging companies are deeply troubled by the protection fees they are now asked to pay, even as some of them may benefit from the lawlessness provided by the DTOs.

The conversion of forest into agricultural land is another intense driver of deforestation. During the 1960s and 1970s, Mexican governments systematically encouraged such deforestation, especially of tropical forests which they found of little value, despite their enormous biodiversity. Although such policies have been discontinued, many of the subsidies for farming persist and still emphasize land conversion for agricultural use. In Michoacán, one of the most prized agricultural commodities is its avocados, many of which are exported to the United States. Thanks to a highly fertile volcanic soil that the avocado trees like, a very profitable and expanding avocado farming business has been established on deforested land in the state. Allegations of extensive illegal logging in order to generate land for plantations have surrounded the avocado cultivation. In my conversations with representatives of the avocado growers' association in Michoacán in March, they insisted that these days, they place new plantations only on degraded land, such as where the forest had burned down. Unfortunately, the state's firemen rarely seem to make it to the forest fire on time to stop it before it decimates the trees and frees up land for avocados.

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<sup>19</sup> Food and Agriculture Organization of the United Nations (FAO), *Global Forest Resources Assessment*, 2010, <http://www.fao.org/docrep/013/i1757e/i1757e.pdf>. Some analysts put the level of deforestation considerably higher, at 500,000 ha per year, with the rate of forest destruction in Mexico's biodiversity-rich tropical forests roughly twice as high as in the highland pine-oak-fir forests of Michoacán and central Mexico. See, for example, Alejandro Velázquez, Jean-François Mas, José Reyes Díaz-Gallegos, Rafael Mayorgo-Saucedo, Reginaldo Antonio Alcántara Peraza, Roberto Castro, Tania Fernandez, Gerardo Bocco, and José Luis Palacio, "Patrones y Tasas de Cambio del Uso del Suelo en Mexico," *Geceta Ecológica* 62, 2002: 21-37.

<sup>20</sup> José Luis Pimentel Ramirez, *La Industria Forestal en el Estado de Michoacán* (Morelia: Comisión Forestal de Michoacán, Mexico, 2005).

Artisanal illegal loggers, some of Mexico's poorest *campesinos*, also form a part of the complex illegal logging economy in Michoacán. Some of them supply the avocado industry with wooden crates from pines they illegally cut higher up in the hills where agricultural deforestation has not reached. They sell some of the trees to logging companies while also keeping some for their own household energy consumption. Sometimes they rely on organized-crime groups as protectors and sponsors. At times, they invade the land of other indigenous communities once their own forests are depleted of commercial timber.

## Mexico's Community Ownership Model of Forest Management

Despite such problems, Mexico is frequently held up as a model of community ownership and eco-friendly management of forests. By the late 2000s, Mexico, for example, had the world's largest number of communally-owned forestry parcels certified by the Forest Stewardship Council, which evaluates the legal compliance and environmental sustainability of logging.<sup>21</sup>

This model of community ownership of forests emerged in Mexico out of an indigenous struggle against the parastate logging companies, coinciding with growing ecological awareness. Starting in the 1980s, many indigenous communities began mobilizing against the timber companies they perceived devastating their ancestral lands without bringing profit to the community. In 1986 Mexico passed a law that returned almost eighty percent of Mexico's forests to the indigenous communities under a communal ownership scheme, known as *edijo*. Depending on whether the *edijo*'s forest is located in a protected nature area or not, the community may be given a permit to log. (Areas in Mexico where logging is fully prohibited often exhibit some of the highest levels of illegal logging and deforestation, a predicament that is intensifying a lively debate among ecologists as to whether or not to permit logging in ecologically-sensitive areas in order to give local communities a stake in conservation.)<sup>22</sup>

The *edijo* of Nuevo San Juan Parangaricutiro in Michoacán represents a paragon of success of such communal ownership and conservation efforts. The community's logging operations, sawmills, and a furniture factory employ the majority of the community's 1200 men and bring substantial income to the community. Its reforestation efforts have increased the coverage of the community's pine-oak forests as well as the commercial quality of their timber.

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<sup>21</sup> Forest Stewardship Council, 2007, <http://www.fsc-info.org/>.

<sup>22</sup> See, for example, José-Luis Navarrete, M. Isabel Ramírez, Diego R. Pérez-Salicrup, "Logging within Protected Areas: Spatial Evaluation of the Monarch Butterfly Biosphere Reserve, Mexico," *Forest Ecology and Management* 262, 2011: 646-654; David Barton Bray and Leticia Merino Pérez, *La Experiencia de las Comunidades Forestales en México* (México, D.F.: Instituto Nacional de Ecología -SEMARNAT, 2005); Leticia Merino Pérez and Mariana Hernández Apolinar, "Destrucción de Instituciones Comunitarias y Deterioro de los Bosques en la Reserva de la Biosfera Mariposa Mariposa Monarca, Michoacán," *Revista Mexicana de Sociología* 66 (2), 2004: 261-309.

Yet not all such *edijos* do thrive economically and not all alternative livelihoods schemes to reduce deforestation fully work out. About five hundred thousand predominantly poor people live in the wider monarch butterfly reserve area. The leaders I interviewed in one of its communities, Rosario, for example, complained extensively that the income generated by butterfly-watching ecotourism was too small and covered less than forty percent of household income needs. During the period when the monarchs are not at their wintering grounds—April through October—the community’s ecotourism income drops to nothing, yet few other income opportunities are available. In 2002, the Monarch Butterfly Conservation Fund was created to economically compensate forest owners who had to give up their previously-issued logging licenses in the core part of the reserve where all logging is prohibited. The fund also provides for minor payments to local communities that carry out conservation activities, such as reforestation. Rosario’s community representatives, however, complained bitterly of delays in disbursement of the payments as well as of their insufficient amount.

Furthermore, although they maintained that illegal logging was no longer taking place in their area (after confessing that it used to a few years back), they insisted that other problems were beseeching the forests and the butterflies. A disease of some sort was killing trees in their part of the reserve. Moreover, for several consecutive years now, they claimed, the butterflies have been arriving later in the year and departing earlier, a trend they attributed to global warming. The shortened ecotourism season has, in turn, reduced the community’s income. “The environmental NGOs, the people in the United States, they say they care about the butterflies and the trees. But what are they doing about global warming that’s killing both and taking our livelihood away?” they asked me angrily.

## Chainsaws and Machine Guns: Cherán’s Revolt against Organized Crime

As difficult as they are, Rosario’s problems nonetheless seem smaller than the criminal violence linked to illegal logging that befell another indigenous community in Michoacán—Cherán. As is not uncommon in the state, illegal loggers invaded the community’s land and over the span of two years cut down hundreds of hectares of ancestral old-growth forest. But in a manifestation of the new era of organized-crime groups being robustly involved in illegal logging, the rogue loggers arrived not just with chainsaws, but also with gunmen touting assault weapons. These bodyguards tried to lord it over Cherán, killing activists who opposed them and kidnapping others.

In April of this year, after the gangs began felling massive tropical pines that surrounded the Cherán’s water sources, the town took matters into its own hands. At first, the townspeople merely seized the loggers’ trucks piled with timber. But after the gunmen shot one of community organizers, the confrontation escalated.<sup>23</sup>

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<sup>23</sup> For details of the escalation, see Anne-Marie O’Connor and William Booth, “In Mexico, Forests Fall Prey to Crime Mafias,” *Washington Post*, July 6, 2011.



By June, the community expelled the local municipal and state police and replaced the mayor with a communal council. The council authorized the creation of a self-defense militia to guard the community and its forests, with a determination to fight both the invading criminals and the state authorities if they tried to return. Barricades were erected around the town and militia members armed with weapons began prowling the woods. The community came to see the state as useless in providing for its security.

## Militias in Mexico

The emergence of community self-defense forces and the creation of other militias are not a development unique to Cherán and Michoacán. When I was doing research in Ciudad Juárez,<sup>24</sup> I heard similar stories of self-defense militias cropping up around Chihuahua. In the town of Ascensión where such self-defense forces were established after two girls were kidnapped last year, the town also expelled the local police from town. (A new police force was later established in the city, but in August of this year, the entire police force resigned for fear of organized crime. State officers and the military were sent to Ascensión to fill the void in law enforcement provision.) In Mexico's industrial and technological hub of Monterrey, some among the business elite were alleged to have flirted with establishing a high-power militia to supplement the private security companies that guard their houses and businesses and rid the city of the encroaching violent DTOs. And in an unfortunate PR move—if not an outright sinister act of criminal wrong-doing—Mauricio Fernandez, mayor of San Pedro Garza Garcia, one of Mexico's most exclusive communities, announced in 2009 that his political rival had been found dead three hours before the police discovered the body.

Mexico has a long history of private militia forces operating in the country. Although the phenomenon has not taken on the disastrous intensity that has characterized militias and self-defense forces in Colombia, the *raison d'être* of Mexico's militias too has been the deficiency of the central state to provide consistent public security throughout the country. Many of Mexico's *caciques*, as the powerful landowners-cum-patrons-cum-politicians are known, historically operated such militias to provide for their safety as well as prosecute their political and economic ambitions. Even in recent times, many a mayor in Mexico has treated the municipal police force as his private militia.

Whether such militias form around local powerbrokers or emerge as communal self-defense forces, they have a deeply destabilizing effect on a country. Rarely are they effective in suppressing criminality, and often they abuse the wider community. They only more deeply sever the bond between the population and the state.

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<sup>24</sup> See paper "Ciudad Juárez and the Evolution of Mexico's Security Policy."

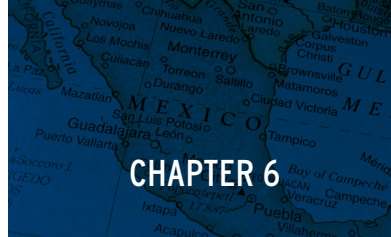
## The Way Forward

The Mexican government should not get into the habit of tolerating such militias and even community self-defense groups. It certainly should not violently retake Cherán or other communities that expel the police and establish their own security force, but it needs to start a dialogue with them and persuade them that the state is determined to protect them. It should use such situations to establish local community police units that are embraced by the community but that are part of Mexico's official law enforcement structures.

The government also needs to resolutely counter more formalized violent militias that may emerge in the country. One mechanism for preventing their emergence is to engage business elites in areas of intense violence. Around the world, militias are often sponsored by local powerbrokers and business elites who are threatened by existing violence (or seek to exploit it for their economic and political purposes).

Mexico could move to systematically establish public security citizens' boards. Such boards bring together the area's law enforcement leaders and the business and civil communities. Such boards often have a moderating influence on the use of heavy force by law enforcement agencies while they also reassure the community that police forces are responsive to their needs and that they do not need to resort to private security solutions.

Yet, such a privatization of security in fact typifies much of Latin America. The rich are guarded by private security companies, at times with the known help of illegal militias. The middle class is forced to live with mostly ineffective and brutal police forces that by and large have been resistant to meaningful reform. And the poor, frequently surviving in a trap of illegal economies and political marginalization, paradoxically have to rely on the criminals themselves to bring a modicum of security to the alleys of their *colonías* and shantytowns. At times, they rise up like Cherán.



# Mexico's Dilemmas and Strategies for Dealing with Organized Crime

**A**lready in the midst of violence that is extraordinarily high and grisly even by criminal market standards, Mexico this year is once again on track to break previous annual drug-related homicide records. As of August 26, 2011, 8,619 people were killed in drug-related violence in Mexico this year.<sup>25</sup> Despite these trends, the government of Mexico has argued that its battle against Mexican drug trafficking organizations (DTOs) is effective and has displayed the arrested key DTO operatives on TV camera as evidence of success. Over the past four years, a number of prominent capos have been captured or killed by government forces, including José “El Diego” Antonio Acosta Hernández, one of the leaders of the Juárez DTO; Teodoro “El Teo” García Simental from the Tijuana cartel;<sup>26</sup> Arturo Beltrán Leyva who headed the Beltrán-Leyva DTO; Nazario Moreno González who founded La Familia Michoacana; and Ignacio Coronel “El Nacho” Villarreal, a key leader of the Sinaloa cartel. Mexico’s most wanted fugitive and semi-mythological drug capo, Joaquín Archivaldo “El Chapo” Guzmán, may still be on the run, but the high-value-target interdiction pace continues to be intense.

## The High-Value-Target Interdiction Approach in Mexico and Its Impact on Violence

Yet it is precisely this focus on interdicting high-value targets that is driving Mexico’s violence to a great extent. The high-value-interdiction policy is motivated by a desire to break up the DTOs into smaller groups, with the assumption that smaller groups will be less able to threaten the national state.<sup>27</sup>

But the disruptions in leadership, with the so-called *narcojuniores* (sons and lieutenants of the older capos) replacing the captured leaders, destabilizes not only the individual DTOs, but also the balance of power among the Mexican cartels. Criminals aspiring to replace the fallen bosses often have to

<sup>25</sup> *Grupo Reforma* statistics cited in Transborder Institute, *Justice in Mexico News Report*, August 2011, [www.justiceinmexico.org](http://www.justiceinmexico.org). This represents an approximately 20% increase compare to the same period in 2010.

<sup>26</sup> Mexican DTOs are not cartels in the economist’s sense of the word of being able to impose a price for drugs on the market. Nonetheless, the term is commonly used to refer to DTOs.

<sup>27</sup> See chapter “Organized Crime and State Authority in Michoacán”

prove their power and capacity for brutality to their cohorts within the DTO as well as to rival DTOs. Many of the young capo-wannabes have had very little managerial experience and are often unable to negotiate with their rivals for a cessation of violence and reestablishment of accepted territorial and functional boundaries.

Efforts on the part of the Mexican government to reduce pervasive corruption and crime penetration in its law enforcement institutions has further increased insecurity in the criminal market and made existing corruption networks murky.<sup>28</sup> At the same time, the deterrent capacity of Mexico's law enforcement and military forces continues to be small, and the DTOs do not shy away from battling the government forces as well as each other.

This high-value decapitation has been at the core of Mexico's strategy, and for a long time the Mexican government has denied that the overall violence in Mexico is a problem. In a striking contrast to perceptions in the local communities hammered by the violence, Mexico City has appeared almost oblivious to the suffering of the local communities, using several arguments to dismiss the social consequences of the violence.

The Mexican government has argued that most of the killings take place among the *narcos* and hence do not affect the community. Such an argument, however, is deeply flawed: as long as the bullets are flying on a city's streets and bodies are showing up in its neighborhoods, the entire community becomes traumatized and, over time, its associational capacity to organize shrinks considerably. The government has also argued that other places in the world—cities like Johannesburg and Caracas—are more violent than Mexico's hotspots such as Ciudad Juárez. That may well be the case, but it is also irrelevant. The issue that matters for the government of Mexico is the violence within its own country and the violence trends that its citizens are experiencing. After all, providing public safety to its citizens is the irreducible and primary responsibility of a state.

Finally, the Mexican government has argued that the violence is intensely concentrated within eight northern states. That is indeed the case, but this concentration does not reduce the severity of the violence, its debilitating impact on surrounding communities, nor the urgent need to reduce it. Moreover, violence has spread to other areas of Mexico, and states with previously relatively low-levels of violence, such as San Luis Potosí and Zacatecas, have registered significant increases this year.

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<sup>28</sup> See chapter "Ciudad Juárez and the Evolution of Mexico's Security Policy"

## Weakening the Power of the DTOs, but also Reducing Violence

The government of Mexico has set out to reduce the power of Mexican drug trafficking organizations, a truly important goal. As seen in prior chapters, many parts of Mexico—Tijuana, Michoacán, Ciudad Juárez and elsewhere—the DTOs have behaved with impunity and used brutality not only to defeat their DTO rivals, but also to intimidate local authorities and the community. As their power has steadily grown since the late 1970s, they have seriously undermined the writ of the state. In areas of weak state presence and social marginalization, political authority has shifted away from the government to the criminals. Some of the DTOs have even managed to capture the allegiance of the population by sponsoring informal and illegal economies as sources of livelihoods and social advancement for the poor.

But concomitant with the determination to reduce the power of the DTOs there also needs to be a determination to reduce the violence. Unfortunately, at this point, the Mexican government has few levers to influence the violence trends. Many of the developments in the criminal market, including its proclivity to violence, are currently beyond immediate control of law enforcement agencies. By and large, neither the deployment of the military to Mexico's streets nor the reinforcement of municipal police by federal police forces have managed to reduce the country's violence even in local areas. And the high-value-target decapitation approach, especially when directed indiscriminately against all of the DTOs simply on the basis of tactical intelligence availability, only further destabilizes any precarious emerging deterrent balance among the criminal syndicates. The resulting fluidity in the criminal market makes it very difficult for law enforcement agencies to intervene strategically to reduce violence.

Nor can socioeconomic interventions, appropriately, if sporadically adopted by Mexican authorities to combat crime, be expected to reduce the violence in the short term. Such policies are an important tool to reinforce the resilience of communities against domination by organized crime. However, such policies often require substantial time before they start producing results and especially having an effect on violence.

## The Way Forward

Below are a few important mechanisms that the Mexican government could employ to reduce violence without giving up its objective to weaken the power of the DTOs.

## Restructuring Interdiction I: Focusing on the Most Violent DTO

First is prioritizing within the interdiction effort. Instead of hitting all groups equally simply based on availability of intelligence, the government could more selectively concentrate on the most violent group in a particular locale. Such a policy has been undertaken at least to some extent in parts of Mexico, with law enforcement agencies focusing intensely on La Familia Michoacana in Michoacán and Los Zetas in northern Mexico.

Such prioritization of interdiction actions against the most violent group is a well-tested law-enforcement approach, having scored some key successes around the world. It is perhaps best known from Boston's fight against violent gangs in the early 1990s, known as Operation Ceasefire. The well-publicized targeting of the most violent criminal group and then the second most violent criminal group led the Boston gangs to want to avoid getting that label so as not to become the focus of law enforcement institutions. Over time, violence in the areas where the gangs operated was dramatically reduced. Operation Ceasefire became the model for similar approaches in Brazil, for example, including in Rio de Janeiro where the GPAE (Grupamento de Policiamentoem Áreas Especiais) policy of the early 1990s and the current Pacification (UPP) policy for retaking the violent *favelas* were based on the Boston approach.

In Mexico, however, such a prioritization strategy has already encountered difficulties. The government's tactical gains against La Familia Michoacana have only translated into the emergence of the still highly violent Los Templarios.<sup>29</sup> In addition, rather than being clearly defeated, the Zetas have primarily been displaced to new areas, including Monterrey and Nuevo León and close to the southern border of Mexico. (They have also set up robust operations in Central America).

Overall, the fracturing of the DTOs and the associated violence have not clearly reduced the power of the criminal groups. Smaller groups do not necessarily have less power vis-à-vis state authorities if law enforcement institutions in a local area continue to be corrupt and eviscerated and if out-of-area law enforcement units have limited knowledge of local dynamics.

One reason for this unsatisfactory outcome is that unlike in Colombia in the 1980s and early 1990s, the great number of DTOs in Mexico makes it difficult for law enforcement agencies to ascertain who is perpetrating what violence. In Colombia, the market was essentially dominated by two groups—the Medellín and Cali DTOs—and hence a sequential targeting strategy there had the luxury of relatively

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<sup>29</sup> See chapter "Organized Crime and State Authority in Michoacán."

clear intelligence of whom to target. In Mexico, partially as a result of law enforcement actions, many of the DTOs have splintered, new offshoots have emerged, and youth gangs have been contracted by DTOs for particular operations, creating a particularly challenging intelligence environment. Moreover, a sense that all enforcement is overwhelmed and lacks knowledge of local crime dynamics has tempted and allowed criminals outside of the major criminal groups, including petty criminals, to perpetrate serious crimes, and has given rise to the proliferation of kidnapping, extortion, and even homicides. Using government data, a Mexican non-governmental research group, México Evalúa, estimated that between 2007 and 2010, various forms of crime have increased in Mexico, including homicides by 96%, kidnapping by 188%, extortion by 100%, and aggravated robbery by 42%.<sup>30</sup> Mexicans also increasingly perceive their public safety as deteriorating. According to a May 2011 survey carried out by researchers at the Autonomous University of Mexico (Universidad Nacional Autónoma de México, UNAM), 70% of respondents considered violence in Mexico to be greater than in 2010.<sup>31</sup>

More problematic, the success of Operation Ceasefire in Boston critically hinged upon the preexisting deterrence capacity of the police. When the Boston police commissioner at the time (Paul Evans) indicated that he would focus his forces on the most violent gang, the gang believed that his forces had the capacity to undertake such prioritization and that the gang's leaders would face serious consequences. Mexico's law enforcement agencies, as well as the military, have unfortunately been lacking in such credibility.

## **Restructuring Interdiction II: Focusing on the DTOs' Middle Layer**

Apart from prioritized sequential targeting of the most violent DTOs, a second mechanism for reducing violence available to the Mexican government is to move away from short-term hits against the highest capos and toward interdiction operations that target the middle layer of DTOs. Weakening this middle layer—especially if most of the middle layer can be arrested in one sweep—will make it harder for the group to regenerate quickly. It may also limit warfare among the DTOs since the weakened group will have less capacity to resist a takeover. Arrests of middle-level operatives also allow judicial prosecutors to use plea bargain enticements—reduced sentences for middle-layer operatives who provide information—to generate evidence necessary for successful convictions of top-level capos.

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<sup>30</sup> Mexican government officials have disputed the validity of México Evalúa's analysis. In fact, crime statistics of the government of Mexico tend to underestimate crime levels since its law enforcement apparatus lacks a good intelligence picture and the Mexican public is reluctant to report crimes to the police. For details, see México Evalúa, *El Gasto en Seguridad: Observaciones de la ASF a la Gestión y Uso de Recursos*, June 2011, [http://www.mexicoevalua.org/descargables/6c9a29\\_MEX\\_EVA-INHOUS-GASTO\\_SEG.pdf](http://www.mexicoevalua.org/descargables/6c9a29_MEX_EVA-INHOUS-GASTO_SEG.pdf).

<sup>31</sup> Nayeli Roldán, "Para 70%, hay más violencia que en 2010," *Milenio*, August 24, 2011.

Such an interdiction focus on the middle layer requires that law enforcement agencies have the capacity to run intelligence operations for lengthy periods, often several years, in order to develop a comprehensive picture of the middle layer. Such an intelligence capacity, however, continues to be lacking in Mexico. Its various law enforcement and intelligence agencies are pervaded not only with stove piping, but also with the fear that sitting on intelligence for any amount of time creates the risk of leaks and severely compromises even tactical operations.

## Improving Intelligence

To boost the credibility of its law enforcement institutions and enhance the effectiveness of interdiction, Mexico's law enforcement agencies must solve two separate yet related challenges. First, the agencies must develop *insulated vetted units* that can run intelligence operations for a sustained amount of time, as well as develop a strategic picture of the DTOs. Second, and ultimately, they must translate such intelligence into tactical large-scale roundup operations.

However, Mexico also needs to develop a far better picture of how local communities are permeated and influenced by organized crime. For that, it needs to establish a *community policing capacity* that is accepted by the local community. Such forces can be placed under a unified national police authority or under local or state authority. (The Mexican Congress is currently debating whether to abolish the municipal police, by far the weakest and most corrupt element of its law enforcement apparatus.) However, whether they are placed under municipal, state, or federal authority, the community police nonetheless need to be stationed in all municipalities and communities permanently. They cannot be merely deployed from the state capital to an area after a crime occurs or they will never develop the local knowledge and cooperation from the community necessary to effectively tackle crime at the local level.

## Capitalizing on Greater Stability in the Criminal Market

Such a new interdiction approach in Mexico—combining prioritized targeting against the most violent DTOs and the targeting of the middle layer of the DTOs—may well lead to the drug trafficking groups reestablishing balances of power in the criminal market. Such a state of “narcopace”<sup>32</sup> would not necessarily be detrimental to either the authority of the state or the well-being of a community, as long as the government takes advantage of such a reduction in violence to deepen police reform, institutionalize rule of law, and strengthen socioeconomic development of marginalized communities.

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<sup>32</sup> See chapter “The Tijuana Law Enforcement Model and Its Limitations.”



In fact, during times of intense criminal violence, it is extraordinarily difficult to effectively implement any such efforts, including police reform. Energies of police units become consumed by the need to survive and respond to criminal acts and deeper institutional reforms inevitably receive fewer resources, attention, and time to be implemented.

However, to the extent that balances in the criminal markets are reestablished and violence consequently falls off, such an outcome will only be a success for rule of law if law enforcement agencies translate such an opportunity into increasing their deterrence capacity vis-à-vis the criminals. Although law enforcement efforts cannot hope to eliminate all crime or stop drug trafficking, they can teach criminals that certain behavior, such as highly violent behavior, is clearly out of bounds and will result in the preponderance of law enforcement power bearing down on them. Law enforcement efforts also need to teach criminals that they have to be prepared to accept such a response and not retaliate by shooting up the local police precinct or the mayor's office. In other words, the criminals need to be made to understand that authority and power lies with the law enforcement agencies.

## **Beefing up Mexico's Justice System**

The effectiveness of such a behavior modification strategy toward organized crime also critically depends on the capacity of the justice system to successfully prosecute and punish criminals. Even if police forces arrest criminals, the inability of the courts to bring them to justice decreases the deterrence capacity of law enforcement agencies. Mexico's justice system continues to be critically challenged in this area. Many cases against prominent politicians accused of links to organized crime have collapsed. The prosecutors' capacity is very limited, with current successful prosecution rates ranging between one and two percent in various parts of Mexico, including the most violent ones. Consequently, many criminals can count on avoiding punishment or serving only very small sentences, perhaps only pretrial detention, lengthy as it is in Mexico. Thus, Mexico continues to send its prominent drug capos to the United States for prosecution for fear that in Mexico, the state may not be able to build successful cases against them or that they will escape from prison (or continue running their criminal businesses from prison with only minor inconvenience). Along with a lack of resources, other problems, including difficulties in cooperating with the police in obtaining evidence and building cases as well as corruption, continue to plague prosecutorial capacity in Mexico. In recent months, for example, the office of Mexico's Attorney General has opened investigations into hundreds of its employees on possible corruption charges.

The broader reform of Mexico's judicial system—away from the old Spanish inquisitorial system to an oral-trial-based accusatorial system—has proceeded unevenly and with little effective guidance

and oversight from Mexico City. Out of Mexico's 32 states, only seven have initiated this badly needed transition, mandated to take effect in 2016. In parts of Mexico, existing power holders within the judiciary are molding the reform efforts to maintain their power and limit the imposition of extra duties on them. Strengthening the quality of reform and providing meaningful guidance from the capital to achieve uniformity in the new judicial system would critically facilitate the struggle against organized crime in Mexico as well as a broader effort to strengthen the rule of law there.

## Concentrating Resources

The need for prioritization in Mexico's strategy for combating organized crime goes beyond interdiction operations. Mexico needs to similarly prioritize and concentrate resources in other functional areas, including in the way it uses socioeconomic packages as a part of a multifaceted strategy against criminality.<sup>33</sup> Such a need to pool resources also applies to deploying newly trained police forces, prosecutors, and judges. If a few vetted police officers are sent to a deeply corrupt department, the odds are high that the system will overwhelm their efforts.

However, changing entire departments en masse also poses a difficult dilemma, for the outcome will be an acute loss of local knowledge in at least the short term. This in turn will have highly detrimental effects on the ability to conduct community policing and keep local crime in check. In Mexico's case, this problem is further compounded by the existing extraordinary turnover of police forces. In the United States, a police department is rarely grown or changed at a rate greater than 10% of its force per year, whereas in Mexico, five years into the police reform effort, police officers still continue to be fired for corruption problems, such as failures to pass lie detector tests, at rates of a quarter of a department at a time.<sup>34</sup>

Concentrating resources—law enforcement, judicial, and socioeconomic—is also politically difficult. It raises the hard question of why a community deserves comprehensive intervention and assistance while others are ignored. Nor is it a panacea. Saturation of an area with military or federal police forces may well suppress violence temporarily. But if such deployment fails to lead to meaningful arrests and if criminals simply go temporarily underground, security will not increase in the long term.

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<sup>33</sup> See paper "Socioeconomic Policies for Combating Organized Crime: The Case of Ciudad Juárez"

<sup>34</sup> In July of this year, for example, the state of Oaxaca fired approximately a quarter of its state police force, almost 500 officials, because they failed to pass lie detector tests. See, David Luhnnow, "Mexico Widens Police Corruption Probe," *Wall Street Journal*, July 21, 2011.

Similarly, merely pushing violent criminal gangs out of selected areas may restart problems elsewhere—whether in areas of lesser or greater strategic importance—and result in the newly-affected community demanding assistance. Law enforcement efforts may in turn get caught up in a perpetual shell game with the organized-crime groups. What concentration of forces needs to accomplish instead is to expand the area of meaningful security, perceived as such by the local population, as opposed to shifting violence from one area to another.

## **The False Promise of Negotiating with the DTOs**

Some in Mexico have suggested that another way to reduce violence is to return to the old practice of Mexico's law enforcement agencies of negotiating with criminal organizations. The corporatism of Mexico's Institutional Revolutionary Party (PRI) that ruled the country for seventy-one years also included top law enforcement organizations managing the DTOs and negotiating arrangements over criminal markets with them. That system began breaking down in the 1980s as the power of the PRI weakened and the ambition and relative power of the DTOs started growing. By the 2000s, the outcome of the corporatist arrangement was a law enforcement apparatus hollowed out, corrupt and deeply pervaded by organized crime, and DTOs no longer willing to obey their law-enforcement overlords.

Trying to go back to such an arrangement would only strengthen the sense of impunity among the DTOs and reinforce their perceptions of the impotence of Mexican law enforcement institutions. It would allow the underlying weakness of the Mexican state in the public safety and rule-of-law domain to persist, with public safety and justice problems festering on. Such negotiations and abdication of responsibility to keep crime in check brought Mexico's law enforcement capacity to its current predicament and are unlikely to resolve Mexico's public safety problems.

Neither would such a negotiate-with-the-criminals strategy be easy to institute today. The end of the PRI rule also brought the end of the so-called imperial presidency in Mexico that concentrated great power in the PRI leadership and the office of the president. Power in Mexico today is far more fractured and devolved to various layers of the government. Equally, the DTOs are too splintered and unstable to be able to commit to a grand bargain.

Nonetheless, voices for such government negotiations are likely to intensify as Mexico's presidential elections approach. Although its declared strategy to combat the DTOs has been rather vague, the PRI, which currently appears the likely winner of next year's elections, has committed itself to tackling organized crime.

Yet whoever is elected will be under tremendous pressure to respond to increasing and understandable demands from Mexican citizens for increased safety and rule of law and for a reduction in violence. The new government may be tempted to satisfy such demands by reducing the intensity of federal law-enforcement pressure and allowing local authorities to resolve their crime problems on their own. In many cases, municipal and even state level authorities may be unable to generate sufficient resources to resist the coercion of organized crime.<sup>35</sup> Just like the discredited grand bargain with the DTOs, such devolution of anti-crime responsibility would only perpetuate and perhaps intensify the same deficiencies in public safety provisions that have historically plagued Mexico.

Instead, Mexico should embrace a multifaceted strategy for combating organized crime, featuring a smarter, prioritized interdiction policy, the development of local community policing capacity, a strengthened judicial system, and well-designed socioeconomic programs.

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<sup>35</sup> See paper “Organized Crime and State Authority in Michoacán.”

# About the Author

**VANDA FELBAB-BROWN** is a Fellow in the Latin America Initiative and the 21st Century Defense Initiative at Brookings. Dr. Felbab-Brown is an expert on organized crime and international and internal conflict issues and their management, particularly the interaction between illicit economies and military conflict. She focuses on South Asia, Burma, the Andean region, Mexico, and Somalia. She is the author of *Shooting Up: Counterinsurgency and the War on Drugs* (Brookings Institution Press, 2009) as well as numerous policy reports, academic articles, and opeds. A frequent commentator in U.S. and international media, Dr. Felbab-Brown also regularly testifies on these issues in the U.S. Congress.

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1775 Massachusetts Ave., NW  
Washington, D.C. 20036  
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