**Organised crime in Mexico**

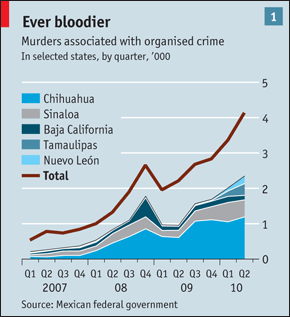
**The drugs trade has spread corruption and violence across Mexico. Can the police ever catch up with them?**

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THE drugs business, as Miguel tells it, used to offer a promising career for a young man. At 4am he would set out into the sierra of Sinaloa to pick up cannabis. Back in the city of Culiacán he would pack it for export, compressing it with a hydraulic pump, wrapping it in polythene and dunking it in wax to trick the sniffer dogs. The packets would go in trucks, cars, even on push-bikes. Once, in a friend’s Cessna, he skimmed the treetops south to Colombia, dropping packets of cocaine over the Mexican desert on the way back.

Miguel’s trafficking career ended in 1988, when he was caught. Five years in prison followed. “There was always the danger of being captured by the police or the army,” he says now. “But in Sinaloa we had no problems with the other cartels. It was easier to work with them than to kill them. Today they don’t understand that.”

Indeed they don’t. Since Felipe Calderón began his presidency in 2006 with a renewed effort against the drugs cartels, more than 28,000 people have been killed. Mr Calderón has deployed 50,000 soldiers to fight the gangsters, whose inventories now include rocket-propelled grenades, helicopters and semi-submersible vessels. Pitched battles between the army and the traffickers have caused some of these casualties; more still have been caused by fighting among Mexico’s half-dozen main trafficking organisations, engaged in a bloody struggle for the trade.



Last year Mexican officials angrily rebuffed a Pentagon study arguing that the country was in danger of becoming a failed state. That description still seems absurd in most of the country, the world’s 11th-largest by population and 14th-biggest by size of economy. Most of the violence remains confined to a handful of states, mainly close to the United States border. But since the Pentagon’s report the frequency of gang-related homicides has more than doubled. The second quarter of this year saw more than 4,000 such murders: twice as many as at the beginning of last year, and some eight times more than at the beginning of 2007 (see chart 1). The gangs’ tactics now include detonating car-bombs in public places.

The conflict has become a test of endurance for both the government and the narcos. Mr Calderón has staked his presidency on the outcome. In 2007 a third of Mexicans thought the death toll was an acceptable price to pay for beating the cartels, whereas now only a quarter do. “Unless there is a big change in the level of violence, the current strategy cannot survive more than another six months,” says Jorge Castañeda, a former foreign minister.

With a presidential election less than two years away, groups are positioning themselves to influence the next regime. The criminals are, too: heads tossed onto dance floors, corpses strung from bridges and, most recently, a victim’s face that was flayed off to be sewn onto a football, are all messages to government and citizens to back down. The law-abiding must decide whether it is better to give in, or battle on.

The official murder rate in Mexico remains lower than in much of Latin America. In 2009 it was 14 per 100,000 people, compared with 25 in Brazil and around 70 in parts of Central America. The violence is localised: 80% of the gang-related murders since 2006 have been committed in just 7% of Mexico’s towns, according to the government. A third of Mexico’s 31 states have murder rates hovering around five per 100,000, about the same as the United States. Yucatán, where tourists snorkel with whale sharks, sees fewer killings per person than Canada.

Many believe that the official statistics do not capture the whole picture. Cartels are good at public executions, but they are also skilled at hiding bodies when necessary. *El pozolero* (“the soup-maker”), dissolved some 300 corpses in a broth of acid before his capture last year. In June some 55 bodies were discovered in a silver mine close to Taxco, a tourist-friendly town in Guerrero. A study commissioned by FLACSO, a Latin American social-science university, estimated that, based on victimisation surveys, Mexico’s murder rate could be closer to 26 per 100,000.

What makes Mexico worrying is not just the raw numbers but the power of the cartels over society. Around five years ago Mexico’s drug-smuggling gangs overtook Colombia’s in resources and manpower, reckons Scott Stewart of Stratfor, a Texas-based security consultancy. As well as expanding down the supply chain, running distribution networks in the United States, they have moved up it, buying cocaine directly in Colombia, Bolivia and Peru. They have become a bigger influence in politics at home: woe betide public figures who do not march to their tune.

In Tamaulipas, a state in the north-east bordering Texas, the candidate widely expected to be elected governor in July was murdered four days before the poll. After the discovery of 72 murdered Central and South American migrants in the same state in August, two policemen running the investigation were killed. Journalists in towns such as Reynosa, on the Texan border, have stopped reporting on the drugs wars after being intimidated. Across Mexico, at least 11 mayors have been murdered so far this year.

**Violence reaches the rich**

But this year has also seen a significant change. Since a bust-up between the Gulf cartel and their former allies, a group known as the Zetas—former Mexican special forces who defected to the narcos a decade ago—violence has spread to the doorsteps of some of Mexico’s richest people. Monterrey, a city of 4m in the state of Nuevo León, daytripping distance from Texas, is Mexico’s industrial powerhouse, with an average income three times the national average, thanks to factories turning out everything from fridges to fuselages for the United States. Smartly-dressed young executives devouring business manuals land at its airport on the hour, every hour.

Yet fighting between the Zetas and the Gulf has destroyed Monterrey’s reputation as a safe city. Though business has more or less held up so far, a series of drug-related spectaculars sparked an exodus of the city’s upper class this summer. In April several people were kidnapped from the Holiday Inn, in the city centre. In August a shoot-out outside the American School left two dead. Many wealthy Mexicans have moved their families to the United States or safer parts of Mexico. In the smart suburbs, Monterrey’s rich are now keeping their SUVs garaged out of sight.

The threat against Mexico’s industrial capital has raised the stakes. “Monterrey will be a decisive battle,” says Luis Rubio, head of CIDAC, a Mexico City think-tank. The country’s movers and shakers have been galvanised now. In August Lorenzo Zambrano, the chairman and CEO of Cemex, the world’s biggest building-materials supplier, which built its empire out of the limestone cliffs of Monterrey, vented his anger on Twitter. “He who leaves Monterrey is a coward,” he wrote. In the same month Monterrey business leaders took out full-page ads in the national press, criticising the government’s apparent impotence. The pressure has had some effect. Last October Nuevo León had 60 federal police officers; it now has 550. “I feel that the sense of urgency has now reached our government,” says Mr Zambrano.

The war has certainly exposed the weakness of Mexico’s criminal-justice institutions. Numbers are not the problem: with 366 officers per 100,000 people, Mexico is better supplied with police than the United States, Britain, Italy and France, among others. But it is badly organised and corrupt. Policemen earn an average of $350 a month, about the same as a builder’s labourer, meaning that wages are supplemented with bribes. Carlos Jáuregui, who was Nuevo León’s chief security official until March, reckons that more than half the officers in the state were being paid by organised crime. A policeman in Monterrey can be bought for about 5,000 pesos ($400) a fortnight, Mr Jáuregui reckons.

“Police are treated as second-class citizens,” says Ernesto López Portillo, head of Insyde, a Mexico City think-tank. They are kept that way by the constitution, which separates police officers from other public servants, meaning they do not qualify for the standard minimum wage and the 40-hour weekly work limit. Police forces are in theory overseen by internal investigation units, but their findings are secret and, in any case, Mr López Portillo estimates that fewer than 5% of forces have such a body.

The government has focused on reforming the federal police, with some success. The force has gone through a deep purge, with a tenth of its officers sacked in the first eight months of this year for corruption or incompetence. Pay has gone up, and so has recruitment. At the beginning of Mr Calderón’s term there were 6,000 officers in the federal force; now there are more than 30,000 (some seconded from the army). The government is developing an external body to review the police.

Progress has also been made on Mexico’s federal prisons, with the construction of a new academy to train prison guards. The Mérida initiative, under which the United States provides help to Mexico to combat organised crime, is being tweaked to back such reforms. Whereas in 2008 most of the budget went on hardware—both military and civilian—the priority now is stronger institutions, says an American embassy official. Change is coming to the judicial system too, after a constitutional reform in 2008 that will set up a British or American-style accusatorial, oral system in place of written investigations, which are open to abuse.

**Trials and hold-ups**

Yet many reforms take agonisingly long to appear. An exam introduced two years ago to weed out dim or corrupt policemen has been taken by fewer than a quarter of officers, and by fewer than a tenth of state police. Progress on judicial reform has been glacial, meeting enormous resistance. The change is supposed to be completed by 2016; Alejandro Poiré, the government’s security spokesman, says this timetable may have to be speeded up.

In many cases Mexico’s federal system of government has prevented reforms from filtering through to ground level. Mexico is a federation of 31 states and 2,456 municipalities, whose governors and mayors guard their limited powers jealously. Policing is one of them, and the quality varies wildly: there are fewer than half as many local police per head in Tamaulipas as in Tabasco. Some 400 towns have no police, and 90% of municipal forces employ fewer than 100 officers.

Some mayors are under enormous pressure from criminals to keep things that way. Municipal police “are the most vulnerable…the most subjected to intimidation and, of course, the vengeance of the criminals,” Mr Calderón said recently. They are also among the least effective: the patchwork of command muddles operations. In Monterrey the metropolitan area alone has 11 different forces, using different training, tactics and even brands of radio. “If a criminal crosses the street he has reached a safe haven,” admits one official. On October 6th Mr Calderón presented plans to unify the police in each state, bringing the municipal forces under the control of governors. The measure now has broad support in Mexico City but requires changes to the constitution, which more than half the states must approve.

It is a similar story with the prisons. The American official estimates that whereas federal prisons are about a quarter of the way towards being fit for purpose, the state prisons are only a tenth of the way there. Recent mass-jailbreaks in Tamaulipas and an extraordinary episode in Durango, in which prisoners were let out to commit contract killings using guards’ weapons, underline how far state prisons have to go.

In the case of money laundering, the federal government’s recent legislation will be stymied by the fact that property, a favourite way to hide dirty money, is registered at state level. Only the federal district of Mexico City has its own financial-investigations unit.

Yet the government’s reforms, coupled with pressure from the army, may be starting to have an effect. The most visible successes of recent months have been the capture or killing of a string of cartel leaders. Long lines of deputies wait to inherit their positions. But the arrests are a sign of improved intelligence capability in the security forces, says Mr Poiré. Between June and August the murder rate stabilised, at a rate of about 49 gang-killings a day, and it fell somewhat in September, to 36 a day (figures were available only up to September 24th). There have been false dawns before. But it may be that a combination of institutional reform and firepower is slowly beginning to weaken the cartels, or at least alter their behaviour.

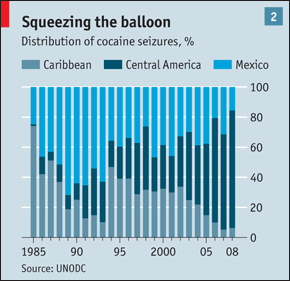
In Monterrey the state government is experimenting with an ad-hoc unified force that gives municipalities the right to opt out. Officials reckon that seven of the 11 municipalities will take part. In another experiment, police are patrolling with soldiers and prosecutors to provide a mixture of firepower and basic policing know-how (such as blocking the backs of houses before going in at the front). Since August the city has seen no roadblocks set up by the gangsters, and the level of violence diminished in September. Many locals fear that the respite is temporary, but Javier Treviño, the deputy governor of Nuevo León, believes Monterrey is now over the worst.

The battlefield provides some evidence that certain cartels are being weakened. The Zetas, for instance, seem less and less professional. Some are teenagers who have little idea how to use their powerful weapons. Arrested gunmen are sometimes so drunk or stoned that they have to be left for 24 hours to sober up, one official says. The cartel appears to be relying more on part-time help: one Monterrey businessman found that his office cleaner was working nights for the mob. Many bodies go unclaimed, suggesting that footsoldiers are being recruited, or pressganged, from farther afield. The migrants murdered in Tamaulipas are believed to have been murdered after refusing to work for the narcos.

The weakening of some criminal gangs has had unforeseen consequences. Cartel recruitment has been ramped up in poor neighbourhoods such as Colonia Independencia, a hillside settlement that confronts Monterrey’s government offices from across the Santa Catarina river. Teenagers there run murderous errands for around 4,000 pesos a week, community workers say. And the loss of influence by the Zetas has led to scrappy turf wars. Over the summer Monterrey’s middle class was shocked by the apparently random kidnapping of young, affluent residents. It later emerged that the Zetas were nabbing people who looked like cocaine users to find out where they got their drugs, so that they could kill their rival dealers.

**The big green hole**

As pressure is put on the drugs business, the gangs are diversifying into other rackets: extortion and kidnap, particularly of migrants from Central America. Gangs increasingly aim to dominate all criminal enterprises in a given territory, rather than simply the supply of drugs, says Antonio Mazzitelli, the head of the UN Office on Drugs and Crime (UNODC) in Mexico City. The increase in kidnapping has heightened the feeling of insecurity, even among those with protection. Diego Fernández, a former presidential candidate who remains influential within the ruling National Action Party, was kidnapped in May and is now seen only in periodic ransom demands, thinner in each photograph.



Even when the cartels are driven out of one place, they tend to pick up their operations elsewhere. Commanders in Monterrey say that their successes have exacerbated problems in the nearby states of Coahuila and Durango. Mexico’s own drugs problems took off in the 1990s, after the old cocaine-trafficking route to Florida through the Caribbean was shut down by the Americans. Now, as Mexico piles pressure on its home-grown cartels, some are moving their operations south. Already, more cocaine is seized in Central America than in Mexico (see chart 2). Some Mexican groups have set up training camps and storage facilities in the jungles of Petén, a “big green hole of nothing” in northern Guatemala, according to Mr Stewart.

The Zetas, in particular, are visible in Central America. Zeta recruitment banners have been spotted, tempting soldiers away from the army with better wages and food; the gang is believed to linked up with former Guatemalan special forces, enthusiastic abusers of human rights during the country’s civil war. In September a Guatemalan court convicted six Mexican nationals, believed to be Zetas, of the murder of 11 people in 2008. In the first six months of this year Guatemalan authorities seized cash, drugs and arms worth more than everything they had seized the previous year, according to the police.

Guatemala’s deepening nightmare could eventually mean grim relief for Mexico. So too could developments in the United States and Europe. On November 2nd California will vote on a ballot initiative to legalise the sale of cannabis which, if it became law, would remove one small line of business from Mexico’s cartels (see [article](http://www.economist.com/node/17258818)). Legally or not, more cannabis is being grown north of the border anyway.

Help may also come from Europe’s cocaine market. This is now almost as valuable as that of the United States, which is shrinking, according to the UNODC. Andean cocaine bound for Europe need not go through Mexico, and the Mexican gangs are still weaker than the Colombians in Spain (partly because the Mexican diaspora does not extend much beyond the United States). Mr Mazzitelli says Mexicans are now collaborating with the Italian ’Ndrangheta mafia to explore new opportunities in Australia, where the retail price of cocaine is twice what it is in the United States.

Whether its bases are in Mexico or elsewhere, the illegal drugs business will continue to bring violence and corruption to the Americas, where it sucks in an ever greater number of young men. Miguel, the former Sinaloa trafficker, promised his family he would go clean when he got out of jail; he works as a gardener now, but the money is poor, and he would still go into the drugs business if he had his time again. Trying to stop the gangsters “is like mowing the grass,” he says. “You can cut it down. But it always grows back.”