

# When Business Gets Bloody

## STATE POLICY AND DRUG VIOLENCE

Since President Felipe Calderón called in the army to wage an all-out war on Mexico’s drug cartels in December 2006, more than 47,000 lives have been lost in a maelstrom of violence. While the government’s crackdown has fragmented the cartels into smaller organizations, many splinter groups have proven just as violent as their predecessors. In fact, cartel violence has only grown in intensity, lethality, and brazenness since the crackdown, with attacks by cartels on army troops at an all-time high (see Figure 2.5). In addition to spiralling violence inside the country, the fragmentation of the Mexican cartels now threatens to alter the dynamics of the drug trade landscape in El Salvador, Guatemala, and Honduras.

**In Mexico, cartel violence has only grown in intensity, lethality, and brazenness since the 2006 crackdown.**

Rio de Janeiro presents another facet of the drug violence landscape. In this city, where prison-based drug syndicates have held territorial control over the *favelas* (shantytowns) for more than two decades, state security forces began a new ‘Pacification’ programme in 2008 to retake and then occupy favelas with long-term community-oriented police forces known as UPPs (*Unidades de Polícia Pacificadora*). In contrast to previous approaches in Rio and elsewhere in Latin America, the programme prioritizes the most violent of syndicates and aims not to eradicate the illicit drug trade but to reduce the worst of drug-related violence and re-establish state authority.

The term ‘drug violence’ can evoke a variety of images and contexts—from interpersonal aggression by addicts and turf wars among corner dealers in retail settings to full-blown militarized confrontations among powerful, heavily armed cartels. While Latin America is certainly not free from drug consumption and related types of violence, it is the episodes of extreme internecine fighting among large, powerful trafficking organizations, and, at times, brazen violence against the state itself, that evoke comparisons to civil war. Latin America is also unique in the sense that the production and transshipment of drugs (towards retail markets in the United States, Europe, and other wealthy destinations) often outstrip retail and consumption as the most important drug-related economic activities.

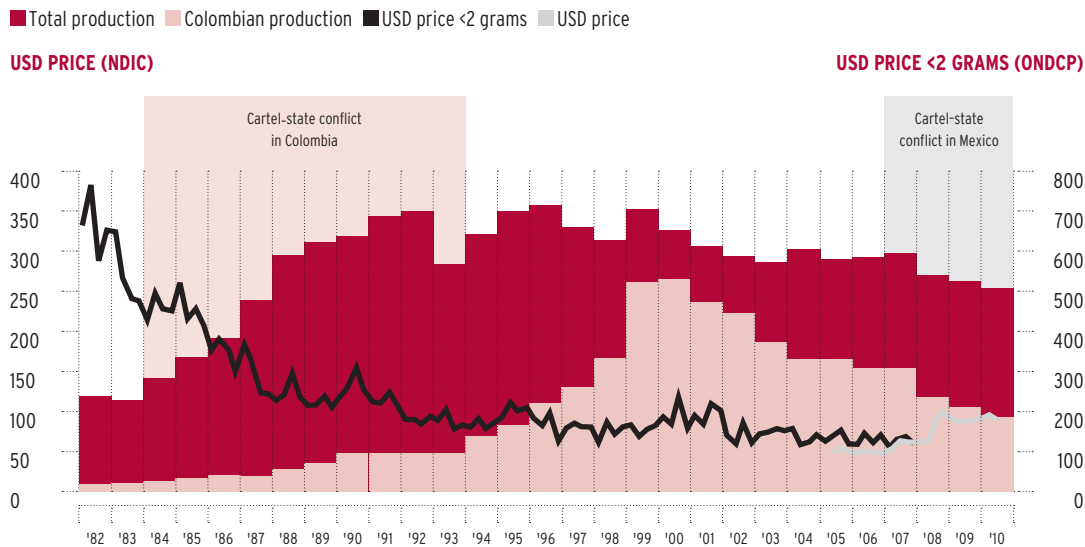
Figure 2.5 **Cartel fragmentation and drug-related violence, 2006-11**



Note: The 2011 figures for homicides and attacks are yearly estimates based on data for the period January-June.

Sources: Reforma data cited in Guerrero-Gutiérrez (2011, p. 45); Aranda (2011); Ríos and Shirk (2011)

Figure 2.1 **The cocaine market v. periods of cartel-state conflict, 1982-2010**



Notes: Production values for 1982-85 and 2010 are estimates. The US Office of National Drug Control Policy (Fries et al., 2008) has produced a long time series of USD price per pure gram data for US purchases for various weight categories; the <2 grams captures typical retail purchases. More recent data is only available from NDIC (2009; 2010; 2011), which is not disaggregated by weight. Sources: NDIC (2009; 2010; 2011); ODCCP (1999; 2000a; 2000b); UNODC (2003, 2010); Fries et al. (2008)

In this context, it is especially important to recognize that states play a key role in defining the rules of the game. The legal status of drug consumption, sale, and trafficking; official policies on sentencing, surveillance, and extradition; the institutional structure and capacity of police and other state forces; and operational decisions such as where and when to apply repressive force all fundamentally shape the incentives and, ultimately, the actions of drug traffickers.

This chapter reviews recent trends and theoretical explanations of drug violence in Latin America, with a focus on armed violence between organized actors—particularly cartels and prison-based syndicates—and state forces in Mexico, the Northern Triangle of Central America, and Brazil. It finds that the economic aspects of the drug market—demand, supply, and price—seem less related to outbreaks of cartel–state violence than changes in state policy (see Figure 2.1).

**Economic aspects of the drug market seem less related to outbreaks of cartel–state violence than changes in state policy.**

Although quantitative data is scarce, the case studies reviewed in this chapter illuminate the challenges, effects, and potential unintended consequences of state efforts to contain and reduce drug cartel violence in Latin America. In Mexico, President Calderón’s 2006 crackdown, designed to fall on all cartels roughly equally, appears to have instead triggered a rapid explosion of violence. The effects of cartel fragmentation are being felt throughout the country and in Central America. Six years into an exhausting and brutal conflict with tens of thousands of casualties, the blanket-response approach may be giving way to a more proportional focus on the most deadly Mexican cartels. Even sharper shifts in policy are likely if, as many predict, the PRI regains the presidency in the 2012 election.

By contrast, Rio de Janeiro’s proportional-response approach, which prioritizes the reduction of violence and traffickers’ armed presence over eradication of the drug trade per se, seems to have led traffickers’ to adopt less confrontational strategies. The pacification approach has allowed the state to retake control of some of Rio’s largest favelas after more than 20 years, often without firing a shot. But it is not yet clear whether this is translating into a reduction in overall violent crime rates, nor whether criminal networks are simply relocating. Maintaining control is also a long-term, complex, and costly proposition, and is as much about state service provision as violence prevention. It remains to be seen whether state and federal authorities are prepared to stay the course. Yet the shift in approach seems to have fundamentally altered the logic of cartel–state conflict that was in effect for decades; as such, it merits sustained scrutiny to better assess its true effectiveness and possible application to other settings. ■