

From business to war

Causes of transitional violence by the Mexican drug cartels

Bettina Schorr

Abstract:

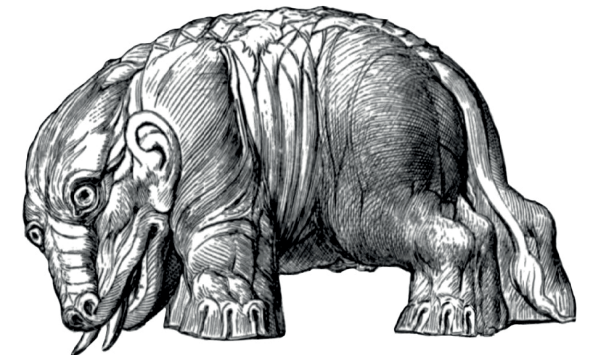
From business to war: Although illicit markets are generally peaceful, at times they burst into massive transitional violence. One example for such an upsurge in violence is Mexico where the drug cartels are engaged in a bloody war. The Mexican case reveals that two interrelated factors can incite transitional illegal violence. First, market changes that close or open up business opportunities can lead to violent criminal competition. Second, political changes can cause or increase criminal violence. When collusive state-crime relations erode and the state increases law enforcement against criminal groups, they are likely to fight back. Both factors are tightly connected: criminal competition may erode protection rackets and incite harsher law enforcement. Law enforcement in turn may lead to the fragmentation of crime groups and cause more violent competition. Massive criminal violence is fed by further factors such as the easy availability of both weapons and specialists in violence and the displacement effect of intensive law enforcement in regions characterized by weak state structures.

Keywords: Mexico, drug cartels, cartel violence, corruption, drug trade

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Contrary to public perception, illicit markets are not intrinsically violent. Most of the time criminal groups try to maintain a peaceable environment that allows them to operate undisturbed. Yet there are also many examples of illicit markets bursting into massive transitional violence like the one in Mexico that attracts international attention because of the horrible nature and scope of drug-related killings. What causes such violent outbreaks in illicit markets? In order to answer this question, a closer look at the Mexican case can serve to empirically explore the mechanisms and factors at work in the transition from illegal business to massive transitional violence.

Since the end of the 1960s, Mexican criminal groups smuggle drugs on a major scale mainly to the U.S. market. Violence was always present in the Mexican drug economy but it grew dramatically since the beginning of the new millennium. Never before had drug-related violence in Mexico achieved such a level of intensity and ferocity so that some observers classified the conflict in Mexico as a full-scale intrastate war.

In the following, I will first describe a set of theoretical assumptions that explain the outbreak of massive transitional violence in illicit markets. Up to now, scholarship on violent criminal behavior has not produced a comprehensive theory on the causes of transitional criminal violence.^[1] Therefore my approach draws on the academic literature on violence in general and criminal violence in particular in order to develop suitable hypotheses. Then, I recount shortly how the Mexican drug cartels rose from minor criminal organizations to the most powerful position within the regional drug sector. I also give an overview of the magnitude of the violent conflict that Mexico is suffering. Subsequently, I explain the causes of this conflict. In the conclusion I outline the consequences of the Mexican drug war for Mexico as well as for the whole region.

Causes of transitional criminal violence

Although a certain degree of violence is a defining element of illicit markets, most of the time criminal organizations try to avoid violence against one another and against the state because it can be bad for business (Friman 2009, 286). Massive violence exposes criminal actors to the “upper world”, inviting unwanted police and media attention. In consequence, the main strategy of illegal business groups is not to resort to violence but to collaborate (although fragile) and avoid detection by law enforcement. Since in crime “small is beautiful and silence is golden” (Naylor 2009, 238),

[1] An important exception is the special issue of the journal “Crime, Law and Social Change” edited by Peter Andreas and Joel Wallman (2009).

cooptation of authorities and law enforcement officials is generally preferred to open confrontation.

The fact that violence is somehow always present in the realm of illegal business stems from the other basic characteristic of illegal markets: the absence of an overriding authority capable of providing dispute resolution and enforcement mechanisms. Instead of protecting, the state attempts to disrupt illicit transactions (Reuter 2009, 275; Williams 2009, 324). Therefore, in illicit business violence serves as a selective tool of market regulation (Friman 2009, 286) and is used for three major aims: security (to protect markets, routes, and other strategic assets), internal order (to maintain internal discipline and punish infractors) and power (to expand their market share and profits) (Williams 2009, 325; Reuter 2009, 276). Victims of criminal violence are generally other market participants rather than state authorities or the general public.

Nevertheless, the use of organized violence by illicit organizations varies considerably across time and space. At times, illicit markets erupt into persistent violence that goes well beyond the selective score-settling between criminal rivals or between illicit groups and the state. Examples for such waves of criminal violence include mafia violence in Japan in the 1960s and 1970s (Friman 2009, 290), the U.S. crack market in the 1980s (Reuter 2009, 281), the opium market in Myanmar in the late 1980s (Snyder/Duran-Martinez 2009) and the Colombian cartel violence in the early 1990s (Friman 2009, 287) as well as the Mexican and other Central American drug markets currently.

Why does this happen? As explained earlier, violence entails high costs for criminal groups because it makes them visible. The more violence they use, the more visible they are. It can be assumed that they are willing to bear these costs only when the costs of letting things flow without a violent response would be even higher than the potential costs of confrontation (Bailey/Taylor 2009, 11). And this will be the case when their business interests – their *raison d'être* – are at risk.

The realization of their business interests depends on the relations of illicit groups with two other categories of actors: criminal competitors and the state. Hence, following Charles Tilly (2003), massive criminal violence can be conceived of as a product of dynamic interactions among actors. When illicit groups perceive an essential threat by others, massive violence (including situations of war like the one in Mexico) can be the chosen instrument in order to maintain or increase their economic activities. In these cases, illicit markets transform into what Georg Elwert labeled as markets of violence: conflicts dominated by the economic motive of material profit (Elwert 1997, 87f.).

Accordingly, one reason for unleashed criminal violence is competition between criminal groups for strategic control over key illicit market activities.[2] When new business opportunities emerge due to market modifications (more demand, new products etc.) and/or, often as a consequence, new actors enter the market, a struggle erupts over lucrative distribution networks, market share as well as access to state and enforcement authorities (Williams 2009, 326). Therefore, with newcomers per se the probability of violence increases. The second cause of transitional violence relates to the nature of the regulatory environment criminal groups face, that is the relationship between illicit business and the political system (Naylor 2009, 233; Astorga 2005). The increase of law enforcement against criminal groups seriously affects their business interests and can incite violent reactions.

These two factors often trigger the same mechanism: the erosion or dissolution of relations of trust (Snyder/Duran-Martinez 2009). Because of the lack of binding rules and an overriding authority trust plays a central role in illicit markets. It is generated by long term relationships and allows for cooperation and modes of conflict resolution others than violent ones. That holds certainly for cooperation between criminal groups and is also true for crime-state relations. As mentioned above, criminal organizations generally rely on the cooptation of state and enforcement authorities. In return for a part of the drug-profits, politicians and enforcers refrain from doing their duties or even participate actively in the drug-trade. They provide protection from the state and often also from criminal competitors. Criminal activities are based on such patterns of collusion in every part of the world – although it seems to be easier to corrupt law enforcement officials and state authorities in weak states where an effective control over both does not exist and corruption is widespread.

The erosion of such state sponsored protection rackets by criminal competitors that are trying to break them off for their own purposes and by non-involved politicians and enforcers, inserts an enormous amount of uncertainty and risk into the illicit market. Illegal actors no longer can be sure who is with them and who is against them. Violence will likely be their reaction and it will follow two aims: to cause deterrence among the state and among rivals and to force state officials into collaboration in order to reestablish a new stable business climate in which “the rules of the game are clear” (Reuter 2009, 277). It is to be expected that the more (new and established) competitors there are, the more excessive the violence will be. Furthermore, criminal rivals may steadily increase violent actions and chose ever more horrible methods in order to demonstrate their power and willingness as well as to mount a plausible threat to their adversaries (Sullivan/Elkus 2011). Once markets are

[2] Also in other situations, competition can be a powerful trigger of violent escalation as, for example, Mia Bloom showed in her study of suicide bombers (Bloom 2005).

consolidated in the hands of organized networks, the level of violence will probably diminish. If these accommodations erode once again due to market pressures or new opportunities that attract new actors or because of political changes, a new wave of violence is likely to start.

This last observation points to the fact that market related violence and state related violence are closely linked. Violence resulting from criminal competition can induce the state to increase law enforcement measures. The more successful state enforcement is in disrupting the drug trade, the shorter the period of violence between the targeted organization and the state, but at the risk of increased violence between contending groups seeking to fill the gap (Friman 2009, 286). In other words, law enforcement may open up business opportunities for other groups spoiling anew criminal competition. This will be even more so, when poverty provides a big repertoire of people ready to enter illegality and if state control is low as in the case of the majority of third world drug producing and transit countries (Shifter 2007).

Furthermore, instead of destroying the Drug Trafficking Organizations (DTOs)[3], increased law enforcement often merely displaces them. In the literature on drug policy, this mechanism is referred to as the balloon effect (Youngers/Rosin 2005, 5-6). The illegal drug economy can be thought of as a big latex balloon. If narcotic control efforts “squeeze” it at one point, the air inside does not disappear but moves into another area of less resistance. If law enforcement increases in one place, cartels move to another where enforcement is low possibly spreading their violent behavior and increasing overall violence.

At least two more factors that influence the opportunity-structure of violence can be found in the literature: first, the existence of specialists in violence and second, the easy availability of weapons and ammunition. Tilly defines specialists in violence as people who control means of inflicting damage on persons and objects (Tilly 2003, 35). They operate within as well as outside the state. In illicit markets, specialists in violence play a crucial role because they provide protection through deterrence. Yet their involvement spurs a dynamic that goes well beyond “simple” protection and extortion. When specialists in violence are readily available, organized criminal activity becomes per se more violent (Ibid. 40; Williams 2009, 328). The more persons who have learned to use weapons and are unscrupulous about exerting violence are involved, the more likely an increase in violence will be. Furthermore, specialists in violence do not simply obey their employers but usually follow dynamics of their own in order to increase their private profits (Tilly 2003, 40).

[3] These organizations are often referred to as ‘cartels’, although the term is not appropriate. Cartels are price setting groups and it is not clear if the Mexican groups are setting illicit drug prices (Reuter 2009, 278; Cook 2007). I use both terms interchangeably.

As to the second supportive factor, research on the political economy of armed conflicts has shown that “war making, like any other form of organized social activity, requires financial and other resources to proceed” (Ballentine/Sherman 2003, 1; see also Elwert 1997, 86) – particularly weapons. This places violent conflicts in their global and regional geographic context. Dynamics of armed conflicts also depend on the will and capacity of neighboring states to control transborder-shipments of weaponry (Guáqueta 2003, 73). It is true that the flow of firearms and ammunition to organized crime groups does not on its own cause violence, but the easy access to weapons may increase the opportunity for unleashed organized violence. As Goodman and Marizco explain “it can contribute to a group’s decision to attack a rival, increase the lethality of such an attack, result in the death of innocent by-standers, or pose a serious challenge to the government’s ability to curb such extreme violence” (Goodman/Marizco 2010, 168).

The Rise of the drug cartels in Mexico

Drugs such as marijuana, opiates, and cocaine are produced in or trafficked through Mexico since the late nineteenth century and became particularly profitable in the 1920s, during the U.S. prohibition (Astorga 2004, 2005). Nonetheless, the illicit business was largely peaceful and the market share of Mexican criminal groups was relatively small. Until the end of the 1980s, the cocaine business remained in the hands of the all-too-powerful Colombian groups who shipped cocaine mainly through the Caribbean to the United States and controlled the whole business chain from production to the retail-sale of the drugs in the U.S. (Thoumi 2004, 75). This situation changed drastically from the mid-1980s onwards when the United States declared an outright war on drugs at home as well as in the Western Hemisphere because of its massive drug consumption problems (Youngers/Rosin 2005). In this context, they significantly increased interdiction efforts over the Caribbean route. In consequence, the Colombian DTOs started to work with Mexican criminal groups in order to move cocaine across the porous 2000-mile border with the United States (Freeman/Sierra 2005, 263).

In the early 1990s, the Colombian government, then, launched a major campaign against the two most powerful groups operating in its territory. A few years later, the ‘Medellin cartel’ and its principal rival the ‘Cali cartel’ were dismantled, their leaders killed or imprisoned (Ramírez et al. 2005, 103ff.). These changes in Colombia opened up an opportunity for the rise of the Mexican groups that

started to operate independently (Beittel 2009, 1). While the percentage of cocaine entering the U.S. from Mexico was negligible in the early 1980s, ten years later over half of cocaine exports were routed through Mexican territory (Andreas 2001, 52). This shift significantly empowered the established trafficking organizations like the Sinaloa, the Gulf and the Tijuana cartels. Until today they control different territories in the whole country (Cook 2007, 1). In addition, Mexican groups benefitted greatly from the trade-liberalization brought over by NAFTA in 1994 that enormously facilitated legal as well as illegal business across the US-Mexican border (Pacheco 2009, 1026; Mercille 2011, 1642).[4] Today Mexico is the leading source of marijuana and methamphetamines as well as the leading transit country for cocaine coming from South America to the United States. An estimated 70-90% of the cocaine consumed in the U.S. travels through Mexico. U.S. agencies estimate that the illicit wholesale drug business generates between 13,6 and 48,4 billion annually (Cook 2007, 4). It is one of the most import income sources for the Mexican economy.

Violence was always present in the Mexican drug economy but it grew dramatically since the beginning of the new millennium and even more so from 2006 onwards, particularly in the years 2008 and 2009. In the year 2008, drug related violent murders increased by 142% compared to 2007 (Shirk 2010). Since 2005 over 50.000 people have been killed in drug related incidents. In 2011 53.8% of all intentional homicides had a narco-background (Shirk/Rios 2011). Mexico's drug violence is highly concentrated in a few key states considered to be critical zones of production and trafficking including the pacific coastal states of Michoacán, Sinaloa, and Guerrero, and the states along the U.S.-Mexican border Chihuahua, Tamaulipas, Nuevo Leon and Baja California. Recently there are signs of decrease in these border areas while a dispersion to other Mexican states can be observed (Molzahn et al. 2012).

Yet, these numbers alone fail to convey the horrifying nature of many killings perpetrated by DTOs. They torture, mutilate and behead their victims leaving the dead and mistreated bodies in public places. At times they add threatening messages to them or they announce their actions using handwritten banners, graffiti, internet videos and even popular ballads (so called narcocorridos). Furthermore, in recent years the number of high-profile victims – such as elected officials and above all journalists – has increased as well as the number of civil society fatalities in general.[5] Still, the vast majority of drug-related violence occurs between and among organized crime groups (Shirk 2010). Nonetheless, the increasing attacks against civil society have led some authors to classify the

[4] Mexico is one of the largest trading partners of the United States. Since NAFTA went into practice, every day more than 250,000 vehicles cross into the United States from Mexico (Andreas 2001).

[5] Indeed, narco-attacks against journalists have turned Mexico into one of the world's most dangerous places for journalists (Shirk 2010).

cartel-violence as ‘narcoterrorism’ (Pacheco 2009). Others, following the high casualty figures, characterize the situation in Mexico as a full-scale intrastate war (Conflict Barometer 2010, 42).

Explaining narco-violence in Mexico

Until the 1980s, Mexican DTOs were coherent and strong organizations and the national smuggling routes were partitioned. Due to a stable protection racket, law enforcement was nearly absent (see below). Hence, criminal turf battles were seldom and violence scarce. Then, the balloon effect reached Mexico. When Colombian groups entered the Mexican market because of increased law enforcement in their country, Mexico became the principal transit country for cocaine destined to the United States. As a result, turf battles for control of the lucrative drug trafficking routes into the U.S. (called plazas) erupted. The established Mexican groups did not only fight with the Colombians that were reportedly more violent than their Mexican counterpart. Because of the increase in business opportunities, new Mexican groups emerged like the Juarez cartel (allegedly founded in 1997) as well as the Milenio cartel (founded in the early 1990s) that also participated in the turf battles and raised the overall level of violence.

Parallel to this, in part caused by increased criminal competition, the protection racket began to erode what further fueled criminal violence. Since 1929 Mexico had lived under a single-party rule by the Partido Revolucionario Institucional (PRI) that had cemented its dominance in a dense web of clientelistic relations. With regard to the illicit market, a robust political-criminal nexus between the drug traffickers and the state apparatus was established (Shelley 2001, 214). Traffickers negotiated their business with the state what included “the purchase of licenses to operate from local politicians and police, the active participation in trafficking ventures by government agencies and protection of trafficking by high level officials” (Snyder/Duran-Martinez 2009, 262). Since the 1920s, governors were deeply involved in the drug trade (Astorga 2004, 87). The tight relation between the illicit market and the state was revealed in several scandals involving persons from within the inner-power circle of the party and the enforcement and justice agencies. State attorneys, governors and even a senior drug official were found to be on the payroll of the cartels.

Concerning the containment of drug-generated violence, the racket was particularly effective. The degree of violence remained low and limited to the area of the trade himself, only affecting clear-

ly identified opposing groups and taking place in well defined areas (Astorga 2004, 88). Yet over the last thirty years, Mexico experienced a slow but deep political transformation that caused the gradual erosion of the protection racket. It eventually broke down with the presidency of Vincente Fox from the oppositional conservative Partido Acción Nacional (PAN) in 2000.

In the 1980s electoral reforms increased political competition and hampered PRI's ability to control the enforcement of law. In 1989, for the first time since the PRI assumed power in 1929, a candidate of the PAN won the governorship of the state of Baja California near the U.S. frontier. From then on, oppositional politicians made their way to the head of various states and municipalities. Moreover, mainly due to international pressures in the first place from the U.S. (see below), the PRI governments of the 1990s implemented a series of reforms of the justice system and the enforcement agencies (Snyder/Duran-Martinez 2009, 263ff.).

Hence, in the 1990s the illicit market was not only upset because of the multiplication of illegal and more violent actors fighting for market share but also due to the diversification in the political sphere. The political newcomers – state authorities and enforcement personnel – that entered the field in the 1990s had no trusting relationship with the criminal organizations and did not (yet) participate in the illegal business. In consequence, previously established agreements were rejected or had to be renegotiated with new political and criminal actors, sometimes to the disadvantage of criminal networks once favored by state protection. The state no longer served as an effective broker and criminal organizations began to battle each other for turf and to use violence against the political system in order to force cooperation (Astorga 2004, 92). It is no accident that the higher levels of violence connected with drug trafficking in the 1990s were observed in those states where the political opposition had gained power (Ibid.).

Since state protection had disappeared, DTOs hired private enforcement groups to protect themselves. The most well known of these, is a group called “Los Zetas”. In the late 1990s the leader of the Gulf cartel, Osiel Cárdenas Guillén, recruited some 30 soldiers of the Army's elite Airborne Special Forces Group to provide protection and perform other tasks such as “collecting debts, securing cocaine supply and trafficking routes [...], discouraging defections from the cartel, and executing its foes – often with grotesque savagery” (Grayson 2008). The competitors of the Gulf cartel followed soon, i.e. the Sinaloa cartel formed its own private army called “Los Negros” (Cook 2007, 8). These private enforcement groups led to a further increase in violence.

From 2000 onwards, the regulatory environment further worsened for the DTOs. Fox and even more so his successor Felipe Calderón (2006-2012) from the same party began to combat them directly, to a great deal because they threatened public security with their violent turf battles. During Fox' first three years over 22,000 people were arrested on drug crimes, including some of the major capos such as Benjamín Arellano Félix, one of the leaders of the Tijuana cartel, and Osiel Cárdenas, the leader of the Gulf cartel. Calderón, then, declared the fight against the cartels his top political priority and militarized it. His first official act in late 2006 was to send out more than 45,000 soldiers and federal police officers to the northern regions most affected by drug violence. Further missions followed. Calderón also continued to purge the ranks of the police forces in order to eradicate corruption and to promote judicial reforms (Seelke et al. 2010, 6). During his term that ended in 2012 large caches of weapons and drugs were seized, high-ranking members of DTOs arrested and alone in the year 2010, a record number of 107 drug traffickers were extradited to the U.S. (Ibid., 3). Several hundreds of law enforcement officers – whole units – were suspended from office and put under investigation (Cook 2007, 10).

Combating fire with more fire, Fox and Calderón did not end criminal violence but exacerbated it even more. Their offensive against the drug trade posed an enormous threat to the DTOs so that they fought back. In order to cause deterrence and force anew cooperation they no longer only targeted mainly rivals but also the state and the general public (Sullivan/Elkus 2011). Since then, cartel soldiers engage the army in bloody battles. They routinely attack prisons to liberate arrested prisoners, launch grenade attacks on police garrisons as well as army bases, and aggressively attack military patrols. Indeed, war is an appropriate term for the situation. The number of organized crime homicides reported during the first four years of the Calderón administration was four times greater than the number of drug related killings identified during the entire Fox administration (2001-2006) (Shirk 2010).

Moreover, the several tactical victories over the cartels such as the capture of capos and the confiscation of drugs and weapons were offset by strategic defeats. Law enforcement waves against the cartels created new vacuums within the DTOs and caused violent contestation for internal control as well as for market share. It is difficult to draw conclusions about the current state of criminal actors in Mexico, since the situation is highly fluid and quite secretive (Beittel 2009, 11). But it is known that some of the traditional groups and alliances have split in new fractions that began to fight each

other. While there were approximately six mayor DTOs in 2006, in 2011 at least twelve large groups were fighting against each other and against the state (Haugaard et al. 2011, 3). For example, in 2008 the long lasting alliance between the Sinaloa cartel and the Beltrán Leyva Organization split seemingly because the latter were left out of a particularly lucrative trafficking deal (Williams 2009, 332). Today the remnants of the Beltrán Leyva Organization are allied with the Zetas as well as the Juárez and Tijuana cartels. Another momentous split overtook the Gulf cartel when its leader Oscar Guillén was arrested. His former enforcers “Los Zetas” seized the opportunity and began to operate independently trying to increase their market share through violent competition (Beittel 2009, 5). Today, some observers hold that the Zetas are also caught in violent infights. Meanwhile, because its first enforcers defected to their rivals, the Sinaloa cartel hired new enforcer groups known as “La Gente Nueva” and “La Resistencia”. Another example is the group “La Familia Michoacana”, a former ally of the Gulf cartel that became independent in 2006. After its capos were arrested, it disappeared giving way to two new groups: The “Cartel Jalisco Nueva Generación” and the “Caballeros Templarios” (Knights Templar). Both overtook its plazas, are fighting each other and, at the same time, are grim enemies of the Zetas. Additionally, more and more ordinary local street gangs have begun to work with the DTOs (Sullivan/Elkus 2009) further spreading violence. In addition, as mentioned before, the acts of violence perpetrated by the DTOs are increasingly brutal and horrible in nature. Observers suppose that the aim of this escalation is to inflict fear onto both adversaries and society as a whole (Sullivan/Elkus 2011).

Thus, in the past decade Mexico has experienced a fragmentation of violent non-state actors that fight each other and the state. In this context, the opportunities for violence have mushroomed and it rose to the extraordinary bloody level we can observe today. It can be assumed that the ongoing fragmentation of violent criminal groups will continue to fuel criminal competition and conflict. This will be even more so since Mexico disposes of a large repertoire of poor people ready to substitute arrested traffickers and hitmen.[6]

Criminal violence in Mexico is further spurred by the ready availability of specialists in violence. Mexico has a high rate of defection from the military to the side of the drug trade where much more money can be earned. Williams cites the number of approximately 150,000 men in the last seven or eight years and a reported 20,000 in 2008. The Mexican Secretariat of Defense estimated in late 2008 that one out of three drug traffickers have a military background or military experience (Wil-

[6] Following data from the Mexican Government, more than 40% of the Mexican population lives below the poverty line.

liams 2009, 328). As mentioned before, in the case of the Zetas a whole special force unit defected to the Gulf cartel. Until today, the Zetas recruit actively from the security apparatus promising better pay and better treatment. The formation of the Zetas in the late 1990s initiated a process of increasing professionalization of cartel-violence. Confronted with the superior armed power of their rivals, the other DTOs also hired military and police forces. The cartel enforcers are not only of Mexican origin. Colombian groups also operate in the country and recently it has been revealed that soldiers of a Guatemalan Special Force, called “Los Kabiles” and known for their cruelty, started to work with the cartels. These specialists in violence have much more expertise in the use of armament, intelligence, fighting tactics and in “interrogation-techniques” as criminal “laymen” or even the police. They significantly contributed not only to the rise of violence but are also responsible for the bestiality with which it is employed. The Zetas, for example, are considered to be the most brutal group operating in Mexico (Cook 2007, 7; Beittel 2009, 5). Furthermore, the cartels and their enforcers have increasingly used military-style heavy armament in order to combat their rivals and the state what likewise heightened the level of violence.

This point refers to the last factor that nurtures criminal violence in Mexico: the continuing influx of armament that reaches the country both through legal and illegal channels. It also brings the United States into focus, because a significant portion of weapons used in the Mexican conflict stems from the U.S. In 2010, President Calderón told the U.S.-Congress that almost 80% of the weapons seized in his country come from the U.S. (Goodman/Marizco 2010, 184). Other authors claim that as much as 90% of the arms confiscated in Mexico are of U.S. origin (Williams 2009, 329; Mercille 2011, 1643). There is, though, no consensus as to the amount of U.S. weapons used in the Mexican drug war (Stewart/Burton 2009; Castañeda 2010). Until today, no clear data exist and statistics on firearms seized in Mexico are contradictory. Still, the issue of weapons trafficked from the U.S. to Mexico is a serious one. They clearly fuel the Mexican violence. Data on U.S. prosecution illuminate this point: From 2005-2009 individuals illegally transferred an estimated 14,923 firearms to Mexico, in 2009 alone nearly 5,000 were trafficked south of the border. It is likely that these annual trafficking numbers only represent a small percentage of the total amount of smuggled arms each year (Goodman/Marizco 2010, 185). Moreover, these figures do not include the amount of arms seized in Mexico.[7]

[7] Of course, arms-trade is not an U.S. monopoly. Many arms used in the Mexican conflict stem from other parts in the world. Some observers argue that even without the U.S. arms industry, Latin America would be awash in guns. So Castañeda: “Global statistics suggest that sharing a border with the United States means little in terms of the availability and price of assault weapons, as the favelados of Brazil, the peasants in Colombia, or the armless children in Sierra Leone may tell you [...]. [I]f there is one type of shadowy merchandise that is almost as easy to purchase on the world market as drugs, it is weaponry” (Castañeda 2010).

The U.S. weapons used in Mexico can be divided into three categories. First, many arms are remnants from the Cold War. Since the 1950s, the U.S. gave millions of dollars and lots of weapons to governments and armies particularly in Central America to support them against the perceived threat of communism in the hemisphere. In addition, during the 1980s the United States heavily armed Central American counterrevolutionary forces that fought against the successful revolution in Nicaragua and leftist revolutionary challenges in other countries.[8] Until today, these weapons circulate in Latin America and are used in current conflicts. Since in the whole region state control is lax, they can be acquired easily.

The second class of weapons is smuggled or sold illegally into Mexico today. Arms are easily available north of the border because of the lax U.S. gun laws. Above all in the Southern States of Texas, Arizona and California (where the majority of arms from the U.S. confiscated in Mexico come from) it is easy for anybody to buy armament legally. Cartels often use straw men without criminal records to buy guns in official gun stores (Goodman/Marizco 2010, 167). Furthermore, during so called “gun shows” or flea markets second hand weapons can be acquired without any control. Weaponry bought in the U.S., then, crosses the border the opposite direction of the drugs benefitting from the sheer impossibility for Mexico and the United States to control the transborder flow of goods (Williams 2009, 329; Andreas 2001, 74).

The third class of weapons reaches Mexico legally together with other war materials as well as further resources, like money and know how, that spur the conflict. Because of the growing violence and Calderón’s fiercely demonstrated will to fight the cartels in an unprecedented war, the U.S. decided to support the Mexican government. In October 2007 both states signed a cooperation agreement called “Plan Mérida” for the location of the meeting of the Presidents Bush and Calderón. The Mérida Initiative is a multi-year plan that allocates 1.4 billion in U.S. assistance to Mexico to help it combat drug trafficking and other criminal organizations (Seelke et al. 2010, 15; Haugaard et al. 2011, 3). In this way, Mexico became the largest recipient of U.S. counternarcotic assistance in the region, alongside Colombia (Cook 2007, 14).[9] President Obama continued the initiative, increased the sum and extended it to Central America. The assistance is supposed to provide equipment, armament and training to Mexican law enforcers as well as to the judiciary personnel. The bulk of the funds disbursed until today went to the military and, hence, was invested into the violent conflict. [10] In 2009, equipment worth 772 million dollars has been transferred, including Bell helicopters

[8] For an overview of U.S.-Latin American relations during the Cold War and the U.S. role in the Central American civil wars during the 1980s, see Smith (2000).

[9] For an excellent overview of the U.S. military assistance to the Western Hemisphere in general and Mexico in particular consult the Just-the-facts project: www.justthefacts.org

[10] Yet according to a report of the U.S. General Accounting Office (GAO), the implementation of the Mérida Initiative is slow. Until now, only a small part has been disbursed (Beittel 2009, 18).

and surveillance aircraft, non intrusive inspection equipment, ion scanners and canine units, communication technology for intelligence, technical advice and training (Beittel 2009, 18). Due to harsh criticism, accusing the Mexican armed forces of serious human rights violations and because of the lack of military success against the cartels, recently the U.S. decided to focus their support on the reform of the Mexican justice system in order to foster the rule of law (Casey 2012). In addition to the equipment provided by the U.S. Government in the context of Plan Mérida, legal arms imports from the U.S. to Mexico have also increased enormously in the past years (Pacheco 2009, 1034). As Conroy put it, the Mexican drug market has become a hot market for U.S. weapons sales (Conroy 2011). In fiscal year 2009 alone, U.S. private arms supplier sold a total of 177 million dollar worth of defense articles – which included items like military aircraft, firearms and explosives – to Mexico.[11]

The Mexican government receives these legal arms sales from the U.S. and distributes the weapons to the security forces and other governmental sub-agencies. In face of the reigning corruption and the frequent attacks by cartels, a lot of these legally acquired weapons “disappear” (Conroy 2011). Some are seized once again by the security forces after shoot-outs with cartel gunmen (Ibid.).

Conclusion

The Mexican case demonstrates that massive transitional violence in illicit markets can have two causes: market changes that spur criminal competition and political changes that alter the regulatory environment severely affecting the illegal business. Both can cause the erosion of relations of trust what in turn causes uncertainty among criminal actors and incites them to use violence in order to defend their business interests.

The two factors are closely connected: market driven violence can incite increased law enforcement. State crackdowns on the illicit market, then, may spur more market related violence because they create power vacuums that in turn incite more criminal competition. In addition, there are several supportive factors that influence the opportunity structure of transitional criminal violence: the easy availability of both specialists in violence as well as arms and ammunition. Lastly the balloon effect also contributes to the overall increase in criminal violence.

In Mexico the interaction between market driven and state driven violence has ushered in a vicious cycle of violence difficult to bring to an end. Criminal violence will likely continue unabated in

[11] By comparison, Afghanistan und Iraq, Washington's top priorities, received 40 million dollar and 126 million dollar worth of weapons over the same period of time (Conroy 2011).

Mexico at least in the near term.

The consequences of the Mexican drug war are simply horrible: Since 2006 over 50,000 people have been killed. Countless others have been tortured, hurt and/or disappeared. Because of the brutal violence the Mexican people live in general fear. Moreover, not only the cartels inflict damage. The U.S. supported Mexican army drawn into the drug war by Felipe Calderón is accused of numerous human rights violations and within the military impunity is general (Haugaard et al. 2011, 4f.). The same holds for corruption. Contrary to official announcements and programs destined to purge the justice and security sector, corruption continues to be widespread – and even increased in the past ten years (Reuter 2009, 278).^[12] But whereas in the past corruption was a systemic alternative to organized criminal violence, this is no longer the case. While the state has replaced a strategy of collusion with one of confrontation, the DTOs resort to corruption and violence to stop the state from interfering with their business. As Williams notes, in Mexico violence and corruption are not simply strategic alternatives, they are “mutually reinforcing instruments” (Williams 2009, 330).

Lastly, the conflict has assumed broader transnational dimensions in the past years with severe spill-over effects over the neighboring countries where the cocaine travels through before reaching Mexico (Sullivan/Elkus 2011). Central America has been drawn deep into the conflict between the Mexican cartels. Once again the balloon effect is raging. With increased law enforcement in Mexico and the almost non-existent control in many Central American states, countries like Guatemala or Honduras provide ideal conditions for drug smugglers. As a consequence, new turf wars started there causing continuously growing levels of violence in a region that already suffers high levels of violence (Brocket 2012). It seems as if the Mexican debacle is going to repeat itself south of Mexico’s territory. Furthermore, Mexican cartels are also present in the U.S., and not just in border cities, although the often deplored spill-over effects to the U.S. are difficult to assess (Goodman/Marizco 2010, 168).

While many Mexicans applauded Calderón’s campaign against the cartels when it started, since recently critical voices are getting louder. A civil movement headed by poet Javier Sicilia whose son was murdered by cartel hitmen demands the end of violence. Even some known conservatives from Calderón’s own party like Jorge Castañeda (the foreign minister of the Fox administration) are advocating for an end of the military offensive (Castañeda/Aguilar 2009). They all demand a comprehensive strategy that focuses on the reduction of overall violence eliminating the structural causes of

[12] In the corruption-index from Transparency International Mexico occupied the 64th place in 2003. In 2011 it was on the 100th place.

the illegal business like poverty and deficiencies in the rule of law. Indeed, what cases like Iraq and Colombia demonstrate, is that militarization without an effective strategy of overall consolidation is unlikely to work (Sullivan/Elkus 2009; Haugaard et al. 2011; Williams 2009). Some observers overtly demand to negotiate a new tacit understanding with the cartels arguing that “corruption is better than slaughter”. In other words, they ask for the formation of a new state sponsored protection racket. There are unverified reports that even the U.S. negotiated with selected leaders of the Sinaloa cartel in order to appease the situation (Conroy 2012).

With the PRI and its candidate Enrique Peña Nieto winning the presidential elections in 2012, it was widely expected that a new protection racket would develop. Yet in his recently published security strategy, Peña Nieto announced the formation of a new paramilitary force to fight the cartels. Such a force would only be a further player on the violent Mexican drug market, probably escalating the situation even more.

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