

UC Berkeley

UC Berkeley Electronic Theses and Dissertations

Title

The Logic of Violence in Criminal War: Cartel-State Conflict in Mexico, Colombia, and Brazil

Permalink

<https://escholarship.org/uc/item/03m9r44h>

Author

Lessing, Benjamin

Publication Date

2012

Peer reviewed|Thesis/dissertation

**The Logic of Violence in Criminal War:
Cartel-State Conflict in Mexico, Colombia, and Brazil**

by

Benjamin Lessing

A dissertation submitted in partial satisfaction of the
requirements for the degree of
Doctor of Philosophy

in

Political Science

in the

Graduate Division

of the

University of California, Berkeley

Committee in charge:

Professor David Collier, Co-chair
Professor Robert Powell, Co-chair
Professor Ruth Berins Collier
Professor Peter Evans

Spring 2012

**The Logic of Violence in Criminal War:
Cartel-State Conflict in Mexico, Colombia, and Brazil**

Copyright 2012
by
Benjamin Lessing

Abstract

The Logic of Violence in Criminal War:
Cartel-State Conflict in Mexico, Colombia, and Brazil

by

Benjamin Lessing

Doctor of Philosophy in Political Science

University of California, Berkeley

Professor David Collier, Co-chair

Professor Robert Powell, Co-chair

Why do drug cartels fight states? Episodes of armed conflict between drug cartels and states in Colombia, Brazil and Mexico have demonstrated that ‘criminal wars’ can be just as destructive as civil wars. Yet insurgents in civil wars stand a reasonable chance of winning formal concessions of territory or outright victory. Why fight the state if, like drug cartels, you seek neither to topple nor secede from it?

Equally puzzling are the divergent effects of state crackdowns. Mexico’s militarized crackdown in 2006 was intended to quickly break up the cartels and curtail incipient inter-cartel and anti-state violence; five years later, splintered cartels are an order of magnitude *more* violent, with over 16,000 homicides and 600 of attacks on army troops in 2011 alone. Conversely, in Rio de Janeiro, a massive November 2010 invasion by state forces of a key urban zone that had been under cartel dominion for a generation failed to produce the grisly bloodbath that even the government’s defenders predicted. Instead, it heralded what appears to be a decisive shift by cartels away from confrontation. Why do some crackdowns lead to violent blowback, while others successfully curtail cartel-state conflict?

The key to both puzzles lies in a fundamental difference between cartel-state conflict and civil war. Cartels turn to anti-state violence, not, as in civil war, in hopes of conquering mutually prized territory or resources, but to influence state policy. Like many interest groups, cartels expend resources to influence policy, usually acting at the level of policy enforcement, through corruption, but sometimes also at the level of policy formation, through lobbying. Yet licit interest groups are not targeted for destruction by the state, and generally possess no means of physical coercion. Cartels always face *some* level of state repression, but fighting back usually provokes even greater repression. Often, this leads them to ‘hide’ rather than ‘fight’, using anonymity and bribes to minimize confrontation; under certain conditions, though, violence may seem the best pathway to policy influence. The decision to turn to violent forms of policy influence is thus highly sensitive to *what the state is doing*; shifts in state policy, especially crackdowns, can trigger sharp variation in cartel-state conflict.

This study first distinguishes the ‘logics’ of *violent corruption* and *violent lobbying*, as well as dynamics deriving from turf war among cartels, then identifies the conditions that make each logic operative. Violent corruption—epitomized by drug lord Pablo Escobar’s infamous phrase “*plata o plomo?*” (bribe

or bullet?)—is central; it occurs, in all three cases, prior to and with greater consistency than violent lobbying or other mechanisms. States face a dilemma: they cannot crack down on traffickers without inadvertently giving corrupt enforcers (police, judges, etc.) additional leverage to extract bribes. A formal model of bribe negotiation illustrates the cartel's choice: simply pay the larger bribe, or use the threat of violence to intimidate enforcers and reduce the equilibrium bribe demand. The central finding is that blanket crackdowns in a context of widespread corruption can *increase* cartels' incentives to fight back, whereas more focused crackdowns that hinge on cartel behavior induce non-violent strategies.

Conditionality of repression—the degree to which repressive force is applied in proportion to the amount of violence used by cartels—is thus a critical factor behind the divergent response of cartels to crackdowns across cases. A move toward conditional crackdowns occurred both in Colombia, after Escobar's demise and the fragmenting of the drug market, and in Rio de Janeiro, with its innovative 'pacification' strategy. In both cases, cartels have shifted away from confrontation and toward non-violent 'hiding' strategies. In Mexico, by contrast, the state has insisted on pursuing all cartels without distinction, leading to sharp increases in cartel-state violence.

Other, less central logics help explain contrasting modalities of cartel violence. *Violent lobbying*, in the form of narco-terrorism and direct negotiation with state leaders, is dramatic and chilling, but only makes strategic sense when there is an open policy question that cartels can realistically hope to influence. Moreover, if the benefits of policy change are 'public' or non-excludable, violent lobbying is subject to the free-rider problem, and only likely to occur if cartels can cooperate. Thus violent lobbying has been intense in Colombia, where cartels were initially united and extradition remained an open policy question for a decade; occasional in Brazil where a dominant cartel uses it to influence carceral policy, and relatively rare in Mexico, where cartels are fragmented and the president's high-profile 'ownership' of his crackdown creates overwhelming audience costs to policy change.

Inter-cartel turf war is far more intense in Mexico than elsewhere, driving logics of reputation-building and false-flag attacks, and contributing to the prominence of 'propagandistic' violence like mutilation and 'narco-messages'. These turf-war dynamics are reinforced by the government's kingpin strategy and its splintering of the cartels. Moreover, fragmentation has a general-equilibrium effect on the maximum pressure the state can apply to any one cartel, given its unconditional approach. This further reduces the sanction cartels face for using violence, and drives the escalatory spiral presently gripping Mexico.

The study concludes by asking why leaders do or do not adopt conditional strategies. Even when leaders would like to do so, they face both *logistical constraints* arising from low capacity and fragmented security institutions, and *acceptability constraints* deriving from the negative optics of 'going easy' on less violent cartels (a necessary component of conditional repression). Case evidence helps identify political circumstances that minimize these constraints. Coalitions or partisan hegemony can mitigate institutional fragmentation, while the 'Nixon-Goes-to-China' effect allows leaders perceived as hardliners to overcome acceptability constraints, particularly if they present conditionality as a tactical, operational imperative.

To my parents, for this life.

To Andy Kotowicz, for the music.

Contents

Contents	ii
List of Figures	v
List of Tables	vi
1 Introduction	1
1.1 Overview of the Argument	3
Conditionality of Repression as Explanation	3
Conditionality of Repression as Outcome	7
1.2 Cases: Summaries and Selection Issues	8
Colombia	8
Rio de Janeiro, Brazil	9
Mexico	10
Case Selection Issues	11
1.3 Inferential Strategy	12
1.4 Looking Ahead	14
2 Conceptual Framework	15
2.1 Object and Scope	15
2.2 Related Concepts and Literature	16
2.3 Concepts Introduced in This Study	18
Constraint vs. Conquest: A Broader Framework for the Study of Conflict	18
Inter-Cartel Turf War vs. Cartel-State Conflict	22
‘Hiding’ vs. ‘Fighting’: When Does State-Capture Become Violent?	23
Intended Audience vs. Target of Violence	24
Two ‘Halves’ of the State, Two Levels of Policy Influence	24
Conditional vs. Unconditional Repression/Crackdowns	26
3 Logics of Violence in Cartel-State Conflict	28
3.1 Introduction	28
3.2 Logics of Violence in Criminal War	30

	Violent Corruption and Violent Lobbying	30
	Interactions of Violent Corruption and Lobbying with Turf War	34
	Turf-War Logics of Anti-State Violence	35
3.3	A Model of Violent Corruption	39
	Model	41
	Numerical Simulations	49
	Extension: Effects of Turf Wars	55
3.4	A ‘Toy’ Model of Violent Lobbying	56
	Model	56
	Discussion	58
4	Rio de Janeiro	62
4.1	Introduction	62
4.2	Analytic Approach: ‘Dictatorship Over the Poor’ vs. ‘System of Rent Extraction’	64
4.3	Actors: Syndicates, Enforcers and Leaders	67
	The Comando Vermelho	67
	The Police	69
	Leaders	70
4.4	The Pacification Strategy and its Predecessors	74
4.5	Theory and Evidence	75
4.6	Conclusion	82
5	Colombia	84
5.1	Introduction	84
5.2	Key Historical Episodes	85
	Early Years and Advent of MAS	85
	Foray Into Electoral Politics	88
	Crackdown and Response	89
	Galán’s Campaign and Murder	90
	Elite Kidnappings and Negotiating Surrender	90
5.3	Discussion	91
	Violent Lobbying and Violent Corruption: Not Either/Or	91
	Was Repression Conditional?	94
6	Mexico	95
6.1	Introduction	95
6.2	Background	97
6.3	Calderon’s War	98
6.4	“No Truce and No Quarter”: the Unconditional Crackdown	100
6.5	Some Empirics	102
6.6	Discussion	103

7	Conditionality as Dependent Variable	105
7.1	Logistical constraints	106
7.2	Acceptability Constraints	107
7.3	Getting to Conditionality the Carioca Way: The Case of Rio	109
8	Conclusion	112
8.1	Summary of Findings	113
8.2	Avenues for Further Research	114
	Quantitative Analysis with NRI/OBIVAN data	114
	Additional Cases	114
	Do Drug Wars Build States?	115
8.3	Final Thoughts	115
A	Proofs of Formal Propositions	118
	Bibliography	120

List of Figures

1.1	Civil and Criminal War Death Tolls, 2003-2011	2
1.2	Rio's Drug War: 1993–2011	4
1.3	Mexico's Drug War: 2001–2011	5
1.4	Violent Actions by Type, Proportion of Country Total	6
2.1	Conquest vs. Constraint: Types of Armed Conflicts	21
2.2	Two 'Halves' of the State, Two Levels of Policy	25
3.1	Levels of Policy Influence	30
3.2	Strategies of Policy Influence	32
3.3	Bribe Negotiation Game Tree	43
3.4	Simulation #1: Unconditional Crackdown and Blowback	51
3.5	Simulation #2: A Violent, Territorial Drug Market	52
3.6	Simulation #2: Unconditional vs. Conditional Crackdown	52
3.7	Simulation #3: 'Corrupt Coerced Peace' and its Breakdown	53
3.8	Violent Lobbying Game Tree	57
4.1	Rio's Drug War: Police Killings and Major Militarized Operations by Governorship	71
4.2	Newspaper Reports of Cartel-related Actions, Proportion of Total	78
4.3	Newspaper Reports of Clashes, 2007-2010	79
5.1	Colombia's Drug War: Extradition and Narco-terrorism, 1982–1994	86
6.1	Mexico's Drug War: Homicides and Attacks on Army, by <i>Sexenio</i> , 2001-2011	101
6.2	Yearly Seizures by State Forces, 2007-2011	103
8.1	Production and Street Price of Cocaine, 1982-2011	116
8.2	US Cocaine Street Prices vs. Cartel-Related Homicides in Mexico, 2007-2010	117

List of Tables

3.1	Regions of Parameter Space for Violent Lobbying Game	58
-----	--	----

Acknowledgments

I would like to thank everyone who helped me along the way; it has been such a long one.

First and foremost, my family and loved ones, who have stood by with patience and encouragement.

Second but equally foremost, my advisors, David Collier, Robert Powell, Ruth Collier and Peter Evans, four titans of scholarship from whom it has been an immense privilege and pleasure to learn so very, very much. If today I am become academic, studier of worlds, it is because you four showed me the way, and showed me that it could be good. I also thank my many other teachers, commentators, colleagues, and peers from whom I have received valuable input and advice: Alma Guillermoprieto, Angelica Duran-Martinez, Beatriz Magaloni and Alberto Cayeros, Dan Slater, Daniel Hidalgo, David Laitin, Edward Miguel, Eli Berman, Ernesto Dal Bó, James Fearon, Harley Shaiken, Gerard Roland, Henry Brady, Jasjeet Sekhon, Keith Krause, Mark Kleiman, Matthew Rabin, Oeindrila Dube, Paul Pierson, Paul Staniland, Peter Reuter, Rui de Figueiredo, Sean Gailmard, Sebastián Mazzuca, Simeon Nichter, Steve Fish, Steve Vogel, and Suresh Naidu.

I gratefully acknowledge the generous support I have received during my graduate career from the Harry Frank Guggenheim Foundation, the Smith-Richardson Foundation, the National Science Foundation, and the UC MEXUS foundation, as well as the Berkeley Human Rights Center, the Fulbright Commission, and the Berkeley Political Science Department. It simply would have been impossible to complete this study without support from so many generous sources.

In addition, I would like to thank all of those who participated in qualitative interviews for this project, many of whom I have refrained from naming for obvious reasons.

The NRI/OBIVAN data-collection project merits its own subsection. Pride of place goes to David Holiday of the Open Society Institute and Daniel Ortega of the Centro Andino de Fomento (CAF) for recognizing early on the potential of the project, supporting it throughout, and nudging me forward when necessary. Equally crucial has been the support of the partner NGOs in each country and their respective captains: Pedro Strozenberg at ISER; Jorge Restrepo at CERAC; and Dr. Luis de la Barreda and Cecilia Sayeg Seade at ICESI. It has been an honor and a privilege to work with them and their organizations. Finally, I want to personally thank everyone who worked on the project, whether as a coder, a coder, or a coder. (Seriously, everybody ended up having to do *some* coding...) I apologize in advance if I have left anyone out. In Colombia: Juan David Gonzales, Soledad Granada, Diana Mendoza, Nelson Illidge, Victoria Ríos, Judy Criado, Natalia Durán, Sally Trujillo, Santiago Milán, Alonso Tobón. In Brasil: André Rodrigues, Bárbara Pires, Daniele Fonseca dos Santos, Michel Carvalho, Pedro Duarte, Raiza Siqueiros, Tamara Lajtmán, and Tássia Mendonça. In Mexico: Brenda Perez, Jesús Vargas, and Benjamín Cortés Fabián.

Besides that, there are a host of gracious souls and close friends in all three countries where I did field work without whom my life there would have been miserable and short. I mention a few here, and apologize to those I have left out. In Colombia: Alvaro Camacho, Ana María Ibáñez Londoño, Andres López Restrepo, Anita Hoyos, Daniel Coronel, Daniel Mejía, Diana Hoyos, Francisco Leal Buitrago, and Manuel Hoyos. In Mexico: Andrea Gamero, Beatriz Llamusi, Luis Astorga, Malgorzata Polanska, Miguelito and Alejandra Diaz, Guy, Pablo Garcia, and Raul Benítez. In Brazil: Adriana Perusin, Brígida Renoldi, Chris Vital, Def Yuri, Gueddes, Ilona Svabo de Carvalho and Rob Muggah,

Jim Shyne, João Trajano Santo-Sé, José Júnior, Luke Dowdney, Michel Misse, Paula Miraglia, Rangel Antônio Bandeira, Rubem Cesar Fernandes, Tom Phillips, and Ivan Figueira.

The same goes for my life, and my invaluable friends, in the U.S.: Abba and Bonnie Lessing, Anna Shneiderman, Avi Lessing, Carli Lowe, Cynthia, Molly, and Honey Williams (and Laura Flanagan for making it happen), David Klagsbrun, Paul Campbell, Holly Roberson and John Goldstein, Jessica Galeria, Justin Girard and the Berryman House, Lee Traband, Mike, Judy and Emily Chiariello, Pedro Peterson, Rebecca Feldman and Jay Reiss and my brilliant sister, Shana Lessing.

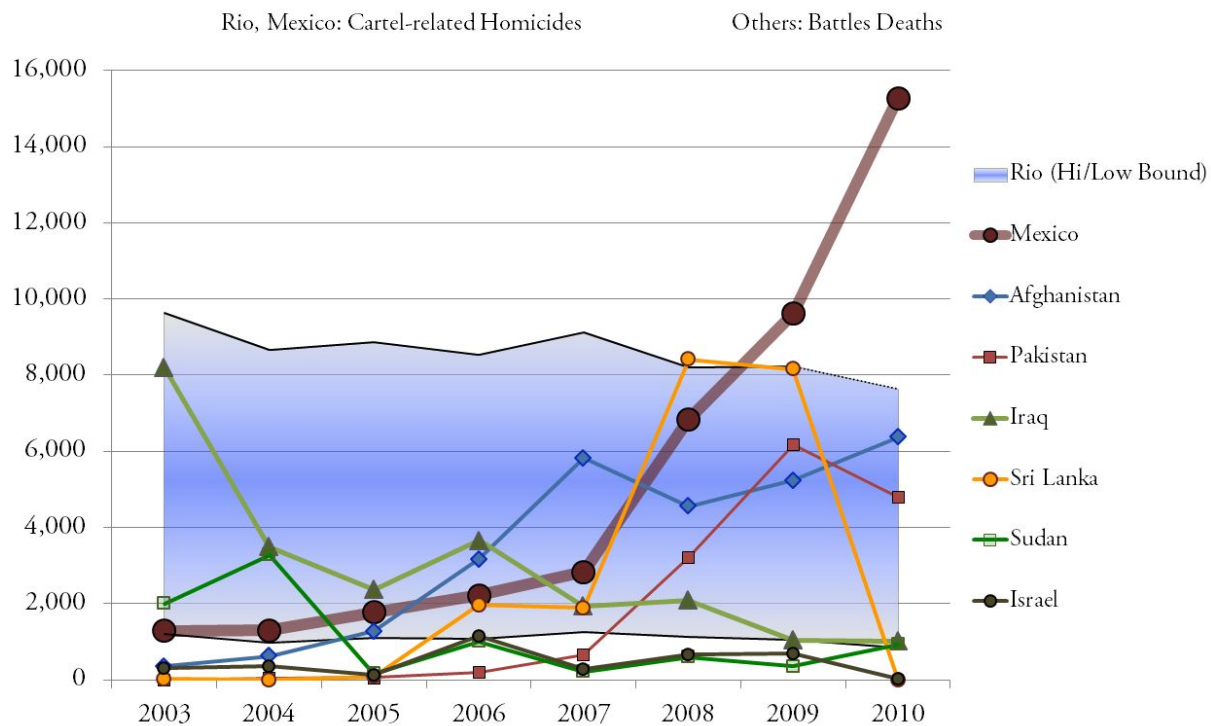
Chapter 1

Introduction

In December 2006, less than two weeks after his inauguration, President Felipe Calderón declared “war” on his country’s drug trade, launching what would soon become the largest non-humanitarian deployment of Mexico’s army in modern times. Drug violence had become an issue during the prior administration of Vicente Fox (2000-2006), doubling in intensity from about one to two thousand deaths per year. Calderón’s stated expectation was that the crackdown would quickly shatter the cartels and curtail both inter-cartel and then-incipient anti-state violence. Not even his most vocal critics anticipated that five years later, splintered cartels would be an order of magnitude *more* violent, with over 16,000 deaths in 2011 alone. And though much of the killing may be among drug traffickers, the most chilling aspect has been cartels’ willingness to go on the offensive against the Mexican state—thousands of direct attacks on army troops, dozens of mayors and gubernatorial candidates assassinated, police chiefs murdered in their homes and offices—coupled with the state’s conspicuous inability to rein them in.

In late November 2010, Governor Sérgio Cabral of Rio de Janeiro prepared to launch a massive invasion of Complexo do Alemão—an enormous urban zone that had been under militarized domination by the city’s largest drug syndicate for decades. Unlike Calderón, Cabral expected the worst. In 2007, a lethal but failed invasion under his command had left Alemão under the control of the traffickers and blood on the hands of the government. In the interim, and partly in response to this failure, Cabral unveiled a new policy. His ‘pacification’ strategy involved pre-announced military occupations of individual *favelas* (slums), followed by the installation of permanent community policing units known as UPPs.¹ It also involved an explicit shift in policing priorities away from eradicating the drug trade toward minimizing violence and the armed presence of traffickers. Pacification had a successful rollout: traffickers fled the first dozen occupations rather than stand and fight. But these were smaller favelas, with smaller local crews; the traffickers had beaten a tactical retreat, and were now

¹Unidades de Polícia Pacificadora, literally Pacifying Police Units. The term ‘UPP’ has come to stand for the larger pacification strategy, and, due to the success of the program, become a kind of brand name: a raft of social programs implemented by the municipality, for example, was named “Social UPP.” Because the focus of my analysis is the interaction between cartels and states, I do not explore at length the community-policing, human-rights aspect of the UPP program, though it is of substantive and normative importance in its own right. As such, I usually refer to the program as ‘the pacification strategy’ or simply ‘pacification’ rather than ‘UPP,’ though the terms are often used interchangeably.

Figure 1.1 Civil and Criminal War Death Tolls, 2003-2011

Sources: Civil wars: Gleditsch et al. (2002); Themnér and Wallensteen (2011); UCDP (2011); Mexico: Shirk and Ríos (2011); Rio: 'Lower bound' series are police killings of civilians in armed confrontations, from ISP-RJ (2012); 'Upper bound' data are corrected intentional homicide figures from Cerqueira (2011).

gathered in Alemão, preparing, it seemed, to make a stand. As thousands of troops and dozens of armored vehicles swarmed around the entrance to Alemão, even the governor's backers preemptively warned of a bloodbath. Instead, the traffickers mostly fled or turned themselves in. More surprising still, since the fall of Alemão, Rio's syndicates have abandoned their traditional strategy of confrontation, allowing the state to rapidly recapture key swathes of territory without firing a shot. A corner seems to have been turned: the number of killings by police in armed confrontations, which averaged 1,000 per year between 2002 and 2008, fell to just 525 in 2011.

These vignettes capture both the terrifying scale that drug wars can reach, and our profound lack of understanding of the mechanisms that drive the violence. Police in Rio alone regularly kill enough civilians to put the conflict over the common 1,000 battle-deaths-per-year threshold for civil wars, while by some measures Mexico is now the most violent intra-state conflict of the 21st century (Figure 1.1). The overt war against the Colombian state waged by Pablo Escobar from 1984 until his death in 1993 remains unique in some ways, but sustained cartel-state conflict has now ravaged Latin America's three largest countries, threatens to overrun Central America, and may even be spilling into US border

regions. Yet the study of drug wars is in its infancy, and desperately lacks both the strong theoretical framework and comparative empirical findings that have been critical to the flurry of progress made on the study of civil war in the past two decades. As the still-worsening violence in Mexico makes clear, this knowledge gap has enormous real-world consequences.

The genuine surprise of decision-makers at the reactions of cartels² points to a fundamental puzzle: why do criminals take up arms against the state? By comparison, civil war is not nearly as puzzling: whether fighting for the political center or the periphery, insurgents actually stand a reasonable chance of winning formal concessions or scoring an outright victory.³ But why fight the state if, like cartels, you seek neither to topple nor secede from it? Taken together, the vignettes above point to a related puzzle: Why do some crackdowns seem to produce violent blowback—a sharp increase in cartel-state conflict—while others appear to have successfully curtailed it? These are the questions this study seeks to answer.

1.1 Overview of the Argument

Conditionality of Repression as Explanation

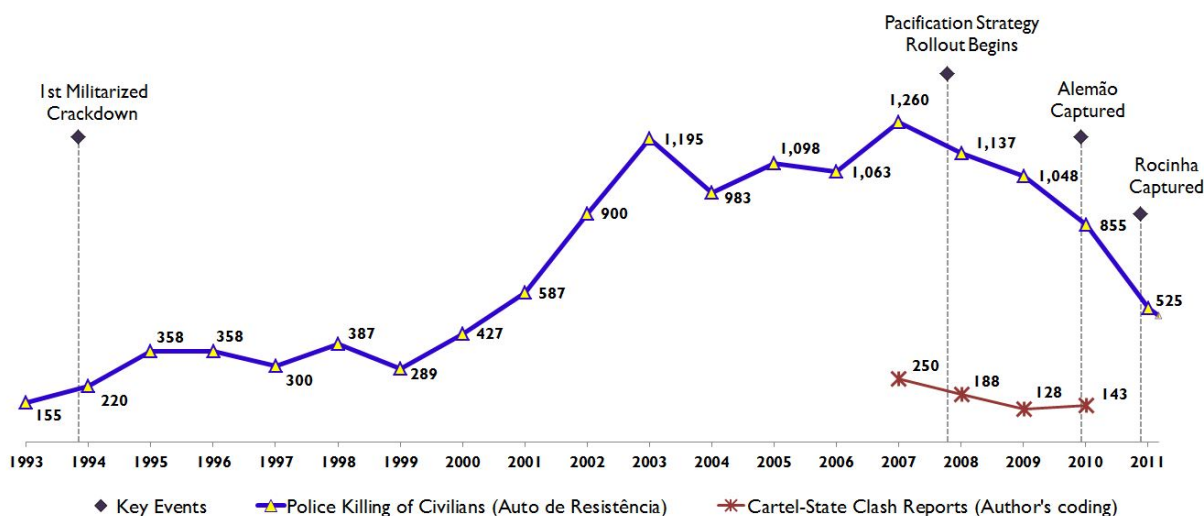
The key to both puzzles, this study argues, is that cartel-state conflict is fundamentally different from insurgency. Cartels turn to brazen, anti-state violence, not in hopes of conquering mutually prized territory or resources, as in civil war, but to influence state policy outcomes. In some respects, cartels are like other interest groups that expend resources to influence policy, usually acting at the level of policy enforcement, but sometimes also at the level of policy formation. Yet licit interest groups are not targeted for destruction by the state, and generally possess no means of physical coercion. These factors can make violence an attractive pathway to policy influence for criminal groups, but there are high costs and risks to fighting as well. The decision to turn to violent forms of corruption and lobbying is thus highly sensitive to state policy itself. For this reason, policy shifts, and in particular state crackdowns, can trigger the sudden shifts in cartel-state conflict observed in Mexico, Brazil, and Colombia.

²An interesting debate surrounds the term ‘cartel’: economists maintain that no drug trafficking organization (DTO) or group thereof ever really engaged in successful price-fixing collusion, their definition of a cartel. Others point out that real cooperation occurred, and the fact that most ‘cartels’ are in fact made up of autonomous actors makes it a useful term. Grillo (2011) adds an interesting discussion of how the term has been useful to both journalists and drug warriors by reifying and making into a tangible enemy a rather diffuse group of actors. For my purposes, another layer of complexity arises across cases: Mexican and Colombian DTOs are commonly called ‘cartels’ by authorities, journalists, scholars, and the groups themselves, while the Brazilian DTOs I study are not. Yet they share the common characteristic of interest: they engage the state in armed confrontation. In this study, I use ‘prison-based syndicate’ or ‘syndicate’ when discussing Rio’s DTOs in isolation, and, sometimes, ‘cartel’ when considering them together with the Mexican and Colombian cases. I use the term ‘DTO’ itself sparingly and generically to refer to the broader class of trafficking outfits, violent or not, of all sizes.

³Fearon and Laitin (2007) find that 24% of center-seeking and 17% of autonomy-seeking civil wars ended in outright rebel military victory, while another 23% of the latter saw rebels win autonomy after fighting the state to a draw. On the flip side, states crush the rebels in roughly half of all civil wars; in drug wars, by contrast, states are frequently able to dismantle specific cartels, but have never successfully eradicated (or even seriously diminished) the drug trade within their borders. The one potential exception is the Taliban, which succeeded in virtually eliminating opium production in Afghanistan in 2001, but the long-term viability of this achievement is unclear since the regime was deposed by the US later that year, and opium production quickly returned to its historical trend (Farrell and Thorne, 2005).

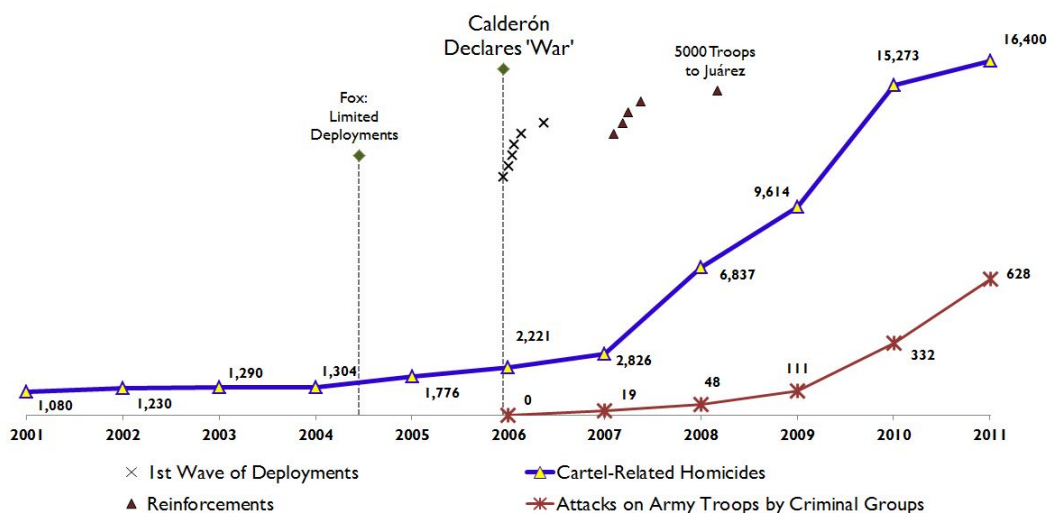
The analytic strategy of this study is to distinguish the ‘logics’ that can make fighting advantageous relative to hiding, identify the conditions under which they are ‘operative,’ and explore how changes in repressive policy and background conditions strengthen or weaken each. First among these logics is what I call *violent corruption*: the use of violence to intimidate enforcers and lower the price of bribes—exemplified by Pablo Escobar’s infamous offer to officials, “*Plata o plomo?*” (“the bribe or the bullet?”). This interaction plays a central role in all of my cases, and a supporting one even when drug markets are not violent. The leaders face a dilemma: they cannot crack down on traffickers without inadvertently giving corrupt enforcers (police, judges, etc.) additional leverage to extract bribes. A formal model of bribe negotiation illustrates the cartel’s choice: simply pay the larger bribe, or use the threat of violence to intimidate enforcers and reduce the equilibrium bribe demand. The central finding is that blanket crackdowns in a context of widespread corruption can *increase* cartels’ incentives to fight back, while more focused crackdowns that hinge on cartel behavior favor non-violent strategies. Thus *conditionality of repression*—the extent to which states apply additional repression to cartels that opt for violence—is a critical variable in explaining the divergent response of cartels to crackdowns across cases. It is the shift to a conditional repression in Rio de Janeiro—with the innovative ‘pacification’ policing program—that led cartels to shift away from confrontation and toward non-violent ‘hiding’ strategies (Figure 1.2). In Mexico, by contrast, the government insisted on a massive but unconditional crackdown, pursuing all cartels without distinction, leading to sharp increases in cartel-state violence (Figure 1.3).

Figure 1.2 Rio’s Drug War: 1993–2011



Sources: ISP-RJ (2012); SSP-RJ (2003); Author’s coding of media reports (NRI/OBIVAN)

Other logics come into play under more restrictive conditions, and help explain variation in the modalities of violence observed across cases, Figure 1.4. *Violent lobbying*, the use of violence to force state leaders and decision-makers to make formal policy concessions, is rarer but generally of higher

Figure 1.3 Mexico's Drug War: 2001–2011

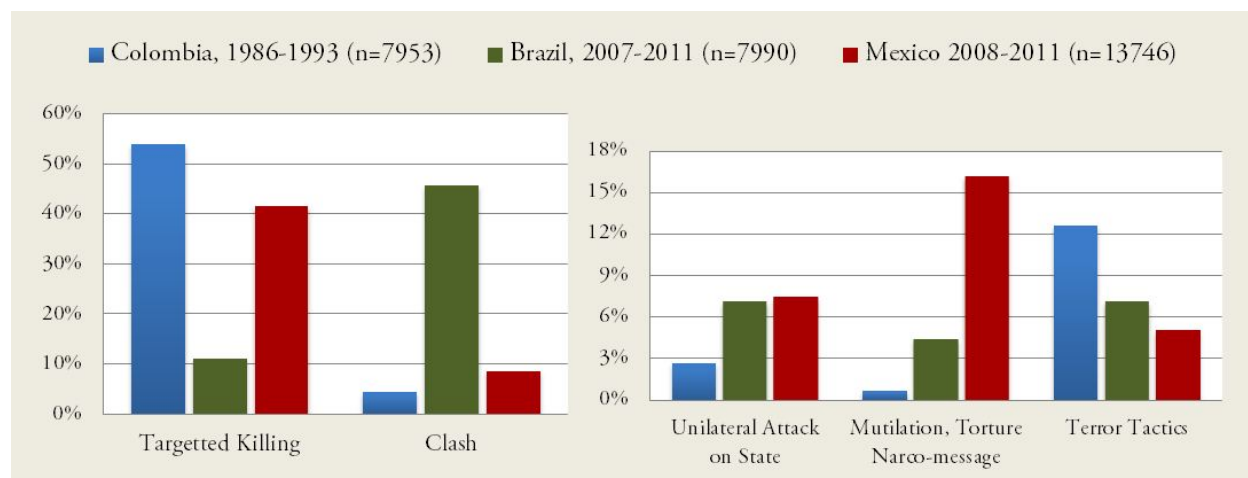
Sources: Aranda (2011); Shirk and Ríos (2011)

impact than violent corruption. Usually taking the form of ‘narco-terrorism’⁴—bombings, elite kidnappings, and assassinations, and other forms of public violence—it is the most dramatic and chilling form of cartel-state conflict. However, it only makes sense as a strategy when there is an open *de jure* policy question that cartels can realistically hope to influence. Moreover, to the extent that the benefits of lobbying are ‘public,’ ‘universal,’ or otherwise non-excludable while the benefits of corruption are particular (Scott, 1969), violent lobbying is subject to the free-rider problem, and is thus unlikely to occur unless cartels can cooperate.

For these reasons, violent lobbying was intense in Colombia during the Pablo Escobar period (1983–1993): cartels were initially united, and both the status of extradition and the possibility of amnesty (such as that negotiated between the state and the M-19 in 1988) remained open questions throughout the period. As Figure 1.4 reveals, terror tactics like bombings and arson⁵ were far more prevalent in Colombia than elsewhere. In Brazil, the dominant cartel has occasionally used such tactics with limited success to influence carceral policy, an area of low political salience, but violent lobbying abjectly failed to halt the progress of the highly visible UPP program. In Mexico, the relative scarcity of narco-terrorism has been a kind of silver lining, surprising to many observers. This study offers an explanation: intense turf war among cartels and a president who has tied his hands by personally identi-

⁴It is necessary to draw a sharp distinction between the way I use the term here, as a subcategory of cartel-initiated violence involving public or terroristic attacks, and its more politicized use in the 1990s and 2000s to refer to insurgent groups like the FARC that had become involved in the drug trade.

⁵This category includes all actions coded as bombings and arson, which in the case of Rio de Janeiro includes deliberate bus-burnings; it also includes forced shutdowns of neighborhoods’ businesses and schools, a tactic seen only in Rio de Janeiro.

Figure 1.4 Violent Actions by Type, Proportion of Country Total

Source: Author's coding of media reports (NRI/OBIVAN)

fying himself with a policy of militarized crackdown make violent lobbying a mostly losing proposition. Even in Colombia, though, violent corruption preceded the onset of violent lobbying, and continued to play an important role throughout, leading to the assassination of hundreds of police officers and dozens of judges. Thus, without discounting the scale of the violence Escobar unleashed on innocent bystanders, nor the fascinating dynamics of his negotiations with the Colombian state, it is important to recall that violent lobbying is only a piece of the larger puzzle.

Violent corruption and lobbying are strategies ultimately aimed at state actors, not other cartels. However, inter-cartel turf war can intensify or attenuate the incentives to use anti-state violence. First, turf war tends to exacerbate violent corruption and, because of free-rider problems, attenuate violent lobbying. Second, turf war may also generate its own incentives for anti-state violence, two of which I discuss here: reputation-building and false-flag attacks. Unlike Colombia, where cartel-state violence began amidst a cartel pact, inter-cartel turf war in Mexico preceded and probably contributed to the onset of cartel-state conflict. The logics of reputation-building and false-flag attacks have led to the prominence of 'propagandistic' violence, including mutilation and the use of 'narco-messages'—tactics that sprang up in Colombia only once intense turf-war began in the 1990s.⁶ Turf war dynamics have been reinforced in Mexico by the government's kingpin strategy, which has deliberately fragmented the cartels and created regular leadership vacuums that new actors rush to fill. Moreover, cartel fragmentation has a general-equilibrium effect on the maximum pressure the state can apply to any one cartel (given its "no distinctions" approach). This further reduces the sanction cartels face for using violence,

⁶By some accounts, the 'narco-message' tactic of leaving a signed note with a threat or warning on top of a corpse, was invented by the group known as Los Pepes (short for "Persecuted by Pablo Escobar"), mostly made up of members of the Cali cartel and other rivals. Los Pepes began a campaign of assassination against anyone maintaining associations with Escobar in the early 1990s and played a crucial role in his eventual downfall (Bowden, 2001; Morales and La Rotta, 2009). All incidents coded into this category in Figure 1.4 are from 1990 onward.

and drives the escalatory spiral gripping Mexico at present.

Conditionality of Repression as Outcome

Given the stark but intuitive theoretical result and its consistency with the empirical record, one might wonder why leaders do not always adopt conditional strategies. This study concludes by turning attention back onto the state, and asking what factors might affect conditionality of repression as a dependent variable. Of course, states may not be interested in minimizing violence—it may generate political benefits of its own. But assuming they do, what constrains them? The central problem is that ‘coming down hard’ on cartels that act violently requires, logically, ‘going easy’ (at least relatively easy) on those that do not; this can be both logistically and politically problematic. My qualitative work shows that leaders face both 1) *logistical constraints* aggravated by low capacity and institutional fragmentation surrounding the state’s coercive apparatus, and 2) *acceptability constraints* specific to drug policy, in which any retreat from a promise to eradicate the drug trade can be politically toxic.

Institutional fragmentation makes it difficult for central governments to coordinate enforcement and intelligence gathering, and hence to effectively condition repression on cartel behavior. Fragmentation can be both vertical (e.g. local, state, and federal police forces) and horizontal (e.g. army, navy, and federal police forces). Thus in structural terms, Colombia’s police institutions are highly centralized, Brazil’s somewhat less so, and Mexico’s incredibly fragmented both vertically and horizontally. However, fragmentation can be mitigated (or exacerbated) by political cohesion (or competition) across levels of governance. Under the dominance of Mexico’s Partido Revolucionario Institucional (PRI), institutional fragmentation was vastly mitigated, but has come to the fore since the end of PRI hegemony in the late 1990s (Davis, 2006). In Rio de Janeiro, on the other hand, a coalition spanning municipal, state, and federal levels of government have allowed for an unprecedented level of policy coordination and operational cooperation.

Acceptability constraints derive from both strong normative concerns (the venality of mafias compared with, say, revolutionaries), and material incentives (such as the economic and diplomatic consequences of US decertification), and seem to have real constraining power. For example, leaders in Colombia refused to negotiate openly with Escobar, tragically prolonging his campaign of violent lobbying—even as the selfsame officials successfully and publicly negotiated the demobilization of the M19 guerrilla insurgency. In Brazil, a predecessor of the pacification strategy successfully reduced cartel-state conflict, but fell prey to accusations of pacting with the drug trade. However, political circumstances can relax these constraints as well. In a version of the ‘Nixon-goes-to-China’ effect, leaders with reputations as hardliners have had some success in moving to conditional approaches—particularly when they have presented such shifts as purely tactical, operational imperatives driven by security concerns. In Rio, these factors have been critical to the survival and success of the UPP program.

1.2 Cases: Summaries and Selection Issues

Colombia

The quintessential example of criminal war is Colombia's 'narco-violence' period, which is itself largely the history of Pablo Escobar. Escobar rose to prominence amidst Colombia's cocaine boom in the late 1970s, and in 1981 played a key role uniting the country's traffickers in armed resistance to extortion by guerrilla movements. For a time, his Medellín cartel, together with the Cali cartel and assorted independent traffickers, peacefully cooperated on smuggling operations and the division of turf and profits. Escobar ran for and won congressional office in 1982, but was expelled by Justice Minister Rodrigo Lara Bonilla a year later. Escobar's decision to have Lara Bonilla killed in 1984 set off a decade of open conflict with the state and, increasingly over time, with his competitors.⁷ Before his death at the hands of state forces in 1993, Escobar assassinated leading presidential candidate Carlos Galán, as well as a standing state governor, an attorney general, some 30 judges, over 400 policemen, and the director of a major national newspaper; he kidnapped and held hostage members of the country's political elite for nearly six months; and he bombed hundreds of civilian and state targets, including the headquarters of the Colombian intelligence agency DAS, an airplane meant to carry Galán's successor César Gaviria, and the offices of that same newspaper.

The violence peaked in 1989 and 1990: the government declared "war" on the Medellín cartel, which fought back with its campaign of "narco-terror," while both sides negotiated in secret. In 1991, the very day that a new constitution banned extradition, Escobar turned himself in and publicly called off his war after having negotiated for the right to construct and staff his own prison. When the government, aware that he continued to run his criminal empire from prison, attempted to move him in 1992, he easily escaped. For the next year, an intense manhunt ensued, involving significant US assistance (Bowden, 2001), which finally ended with Escobar's death in 1993.

This left the Cali Cartel ascendant; its less violent strategy seemed to have paid off, earning a promise of amnesty from incoming president Ernesto Samper in exchange for campaign contributions. However, a public scandal forced Samper to reverse course (Dugas, 2001), leading to the capture and extradition of the Orejuela brothers (by this time, the constitutional ban on extradition had been eliminated) (Serrano Cadena, 1999). In the aftermath, the drug trade fractured and traffickers became involved in the budding war between paramilitaries and leftist guerrilla groups. Though neither the drug trade nor armed violence has abated in Colombia, the days of open cartel-state conflict ended with Escobar's death.

⁷This switch to a 'fight and bribe' approach set in motion a strategic rift between the Medellín and Cali cartels that ultimately led to their outright war against one another. The eventual cooperation of the Cali cartel and its allies with the state was decisive in bringing down Escobar (Bowden, 2001). This unholy alliance of the state with 'friendly' criminal groups---with recourse to extra-legal violence to thwart more oppositional actors---proved impossible to dissolve: the remnants of the anti-Escobar group Los Pepes went on to form the United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia, AUC), the paramilitary organization that terrorized civilians and deeply penetrated the state throughout the 1990s and early 2000s (Morales and La Rotta, 2009).

Rio de Janeiro, Brazil

For a quarter century, Rio de Janeiro has suffered a militarized drug war: prison-based gangs, chief among them the Comando Vermelho ('Red Command,' CV), have held territorial control of hundreds of favelas and the retail points of sale they shelter since they first expanded out from the prison system in the early 1980s. These groups establish a form of parallel power over the communities they operate out of, providing public goods like security and social order, as well as private welfare to needy residents, in exchange for silence and cooperation (Leeds, 1996). Police are both corrupt, regularly taking bribes to turn a blind eye, and violent, killing upwards of 1,000 civilians per year in armed confrontations. Not only the organizations but the entire socio-political dynamic (including the flow of dirty money into the highest echelons of government) has proven surprisingly resilient, a violent yet stable system for producing and distributing illicit rents and subcontracting the enforcement of social order throughout the urban periphery (Misse, 2003; Zaluar, 1985).

After decades of escalation and multiple interventions by federal troops with little change in the underlying strategic situation, a new approach to repressive drug policy appears to be fundamentally altering the dynamics of cartel-state violence. The 'pacification' strategy uses overwhelming state force—including army and navy troops and armor—to occupy one favela at a time, ridding the community of openly-armed traffickers, then implanting a permanent community-policing unit (*Unidade de Policiamento Pacificadora*, UPP) within the community to maintain state control and provide social order.⁸ From late 2008 to 2010, 13 smaller favelas, mostly in wealthier areas of the city and almost all under the dominion of the CV, were pacified. Each time, the traffickers fled rather than take on the state. Mostly, they went to Vila Cruzeiro and Morro do Alemão, two favelas in the city's poorer North Zone considered to be CV strongholds.

Officials claimed they would eventually pacify Alemão, but few observers believed it could be done without a bloodbath: federal troops tried and failed in 2007, leading the media to dub the favela "the unassailable fortress of the drug trade" (*O Globo*, 2007). But when cartels set off a wave of terror attacks in late November 2010, the state invaded first Cruzeiro then Alemão, with full support from the armed forces. As discussed in the opening vignette of this chapter, the traffickers mostly fled. A precedent seems to have been set: a week before the pacification of the São Carlos favela in February 2011, traffickers had already sold off their weapons and slipped away (Costa, Moura, and Daflon, 2011). In November 2011, the state retook Rocinha, the largest favela in Brazil and quite likely the most lucrative drug turf in the city, without firing a shot (Romero, 2011). While it is still too soon to say whether the UPP program will be successful in permanently altering or eliminating the dynamic of cartel-state violence in Rio, it is clearly the most important development in this ongoing conflict in years, and as such is a data point that should be accounted for by any broader analysis of criminal war.

⁸Usually, police battalions are located outside the favela. The ideas behind the UPP program come directly out of previous pilot programs in community policing from the early 2000s. These programs had some limited success in target communities, but faced political opposition and were never expanded to the citywide scale at which the UPP program was conceived.

Mexico

Drug trafficking in Mexico, and in particular the state of Sinaloa, goes back to the 19th century, while the army's involvement in anti-narcotics dates back to the 1940s (Astorga, 2005). However, through the 1990s, the majority of drug trafficking consisted of the domestic production and export to the US of marijuana and, to a lesser extent, opiates, and the army's role was limited to eradication of plantations in areas of difficult access. From the 1990s forward, two key changes took place. First, US law enforcement successfully interdicted the Colombian cartels' Caribbean trafficking routes, leading them to partner with Mexican trafficking organizations able to transport shipments across the land border in places like Tijuana, Laredo, and Juárez. As a larger share of the cocaine trade began to flow through Mexico, the value of these border crossings increased, as did the size and firepower of the Mexican cartels that controlled them. Second, Mexico's political system underwent a sea change, as the ruling Partido Revolucionario Institucional (PRI) slowly lost its grip on power, losing first local and state elections, then control of Congress, and finally, in 2000, the presidency, for the first time in 70 years. The PRI's penetration into and control over virtually all aspects of Mexican social and economic life seem to have extended to the drug trade, and likely contributed to its relatively stable and cooperative industrial organization.

From the late 1990s through the first non-PRI presidency, that of Vicente Fox (2000-2006), an inter-cartel turf war slowly began to emerge. Cartels began to invest in armament and build private armies; a particularly ominous development was the Gulf Cartel's subcontracting of a rogue Army Special Forces unit that came to be known as Los Zetas as the cartel's private militia. Although drug-related violence in this period looks extremely mild in retrospect, the number of homicides did double over the course of the Fox administration. This fact, coupled perhaps with a narrow and violently contested election victory, led newly elected president Felipe Calderón (2006—) to declare "war" on the drug trade and order the army to crack down on cartels in urban areas and along major land routes. When the cartels reacted with increased levels of armed violence, including attacks on state forces, the government essentially doubled down, arguing that by capturing and killing cartel leaders it would eventually break up the organizations into fragments too small to fight.

Four years into Calderón's war, the government has indeed succeeded in fragmenting the Mexican drug trade: by one count, the number of principal cartels has more than doubled (Guerrero, 2011a). However, rather than abating, the violence has accelerated, as well as spread out from the border and hotspots in drug-trafficking regions like Sinaloa and Michoacán, to more central locales like Monterrey, Acapulco, and Cuernavaca. Moreover, Los Zetas, now an autonomous cartel, along with other armed criminal groups with limited or unclear ties to the principal drug cartels, have increasingly been expanding into other criminal activities such as human trafficking, kidnapping, mass extortion, and theft of petroleum from the state-owned firm PEMEX. Despite growing criticism from an increasingly organized civil society, the Calderón administration has stuck firmly to its strategy, repeatedly claiming that the rising violence is evidence that the cartels are desperate and near collapse.

Case Selection Issues

The abrupt switch by Mexico's cartels to a strategy of violent confrontation has led many analysts to draw comparisons with Colombia: it was precisely Pablo Escobar's attacks on and attempts to intimidate the state that made his reign of 'narco-violence' infamous. But there are crucial questions on which a single-case comparison sheds little light. Above all, why did the splintering of the drug trade into small cartels essentially end cartel-state violence in Colombia in the early 1990s, and wildly exacerbate violence in Mexico since 2008? I gain additional comparative leverage by including Rio de Janeiro, where prison-based drug syndicates have controlled significant swathes of urban territory for more than two decades, engaging in frequent clashes with state forces despite (or because of?) militarized police repression that kills thousands of civilians every year.

In terms of temporal scope, this study is focused on the most intense periods of cartel-state conflict in each case: 1984-1993 in Colombia, 2006 to the present in Mexico, and 1993 to the present in Rio de Janeiro. However, because within-case variation in cartel-state conflict and drug violence more generally is critical to my inferential strategy, I include preceding and, in the case of Colombia, posterior periods. I focus on the Escobar years in Colombia as opposed to the more recent past for two principal reasons. First, the Escobar period constitutes the paradigmatic example of criminal war: a sustained, incredibly lethal confrontation between a state and an armed criminal group. Any theory of cartel-state conflict simply must account for it. Conversely, the period following Escobar's death saw the fragmenting of Colombia's drug cartels and the simultaneous eruption of an incredibly lethal three-way conflict among paramilitary groups, left-wing guerrillas, and state forces. Both the paramilitaries and guerrillas were involved in the drug trade,⁹ but the dynamics of insurgency and right-wing reaction were probably more central to the conflict, making the theoretical apparatus developed in this study less applicable. The advantage of focusing on the Escobar period is the existence of relatively "pure" drug trafficking organizations engaging state forces independently of the dynamics of the guerrilla-state conflict.¹⁰

Three issues of case selection merit brief discussion. First, these are all positive cases, selected on the dependent variable.¹¹ However, there is crucial within-case variation over time: Mexico's cartels switched to violence in over the course of the Fox administration (2000-2006), then ramped up the level of violence by an order of magnitude in the wake of Calderón's crackdown in 2006. Colombia's cartels began using limited forms of violent corruption as early as the 1970s, then escalated and expanded to all-out war in the 1980s, and finally switched away from violence in the aftermath of Escobar's death. Rio's cartels relied on violent corruption for more than two decades, but appear to have switched to non-violent strategies since 2008. Ultimately, including negative cases where drug wars *could have* occurred but did not, like Peru, Bolivia, or São Paulo, Brazil, is an obvious next step for testing any

⁹The picture is exceedingly complicated. The paramilitaries, whose roots lay in the cartels of the Escobar period, maintained deep ties to the drug trade, but also engaged in extortion and land expropriation. Meanwhile, the guerrillas, once ideologically opposed to the drug trade, began to rely on cocaine production as a primary income source.

¹⁰How "pure" is open to debate: the first paramilitary groups were founded in the mid-1980s by Escobar associates, some of whom went on to become his mortal enemies and lead the paramilitary movement in the 1990s and 2000s. The first paramilitary clashes with guerrillas and massacres of civilians occurred during the 1980s. However, paramilitary activity in this period paled in comparison to what it would become, and is not central to the dynamics of conflict surrounding the Medellín cartel.

¹¹Depending on how one defines cartel-state conflict, these may constitute the entire universe of positive cases.

theory of drug war. However, given the lack of accumulated knowledge about criminal war, it makes sense to start building theory by comparing positive cases, and testing against within-case variation, before trying to explain a broader universe of outcomes.

Another issue is whether it is valid to compare Rio de Janeiro's with national-level conflicts like those in Colombia and Mexico. I argue that it is, for several reasons. In Brazil, the primary authority over and responsibility for public security policy lies with governors, at the state, as opposed to federal or municipal, level. This makes individual states, rather than Brazil as a whole, the proper level of analysis for crime and security questions; in concrete political terms, if Calderón can be seen as 'owning' Mexico's drug war, then the 'owner' of Rio's new 'pacification' approach to drug policy is clearly sitting Governor Sérgio Cabral, not President Lula or Mayor Eduardo Paes. Additionally, the phenomenon of sustained cartel-state violence observed in Rio de Janeiro is highly anomalous with respect to the rest of Brazil (Lessing, 2008), but similar in many respects to Colombia and Mexico. In essence, although Rio is an urban, retail drug market, the *sui generis* nature of its drug trafficking organizations—resilient, prison-based criminal networks—has given the conflict characteristics more common to producer-transshipment countries. Moreover, the scale of the conflict is comparable: although precise figures for total cartel-related deaths are lacking, we know that police alone have killed more than 10,000 people in armed confrontations since 2003.¹²

A final issue to consider is comparing different time periods across cases. Studies of conflict processes frequently compare episodes that occurred in different historical time periods (e.g. Fearon and Laitin, 2005; Weinstein, 2006; Wood, 2001), while comparative historical analyses in general (e.g. Collier and Collier, 1991; Mahoney, 2001) rely on the notion that key events within each case play out at similar points in 'analytic time' (Collier, 1993), even if at different points in historic time. These considerations justify the temporal focus of this study. A caveat is in order, however: historical time cannot be entirely ignored. It is important in two ways: first, in terms of the international political context in which drug wars occur. Cold War concerns, for example, probably played a more significant role in the Colombian case than they do today, with respect to Brazil and Mexico. The political scenario has also changed in terms of attitudes toward legalization and the advent of the harm-reduction movement, though not radically so.¹³ Second, the Colombia case is not causally isolated from the Mexican case. The destruction of Escobar and the Medellín cartel in 1993 set in motion changes in the drug market that contributed to the growth of Mexico's cartels over the following 15 years. Moreover, I argue that Colombia's seemingly successful crackdown influenced Calderón's decision to launch his war. These considerations do not invalidate the cross-temporal comparison, but they should nonetheless be borne in mind.

1.3 Inferential Strategy

The central argument of this study is that state anti-narcotics policy—specifically, the rules by which repressive force is applied to cartels—is a key driver of cartel-state conflict. This stands in contrast to

¹²Dowdney (2003) uses firearm mortality statistics to argue that Rio's drug war has produced more fatalities than many civil wars and armed conflicts.

¹³I am indebted to Francisco Leal Buitrago for pointing this, and much else, out to me.

explanations that treat state policy as merely palliative, reactive, and essentially epiphenomenal, and drug violence itself as the unsurprising result of underlying market, geographical, or institutional conditions. Common explanatory factors invoked by analysts include enormous (and/or shrinking) profit margins,¹⁴ rivalry among cartels, a ready supply of weapons from the United States, widespread police corruption, weak institutions and low state capacity, and scarcity of legitimate economic opportunities that might keep youth from entering the drug trade. A related alternative explanation is that cartels attack the state when they have the capacity to do so, not because of anything the state does. All of these factors are important, and some constitute necessary conditions for cartel-state conflict; I argue, however, that alone they cannot explain the observed pattern of variation.

The key to my inferential approach is within-case variation over time: whereas the splintering of Colombia's cartels in the early 1990s and recent crackdowns involving the armed forces in Brazil both led to reductions in cartel-state conflict, in Mexico, military intervention seems to have triggered a sustained escalation of it. This study gains analytic purchase by combining process tracing—the careful piecing together of case-study evidence (what qualitative methodologists call Causal Process Observations)—with a formally modeled mechanism that fits the cross-case empirical record. I also rely on the partial results of a large-scale data collection project in all three countries. This project, named 'NRI/OBIVAN,'¹⁵ began as part of my fieldwork, but has taken on a life of its own. As with many studies of violence, this study has moderate aims, seeking less to clinch an airtight argument or accurately measure a treatment effect than to build a theory that is clear, plausible, and falsifiable.

That said, one unique feature of my case evidence provides additional support for my argument: anomalously large and rapid shifts in the dependent variable relative to baseline. Such anomalies permit us to plausibly rule out slow moving or relatively invariant background or 'environmental' factors, and focus our attention on more timely or topical changes in the temporal and spatial vicinity of the observed anomaly. This principle has been discussed widely in medicine and epidemiology, where randomized experiments with manipulable treatments are the common standard for causal inference. Glasziou et al. (2007), formalizing Bradford Hill's canonical criteria (1965), argue that the combination of very strong or anomalous variation relative to baseline, temporal proximity, and a plausible mechanism for a causal effect, can constitute a weaker but often sufficient basis for causal inference in the absence of randomization.

In all my cases, the shift by cartels toward and away from strategies of confrontation with the state was relatively abrupt, while many of the oft-invoked explanatory factors are slow-moving or relatively

¹⁴One indication of the puzzling nature of cartel-state conflict is that it has been attributed to both an increase in the profits flowing to Mexican cartels in the wake of the closure of Caribbean trafficking routes in the late 1980's and early 1990s, and a shrinking of profits due to increases first in border patrols after 2001 and then Calderón's crackdown after 2006. This partially parallels a long-standing debate in the civil war literature over whether increases in GDP are likely to increase or decrease the likelihood of civil war onset (Blattman and Miguel, 2010:10-12): in both cases, the larger the pie, the more there is to fight over. However, in civil war, the issue is that poorer states may be less able to deter rebels from fighting, while in drug war, the notion is that lower profits make for more vicious competition and less pacting among cartels.

¹⁵The project is hosted by think-tank NGOs in each country, and staffed by university student-coders. Its name in Spanish and Portuguese is Observatorio Internacional de Violencia Asociada a Narcotráfico (OBIVAN), I have given it the English name Narcoviolence Research International (NRI). The project owes its existence to generous funding from the Open Society Institute and the Centro Andino de Fomento.

invariant. So, while large profit margins, poor unemployed youth, easy access to guns, and weak state institutions might seem like a recipe for violence, these have all been characteristics of Mexico for years if not decades. The explosion of violence, on the other hand, represents an abrupt break with the past: annual drug-related homicides are now *ten* times higher than they were in 2005, just prior to Calderón's 'treatment,' while attacks by criminal groups on army battalions—unheard of prior to 2006—now run in the hundreds if not thousands per year. Conversely, the relatively bloodless re-capturing of Rio's largest and most heavily guarded favelas, and the related drop in the rate of police killings in armed confrontations, are welcome but highly unexpected outcomes precisely because nothing like that has ever occurred in the more than two decades of cartel-state conflict preceding the UPP/Pacification strategy. In both cases, this points to *explicit and substantial shifts in policy* as key causal factors. The study builds on this by modeling plausible mechanisms linking the characteristics of crackdowns, background characteristics, and the decisions of cartels to use violence or not. Finally, the qualitative case studies and preliminary quantitative data provide fine-grained evidence that these mechanisms were indeed in play and underlie the observed dynamics of cartel-state conflict.

1.4 Looking Ahead

After a review of empirical studies and formal models of civil war, Chapter 2 sets out the concepts and distinctions central to the analysis to follow. Chapter 3 presents the theoretical core of this study. It first distinguishes violent corruption from lobbying and discusses the effect of turf war on each, then presents additional logics of anti-state violence arising from turf war itself. It then presents and analyzes a formal model of violent corruption, the primary mechanism at work in the cases studied, as well as a purely illustrative 'toy' model of violent lobbying. Chapters 4-6 present case studies of each country. Chapter 7 considers the constraints that states face in moving toward conditional strategies, and Chapter 8 concludes.

Chapter 2

Conceptual Framework

This chapter situates the study at hand with respect to previous literature, then lays out a number of concepts that will be central to the analysis to follow.

2.1 Object and Scope

The empirical object of this study, ‘cartel-state conflict’ can be defined as “sustained episodes of armed conflict between state forces and at least one drug-trafficking organization”. The inclusivity of this definition depends enormously on how two key criteria are specified: 1) “drug-trafficking organization” and 2) “conflict”. I use a narrow conceptualization in this study, focusing on “pure” drug-trafficking organizations whose primary activity is drug trafficking and who have no stated or implied intention of seizing *de jure* political power over the national territory or any portion thereof. Thus Pablo Escobar’s Medellín cartel is included, while the Fuerzas Armadas Revolucionarias de Colombia (FARC), who have been involved in the drug trade since at least the early 1990s (Labrousse, 2005), are not. I also focus on episodes with durations greater than one year, in which trafficking organizations clearly adopt a consistently confrontational strategy vis-à-vis state forces. Thus Rio de Janeiro’s drug syndicates, who regularly fire on police during favela ‘invasions,’ are included, whereas drug retailing groups in other Brazilian cities that systematically avoid anti-state violence are not, even if there are isolated cases of police officers killed. I argue in this chapter that cartel-state conflict falls between the analytical cracks of a number of more well-studied phenomena, especially, on the one hand, drug-related criminal violence in general, and on the other, civil war. Relaxing the criteria above make this clear: if we broaden the scope of 1) to include all armed groups that traffic drugs, we find the object of study expanding to encompass many civil wars and insurgencies. Likewise, if we generalize 2) to include sporadic and idiosyncratic anti-state violence by traffickers, or state violence against traffickers employing passive or non-violent strategies, the concept stretches to include a significant portion of drug-related violence in general.

While it is important to draw connections between cartel-state conflict and these related phenomena, maintaining the narrow focus described above brings to the fore the central and largely unexamined puzzle at the core of this study: “Why attack the state if one has no intention of overthrowing

or seceding from it?” This puzzle evaporates if we include armed groups that, however nominally or unrealistically, in fact strive to topple the state or establish some form of regional autonomy. Similarly, it becomes trivial if we include cases of anti-state “attacks” that cannot reasonably be considered strategic—such as one-off, unplanned, ‘accidental’ or sporadic incidents—and irrelevant if we examine cases where police use unilateral violence against traffickers who do not fight back. The restricted scope laid out here leaves us with a phenomenon that is, in a global sense, quite rare: most trafficking organizations at most times avoid anti-state violence, even in the countries studied herein. Indeed, the episodes selected in this study may encompass the entire universe of positive cases; they are certainly the most salient. Yet while rare, cartel-state violence has proven to be both intense and resilient once it arises, lasting roughly a decade in Colombia and more than two decades in Rio de Janeiro, where it has only recently, tentatively begun to abate. In Mexico, violence—both inter-cartel and cartel-state—has risen steadily for five years and running. The scope conditions for the findings of this study are thus relatively restrictive: if the claims made here ‘travel,’ they do so most directly to contexts where well-articulated trafficking organizations both 1) possess significant firepower or have the resources and access to acquire it, and 2) face some kind of state crackdown.

2.2 Related Concepts and Literature

Cartel-state conflict falls largely between the cracks of three more familiar social science concepts and their related strands of literature: civil war, interest-group politics, and criminal violence. Cartel-state conflict can be seen as an extreme or atypical example of each of these, bearing both important resemblances and crucial differences from the core concept, thus making the insights from the related literatures simultaneously helpful and inadequate. Indeed, examining cartel-state conflict in the light of each of these approaches raises a key question. The comparison with civil war is merited if nothing else, by the sheer scale of violence. Some 15,000 drug war-related homicides occurred in Mexico in 2010, far more than the corresponding battle-deaths figure for any civil war that year. In Rio de Janeiro, police killings of civilians alone topped 1,000 per year, a standard criterion for distinguishing civil conflicts from civil wars. Yet, as I explore more fully in the next two sections, criminal-state conflict differs fundamentally from civil war in the aims of fighting. Put simply, cartels do not seek to replace or win territory from the states they fight (and conversely, the state is not fighting to win back control of the flow of drug rents from the cartels). The civil war literature on its own cannot explain cartel-state conflict; rather, it leaves us with a question: why fight the state, if not to topple or secede from it?

Cartel-state conflict similarly seems to be both related to and importantly different from the phenomena of state-capture, corruption, and interest group politics more generally. After all, drug cartels are businesses, and their profit margin depends directly on keeping government intervention in their activities to a minimum. They have immense monetary resources which they mobilize to gain influence with politicians, bureaucrats, and enforcing officials through both legal and illegal means. Moreover, cartels actions toward the state are an excellent illustration of Scott’s (Scott, 1969) point that interest-group politics must be analyzed not only at the level of policy formation but also enforcement, and that much of what we understand as ‘corruption’ can also be seen as an effort to change government policy:

...the businessmen who protect their black-market sales by buying protection from a well-placed

politician are changing the outcome of policy as effectively as they might by working collectively through chambers of commerce for an end to government price controls. (1142)

Cartels understandably concentrate much of their effort at the enforcement level, but do occasionally (and dramatically) engage in efforts to affect “legislation”; one of this study’s contributions is to analyze why and when cartels choose to operate at different levels of policy. But, from the perspective of this strand of the literature, a prior and more fundamental question: “why use violence to influence policy, at *either* level?”

The question is partially addressed in Dal Bó et al.’s (Dal Bó, Dal Bó, and Di Tella, 2006) model of bribery and punishment, which owes its title to Pablo Escobar’s phrase ‘*Plata o plomo*.’ Yet the interaction it captures is importantly different from bribe negotiation between traffickers and police: in their model, a state official is threatened by an interest group, but has no power to hurt the group in return. This points to a crucial difference between cartel-state conflict and, say, the struggle between banks and regulatory agencies: in the latter case, the state is not trying to destroy the banks and jail, extradite, or kill their owners. Another difference is that whereas plenty of interest groups use pressure, bribes and even the threat of punishment to shape legislation and deter enforcement, very few actually kill state agents. In a formal context like Dal Bó et al.’s, ‘punishment’ just means ‘an action, possibly costly, taken by one player that makes another player worse off’ and so encompasses everything from attack ads and whisper campaigns to blackmail and actual physical threats. This elides, perhaps, an important distinction between non-violent and violent forms of state capture. In any case, the question that the state-capture literature leaves us with is: why fight the state instead of bribing or lobbying it peacefully? I return to this question in the following section.

Finally, while cartel-state conflict obviously *is* a type of criminal violence, and drug-related violence in particular, it is not well-illuminated by the conceptual subtypes researchers have analyzed. Goldstein’s three-way typology of drug-related violence has become standard in both empirical and theoretical work, distinguishing ‘psychopharmacological’ violence (accidental or “irrational” acts due to the effect of drugs) and ‘economic-compulsive’ violence (committed during property crimes by users to obtain funds to purchase drugs) from ‘systemic’ violence, associated with the machinations of the drug trade itself.¹ This typology was developed in the context of research on US drug markets, and thus not surprisingly has a strong focus on consumption as opposed to production and smuggling: the latter two types of violence are, by definition, exclusive to consumers.² This leaves systemic violence itself as an overly-inclusive concept. Noting this, and specifically considering the upsurge of violence in Mexico, Reuter (2009) proposes four useful subtypes, distinguishing *competitive*, *transactional*, *disciplinary*, and *succession-related* violence. The first two can occur in any type of drug market, while the latter are internal to the larger, more complex drug-trafficking organizations, such as Mexico’s cartels, that arise only in production and transshipment settings, as opposed to retail markets. This approach is helpful when analyzing inter-cartel violence, but provides little leverage on understanding why and when cartels

¹ Although Goldstein did not think of it this way, the distinction is in some ways one of ‘logics of violence’.

² Goldstein himself found economic-compulsive violence to be very rare, and the majority of psychopharmacological violence to be alcohol-related and non-lethal (Goldstein 1997, p.117); later studies also found systemic violence to be of greater importance in generating armed violence, even in wealthy consumption-oriented countries (MacCoun, Kilmer, and Reuter, 2003:68-72).

take on state forces, since it ultimately attributes such violence to the logic of competition among cartels. This approach leaves us with the question: why fight the state, if one is trying to compete with rivals?

Cartel-state conflict also differs empirically from other forms of drug-related violence: it is considerably rarer, yet more sustained and less sporadic when it does occur. We see competitive violence among drug trafficking organizations of all sizes, from corner retailers to major international cartels, while cartel-state violence is only undertaken by organizations with a significant amount of specialized, military force. And whereas inter-cartel violence can run the gamut from sporadic to sustained, cartel-state conflict tends to be self-reinforcing: once cartels have fought back against the state, the latter gets ‘locked-in’ to a course of all-out war on the cartels that can stretch on for years. Related to this are two important questions of measurement: first, in studying cartel-state conflict it is important to distinguish anti-state violence from inter-cartel and ‘innocent bystander’-type violence. A policeman’s life may not be worth more than a rival drug dealer’s from a normative perspective, but it certainly has different strategic implications. In particular, the onset of cartel-state conflict is likely to have a strong positive impact on the degree of inter-cartel fighting, what I call the ‘punching-the-ref’ effect. Analysts commit a ‘fallacy of equivalence’ if they simply ‘count’ anti-state homicides on the same ‘scale’ as inter-cartel violence, leading to an under-appreciation of the importance of anti-state violence. For example, while Dell’s state-of-the-art study has provided the strongest empirical evidence yet that crackdowns cause violence, she takes the fact that 85% of drug-related homicides in Mexico are categorized as ‘among drug traffickers’ as license to essentially ignore the other 15%. This study takes the opposite position: cartel-state violence has outsized importance and must be put at the center of the analysis.

A similar fallacy lies behind the criticism that Rio’s Pacification strategy has failed to bring down violent crime rates in pacified favelas. This brings up the second point: while drug-related violence as a whole, along with crime and violence more generally, is most usefully conceived of and measured as a continuous variable, i.e. in terms of its intensity, cartel-state violence, like civil war, can often be usefully measured as a categorical or even binary variable. Doing so helps avoid the ‘fallacy of equivalence,’ and reflects the fact that taking on the state is, to some extent, an all or none proposition. This notion is developed below in the section on cartel strategies.

2.3 Concepts Introduced in This Study

Constraint vs. Conquest: A Broader Framework for the Study of Conflict

Over the last three decades, the study of war has increasingly consisted of the study of civil war. Moving from inter-state to sub-national conflicts has had several advantages. Substantively, international war declined in the second half of the 20th century while civil war was, until recently, on the rise (Fearon and Laitin, 2003). Analytically, studying sub-national violence has led scholars to move beyond abstract theories of international systems, in which states are taken to be unitary actors, toward topics such as the interplay of factions *within* states, the internal dynamics of insurgencies and revolutionary movements (Weinstein, 2006), and the conceptual and empirical distinctions among types of violence employed in civil wars (Kalyvas, 2006). Yet this approach may be coming up against important limits. Cross-national regressions have revealed a robust negative correlation between civil war prevalence and

GDP, but are too coarse-grained to distinguish among leading interpretations of this fact, leaving the ‘greed vs. grievance’ debate deeply muddled (Blattman and Miguel, 2010:18). Key qualitative findings point to the importance of illicit rents to civil war belligerents, many of whose originally ideological motivations have become ‘contaminated’ by the drug trade and other illicit activities (Labrousse, 2005). Above all, while civil wars in general (Blattman and Miguel, 2010), and insurgencies in particular (Kalyvas and Balcells, 2006), have been on the decline since the end of the Cold War, cartel-state violence has ravaged Latin America’s three largest countries, Brazil, Mexico and Colombia, and is now spilling into Central America and possibly the US. Precisely because cartel-state conflict is under-studied and -conceptualized, there is little systematic data on its prevalence, but it seems safe to say that it has surpassed armed insurgency as the most salient form of sub-national conflict in the Western Hemisphere. The imbalance is illustrated by the fact that none of the case episodes in this study fall under the definitions of ‘state-based armed conflict’ employed in the UCDP/PRIO Armed Conflict Dataset (Gleditsch et al., 2002; Themnér and Wallensteen, 2011), probably the single most widely used quantitative source on armed conflict. The most recent version covers the period 1946-2010, but includes just two conflict-year observations pertaining to Mexico, involving the Zapatista (EZPN) uprising in 1994 and another involving the EPR in 1996. These conflicts had less than 150 and 50 battle deaths respectively. The dataset excludes Mexico’s current violence, although it has claimed some 47,000 lives since 2006. Similarly, Brazil is entirely absent from the dataset, though Rio de Janeiro’s military police alone have killed more than 1,000 people *per year* in armed confrontations since 2003. And although Colombia is well represented in the dataset, only conflict between the state and the country’s insurgent groups is included. This is not to fault the UCDP dataset. Its definition of state-based armed conflict is clear:

[A] contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state, results in at least 25 battle-related deaths. (Themnér and Wallensteen, 2011:1)

Cartel-state conflict falls short of this definition because of the nature of what UCDP calls an ‘incompatibility’: cartels are generally not fighting “for the replacement of the central government, or the change of its composition,” nor for “the change of the state in control of a certain territory ...secession or autonomy.”(3) Echoing the UCDP definition, Fearon and Laitin (2007:1-2) observe that

The aim of the rebel side in almost all civil wars is to take over the central government or to take political control of a region of the country. Rebel groups rarely say ‘we are fighting in order to induce the government to change its policy on X, and once that is accomplished we will disband and leave politics.’

Yet this is *almost exactly* what cartels ‘say’ when they attack state forces. Consider the following communiqués from Pablo Escobar-led group Los Extraditables (‘The Extraditables’), regarding its use of anti-state and terroristic violence:

We solemnly promise, before the Catholic Church and the Colombian people, that once extradition is legally prohibited, we will immediately suspend our military actions against the extraditers.

-- Open letter from Los Extraditables, December 22, 1986

Recognizing the position of the National Constitutional Assembly [to ban extradition in the new constitution], we have decided to disband our entire military organization.

-- Open letter from Los Extraditables, July 3, 1991

This case is uniquely clear-cut, as there was a piece of formal, *de jure* policy (extradition) which cartels explicitly set out to affect. More commonly, cartels focus their energy on changing the way policy is enforced, what I call *de facto* policy below. Following Scott (1969), efforts, even violent ones, to change policy outcomes can occur at both levels. And whichever level cartels aim their efforts at, they clearly do not share insurgents' interest in wresting formal political control from the state.

It is understandable that military and security scholars tend to see violent drug cartels as 'post-Cold War insurgencies' (Metz, 2007), 'criminal insurgencies' (Sullivan and Elkus, 2008), 'the new urban insurgency' (Manwaring, 2005) or 'criminal guerrillas' (Souza Pinheiro, 2009), given that criminal groups not only attack the state, but they often employ many of the tactics of classic guerrilla warfare (8). However, although Metz's *Rethinking Insurgency* (2007) clearly identifies the critical difference in the *reasons why* rebels as opposed to criminal groups attack the state, this has been lost somewhat in the proliferation of 'insurgency with adjectives' the book set off. Indeed, the conceptual stretching (Collier and Levitsky, 1997; Sartori, 1970) extends beyond 'insurgency' to 'territory,' 'space,' and even 'the state' itself (Sullivan, 2012:16-18), as scholars seek to make sense of a plethora of new cases (gangs, cartels, terrorists, and 'netwarriors' (18)) in terms of familiar, older ones.

I take a different approach: rather than 'rethink insurgency' to the point where it no longer implies an effort to topple or secede from a state, I treat the fundamental distinction in 'aims of fighting' as a primitive, a key dimension along which conflicts vary. This yields a typology of armed conflict that distinguishes 'criminal war'³ of which cartel-state conflict is the leading example, from civil war, and places the two within a larger theoretic framework:

Of principal interest here are the top two rows, corresponding to intra-national or sub-national forms of conflict. Obviously, the distinction between civil and criminal war is key. Unlike rebels, cartels have no intention of toppling, replacing, or capturing the benefits that accrue to states (the power to tax, legislate, set macroeconomic policy, etc.). Rather, they fight to *prevent* the state from constraining their rent-producing activity, and would have no use for anti-state violence if the state got off their back. In this regard, cartels are often said to be 'apolitical,' but this misses the point: even an apolitical insurgency, driven entirely by 'greed' rather than 'grievance,' fights in order to take possession of something that the state currently has. Cartels do not want what the state has; conversely, while states fight rebels in order to recapture or consolidate political control over their own territory, states fight cartels to constrain, not capture, the illicit markets that cartels control. The bottom rows correspond to international conflicts, distinguishing, for example between classic interstate wars over territory (whether direct, colonial, or proxy) and 'Armed Sanctions' such as no-fly zones, raids on nuclear plants, and the coercive trade policy practiced by great powers in the 19th century. In terms of the aims of fighting, then, we can

³Both parts of the term 'criminal war' merit discussion. 'War' is used here instead of 'conflict' to indicate intensity and duration; criteria such as yearly death toll, used to distinguish civil 'wars' from within the broader class of civil conflict, could be adapted to operationalize the former distinction. As for 'criminal,' this refers not to the legality of armed groups or their means *per se* (since armed insurgency is usually illegal), but rather to their designs: insurgencies aspire to legitimate civil power, while cartels aspire to unhampered dominance of illicit activities.

Figure 2.1 Conquest vs. Constraint: Types of Armed Conflicts

			Expropriate / Replace Opponent “Conquest”	Change Opponent’s Behavior “Constraint”
Belligerent Dyads	Intra-National	State(s) vs. Domestic NSA	<u>Civil War</u> Guerrilla vs. State	<u>Criminal War</u> Cartel vs. State
		Domestic NSA vs. Domestic NSA	<u>Turf War</u> Cartel vs. Cartel	<u>Coercive Politics</u> Paramilitary vs. Union
	Inter-National	State(s) vs. Foreign NSA	<u>Foreign Intervention</u>	<u>International Terrorism</u>
		State(s) vs. State(s)	<u>Interstate War</u>	<u>Armed Sanctions</u>

think of turf war among cartels, civil wars between and the state, and full-blown interstate wars as part of a larger type: wars of *conquest*, where the goal is to usurp, expropriate from, or (partially) replace the opponent. In wars of *constraint*, by contrast, the goal of fighting is, in the most general terms, to change the opponent’s behavior, and, when the fighting is initiated by states, that behavior often takes the form of a violation of some norm or law, whether domestic or international. The cells should be understood as ideal types; real world cases may fall closer or farther from cell borders, or even straddle them. For example, in the Opium Wars, Britain both annexed portions of Chinese territory (conquest) and forced key policy concessions (constraint). Foreign-led coups may blur the line between outright conquest and the desire to constrain the actions of an ally or neighbor. Conflicts can also change over time: what begins as a civil war, with both sides truly fighting for control of the state, can deteriorate into a criminal war in which jungle-bound rebels subsist on drug profits for decades with no realistic plan to capture the center. Politics plays a role too: it is often unviable for states to publicly negotiate with criminal groups, so leaders uninterested in reaching negotiated settlements with rebels may brand them with criminal labels like “narco-terrorists,” while criminal groups may claim to have ideological ambitions in hopes of making negotiations more viable.⁴

⁴Colombia’s recent history provides an example of both dynamics: the Uribe government, seeking to reverse course after the Pezuela administration’s attempts to reach a negotiated settlement with the country’s insurgent guerrilla groups, adamantly insisted on their criminal nature and refused to negotiate. Simultaneously, it crafted generous amnesty packages for paramilitary leaders willing to demobilize, insisting (somewhat incredibly) that none of the beneficiaries were drug traffickers.

Inter-Cartel Turf War vs. Cartel-State Conflict

A second critical distinction made in Figure 2.1 is that between criminal war and turf war. The key distinction here, indicated in white, is between the dynamics that obtain *among* cartels—turf wars in which groups seek to destroy, supplant, or extract territory or market share from one another—and the dynamics of criminal war that characterize cartel-state conflict. Obviously, there are important interactions between these sub-conflicts. In particular, I argue that positive feedback can occur in both directions: 1) turf wars become far more fierce and intractable once cartel-state violence has commenced—call it the ‘punching the ref’ effect. Conversely, 2), ongoing turf wars can make cartel-state conflict more likely to occur, or more intense once it has begun, by contributing to the conditions that make anti-state violence cartels’ best response to government repression.⁵

That said, inter-cartel turf battles obey distinct logics and can occur independently of one another. Indeed, there is important variation in this respect across my cases. In Mexico, turf war among cartels clearly preceded and may have triggered cartel-state conflict. In Colombia, on the other hand, cartels were largely united amongst themselves at the time that cartel-state conflict broke out—though this conflict would eventually engender a breakdown of the inter-cartel pact and ultimately an extremely bitter turf war. In Rio de Janeiro, cartel-state conflict and turf war appear to have co-evolved over time.

Where inter-cartel and cartel-state conflict co-exist, the distinction between them can become fuzzy. If a cartel attacks state officials it claims are protecting a rival cartel, for example, it is tempting to think of this as a case of inter-cartel violence. However, I would argue that the “state-ness” of the target in this case matters, and consider this to be a case of cartel-state conflict exacerbated by an underlying turf war. In the limit, the distinction may evaporate, such as where a public official is universally understood to be no more than employees of a given cartel. For example, prior to 2006, assassination of Mexican mayors was rare; police and intelligence officials told me that in this era, if a mayor wound up dead, he could safely be assumed to have been working for a cartel. But as assassination of public officials became commonplace over the course of the last 6 years, the situation has become less clear: an assassination can no longer be assumed to be driven solely by turf war dynamics.⁶ To the extent that there is some difference in the way the violence is perceived and responded to by the relevant actors when the target is an agent of the state, however corrupt, then the conceptual distinction remains important. Another potential objection to this distinction is that in this theoretical framework, cartels’ use of violence is, to a first approximation, always a sort of profit-maximizing strategy. Cartel-state conflict, one might argue, is ultimately aimed at beating one’s rivals and coming out on top, and the concept should be subordinated to turf war. This would be a mistake. As the variation in cases demonstrates, pacting vs. fighting among cartels is logically independent (though not unaffected by) the decision to confront the state. Thus the logic of turf war and that of criminal war should be seen as sharing a conceptual level, both subordinate to the logic of profit maximization.⁷

⁵Chapter 3 discusses these channels of feedback in more detail.

⁶Interview, CISEN official, September 24, 2010. Interview, José Arturo Yáñez Romero, September 29, 2010

⁷The industrial organization literature is suffused with the idea that both cooperation and (violent) competition in oligopolistic markets, like the drug trade, can be equilibrium outcomes; similarly, my work in this study aims to show how both violent and non-violent stances vis-à-vis the state can be profit-maximizing for drug firms.

‘Hiding’ vs. ‘Fighting’: When Does State-Capture Become Violent?

Of course, non-state actors do not exclusively on violence to affect ‘constraint’: strategies of state capture—including bribery, corruption, blackmail, vote buying, and (illicit) campaign contributions—are also ultimately aimed at constraining and influencing the state’s actions. Indeed, political state-capture strategies are often at odds with more violent strategies, which can lead to the demonization and increased scrutiny of perpetrating groups. The result is a rather sharp divide between a “hide and bribe” approach that seeks to corrupt state officials while minimizing confrontation and remaining out of public view, and a ‘fight and bribe’ strategy in which criminal groups use violence to intimidate state actors and overcome resistance to bribe-taking. While ‘hiding’ may not seem like the opposite of ‘fighting,’ the nature of the enterprise makes the two approaches mutually exclusive, and the decision to take on the state often sends criminal groups down a path that is difficult to walk back. The divide is exemplified by Colombia’s two principal mid-80s drug cartels. Rodrigo Orejuela, leader of the Cartel de Cali, contrasted his approach with that of Pablo Escobar’s Cartel de Medellín thus: “We don’t kill judges. We buy them” Lee, 1995, :280. Escobar, for his part, had nothing against buying judges; he simply found that by offering them the infamous choice between *plata o plomo* (“silver or lead,” i.e. bribe money or assassins’ bullets) he could buy them more cheaply.⁸ and where Escobar launched a frontal assault on the state itself, in hopes of peace accords like those conceded to the country’s guerilla insurgents, the Cali leaders quietly sought and found a presidential candidate willing to exchange amnesty for massive campaign contributions. Bribery, corruption and, more broadly, state-capture are thus central to both approaches, but the relative advantages of fighting—increased leverage over state actors—can only be won at the cost of the low profile that hiding affords, and vice versa. Any analysis of criminal war must explain why and when non-state actors employ violence, whether alongside or instead of purely non-violent state-capture tactics, as a part of a strategy for affecting constraint. Chapter 3 analyzes this question in a game-theoretic context, offering a formal definition of these alternate approaches, and showing how the sharp divide between ‘hide and bribe’ and ‘fight and bribe’ strategies arises as an equilibrium result in a game between cartels, enforcers, and leaders. For now, it is worth noting that though civil war combatants may sometimes try to infiltrate the ranks or political cadres of their enemies, they generally do so in an attempt to destroy, weaken, or delegitimize the enemy from within, rather than to ‘capture’ the state (or the enemy leadership) in the sense used here.⁹ This suggests that the presence of ‘state-capturing’ activities is indicative of an underlying goal of constraint, rather than conquest; consequently, if such situations were, are, or become violent, they are more likely to take on the cast of criminal than civil war.

⁸I argue in a Chapter 5 that the transformation of these once-close allies into mortal enemies, culminating in Orejuela’s decision to join the government in an all-out war on Escobar, was driven less by personal vendetta or even pure greed than the inexorable logic of their divergent strategies.

⁹The FARC, for example, widely adopted a policy of sabotaging rather than participating in elections. Where they hold territorial control, they generally coerce residents into abstaining as opposed to voting for friendly candidates. Paramilitary groups, whose conflict with the state would fall under criminal war in this typology, engaged heavily in electoral coercion and other illegal state-capture strategies (Eaton, 2006).

Intended Audience vs. Target of Violence

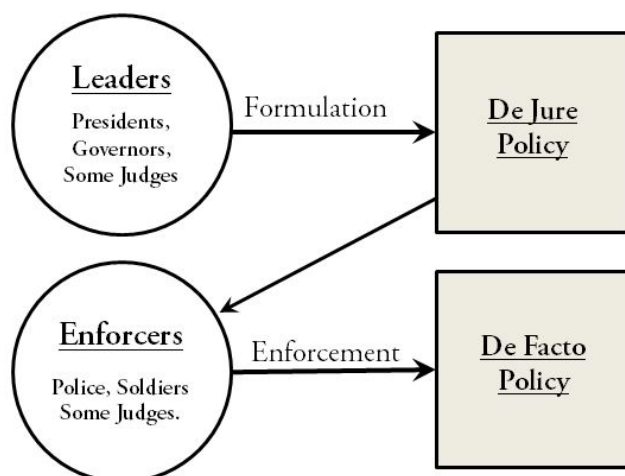
This study seeks to understand the strategic motivations behind cartel-related violence, in particular anti-state violence. As such, it distinguishes logics of violence in part based on what group(s) a perpetrator is trying to pressure, eliminate, or compete with by resorting to violence—I refer to such a group as the *intended audience of violence*, or simply the *audience*. It is useful to distinguish the audience from the *target* or victim of violence—those who are actually wounded or killed. Terror tactics offer a clear illustration of the distinction: when cartels set off car-bombs, the victims may be mostly civilians, but the intended audience is really the state itself. Of course, sometimes target and audience largely overlap: if a cartel attacks an army base, it may well be in order to intimidate the army. That said, violence may have multiple intended audiences: an attack against an army base could simultaneously intimidate army leaders, hurt the president politically, and send a signal of strength or resolve to a cartel’s rivals. In this study, I reserve the phrase “aimed at” to indicate the intended audience of violence. This distinction helps sort out some of the interactions between turf war and cartel-state conflict. Generally speaking, I consider violence to have arisen from turf war when the primary audience of violence is rival cartels, and from cartel-state conflict when the primary audience is state actors, regardless of the identity of the victims. Where violence is aimed at state actors, but the perpetrator has some additional incentive to engage in that violence because it also usefully aims at a rival, I speak of turf war exacerbating or contributing to cartel-state conflict.

Two ‘Halves’ of the State, Two Levels of Policy Influence

The central argument of this study is that drug policy, specifically the structure of repressive anti-narcotics policy, is a crucial explanatory factor of cartel-state conflict (the problem of mutual causation notwithstanding). Above, I argued that wars of constraint are fought to change opponent’s behavior, and that in criminal wars, armed groups fight states in order to affect state policy. In this section, I define two levels or aspects of policy which criminal groups might try to affect. I largely follow Scott’s (1969) distinction between what he called the ‘legislation’ and ‘enforcement’ phases of the policy process; however, since relevant anti-narcotics policy is often made by executives, and to further emphasize the point that both levels are crucial to final policy outcomes, I speak of ‘policy formulation’ rather than legislation, and refer to the outcome of the process as *de jure policy*, while the outcome of enforcement is *de facto policy*. The

In general, cartels can only rarely hope to directly influence *de jure* drug policy (e.g. the legal status of certain substances, appropriations for and deployment of armed forces and police, extradition treaties). Rather, cartels know that in a context of corruption, the intensity and incidence of enforcement carried out on the ground—‘*de facto policy*’—is malleable, even when *de jure* policy is not. This distinction requires a parallel distinction in our conception of the state. Consider, for concreteness, the case of one of my informants, a public prosecutor in Colombia who was assigned an investigation of a trafficker from the Medellín cartel, and soon thereafter received a call from a representative of the cartel offering him “money or bullets, your choice; there’s plenty of each to go around.”¹⁰ This was not an

¹⁰Interview, former *fiscal sin rostro* (government investigator granted official anonymity during the narco-violence period), December 27, 2010.

Figure 2.2 Two ‘Halves’ of the State, Two Levels of Policy

attempt to force a change in the state's de jure policy of attacking the cartel; rather, it was an attempt to alter de facto policy, by pressuring the prosecutor to reduce or curtail entirely his enforcement of the de jure policy in question.

At the root of such an action by the cartel is a principal-agent problem between two ‘halves’ of the state: the *leaders* or decision-makers, often the executive but occasionally the legislature or upper judiciary, with the power to make (and fund) de jure policy; and the *enforcers*, which includes not only police but also judicial officials¹¹ and, where they have been assigned to anti-narcotics work, members of the armed forces (Figure 2.2). Bribery, whether accompanied by physical threats or not, exacerbate this principal-agent problem by raising enforcers' payoffs to non-enforcement, thus driving a wedge between enforcers' and leaders' preferences and introducing slippage between de jure and de facto policy.

In Chapter 3, I distinguish attempts to influence leaders and the policy formulation process (which I call ‘lobbying’) from attempts to influence enforcement (‘corruption’) (See Figure 3.1. Most anti-state violence by cartels is of the latter sort, directed at enforcers in an effort to intimidate and/or corrupt. However, cartels sometimes try to directly affect de jure policy; this is likely to occur when there is some open policy question, a piece of formal policy that leaders might realistically change. When such a policy window exists, cartels seek to put pressure directly on leaders, often engaging in public, terroristic violence that is likely to generate a sense of social crisis and attendant political costs. A great deal of the violence in Colombia was of this nature, including hundreds of car-bombs directed at civilian and government targets; I will argue that the prevalence of this type of violence in Colombia stemmed from the existence of an important open policy question—extradition. While far less common in Rio and Mexico, incidents of terroristic violence have been observed, and they can be tied to attempts to pressure the state into changing some aspect of de jure policy. I discuss the important ‘logic’ of violence

¹¹Judges can act in both policy realms: a high-court judge who strikes down a law is determining de jure policy, while a judge who is deciding whether to convict an individual trafficker is determining de facto policy. In general, judicial review can be seen as a de jure function and criminal trials as enforcement.

in more detail in Chapter 3.

It bears pointing out that this disaggregation of the state highlights the differences between cartel-state conflict and civil war from another angle. It is perfectly reasonable and common to model civil wars as a simple clash between two actors, government, and rebels. One *could* focus one's analysis on the principal-agent problem between leaders and the armed forces, in which case one would need to disaggregate the state, but such a focus is certainly not crucial to most accounts of the drivers of civil war. By contrast, as we have seen, it is not possible to usefully capture the logic of intimidatory cartel violence if we treat the state as a unitary actor.

Conditional vs. Unconditional Repression/Crackdowns

In this study, I use the term *conditionality of repression*, or simply *conditionality*, to refer to the degree to which a cartel faces additional or differential repression, over and above what it faces simply for trafficking drugs, when it opts for violence (particularly against state agents or innocent civilians). To anticipate the mathematical notation used to formalize the concept in Chapter 3, if s_f represents the amount of repression a cartel faces when it opts for violence, and s_b the amount when it trafficks non-violently, then the difference between them, $s_f - s_b$, is a measure of conditionality of repression. Conditionality is determined to a large extent by de jure policy: under the purview of leaders lie not only the legal sanctions that apply to different crimes, but also a host of decisions surrounding the appropriations for and deployment of repressive force, as well as rules and restrictions on its use. The key to the idea of conditionality is incentives: if repressive policy against cartels is structured such that differential levels of enforcement/punishment are explicitly conditioned on cartel behavior, then cartels have forward-looking incentives to avoid violence. Competition among cartels amplifies these incentives, since in a violence-conditional crackdown, the brunt of additional repression falls differentially on the most violent or brazen cartels. Conditional repression can thus deter cartels from opting for violence, as well as eliminate or hobble those that do. The issue of deterrence, however, cuts both ways: leaders often have a strong interest in deterring the drug trade itself, and thus engage in crackdowns—sharp increases in the effective level of repressive force directed against traffickers. Many crackdowns are essentially *unconditional*: the state simply tries to ‘put the drug trade out of business,’ by neutralizing as many drug dealers and interdicting as much drugs as possible, regardless of cartel behavior vis-à-vis violence. Leaders may also try to avoid accusations of corrupt pacts and favoritism by explicitly targeting all cartels equally, or declaring a ‘no quarter’ policy. A related issue is ‘maxing out’: the state may essentially ‘throw everything it has’ against cartels in a way that leaves no room for additional repression in response to cartel blowback. Conversely, *not* ‘maxing out’ against known trafficking groups may be seen (and attacked) as ‘going soft’ on cartels. Whatever the motivating reason, when repression is unconditional, it creates no incentives for cartels to eschew fighting strategies in favor of hiding strategies. In fact, as I show in this study, unconditional crackdowns (increases in repression) can actually push cartels to adopt and intensify fighting strategies.

An illustrative, if grim, parallel can be seen in the issue of applying capital punishment in rape cases. Setting aside all normative issues, it seems clear that a policy of executing rapists should, on the margin, deter rape. However, the undeterred rapist, having committed his crime, fearing arrest and a death sentence, now has little incentive to refrain from a further, presumably worse crime—murder.

By ‘maxing out’ the punishment for rape, the state has eliminated the differential in punishment that a criminal would face if he opted to murder his victim. Indeed, he now has positive incentives to murder his victim, as doing so would presumably reduce his chances of being caught. In the terms I use in this study, an unconditional crackdown on rape can actually drive criminals to opt for homicidal violence. All things being equal, we would expect fewer total rapes but a higher proportion of them ending in murder. On the other hand, retaining conditionality of repression in this case necessarily involves applying less than the maximum punishment for rape, which some may see as excessively lenient.

A note on terminology: ‘conditionality’ as I use the term is closely related to the judicial concept of proportionality, captured by the phrase “let the punishment fit the crime”. If we assume that violence, particularly anti-state violence, is worse than drug trafficking, then a proportional punishment for trafficking and violence must exceed the punishment for trafficking alone. However, I am not concerned here with punishment in the strict sense of post-conviction sentencing, but rather with the overall amount of repressive force that the state directs at cartels, which in practical terms means police raids, investigations, and so on. Moreover, proportionality is often interpreted by justices as a normative concept, separate from, and sometimes in opposition to, the issue of deterrence. Thus, for example, when the US Supreme Court forbade the death penalty in cases of rape, it argued that the proportionality criterion trumped the desire to deter potential rapists with harsh punishments. But as we have seen, proportionality tends to foster deterrence of graver, additional or posterior crimes, even as it reduces deterrence of the principle crime in question.

Chapter 3

Logics of Violence in Cartel-State Conflict

3.1 Introduction

A core claim of this study is that cartels turn to strategies of confrontation and anti-state violence in response to state repressive policies. This may seem obvious—if the state left cartels to their own devices, surely the latter would have little reason to attack the state. But a little reflection shows that, taken globally, the drug trade is carried out in the face of state repression virtually everywhere, whereas anti-state violence by drug trafficking groups occurs almost nowhere. In most retail markets, for example, drug retailers may invest resources in hiding from or bribing local cops, or both, but rarely if ever use violence against them (Rio de Janeiro is a stark anomaly in this respect). Even in production and transshipment settings like Afghanistan, but also including Colombia and Mexico, quiet corruption of and occasional collusion with state agents has been more common, over the last 40 years, than armed confrontation. In other words, state repression of the drug trade is a necessary but not sufficient condition for cartel-state conflict.

This leaves us with twin puzzles. First, why do crackdowns *ever* induce cartels to adopt fighting strategies? And second, why do some crackdowns appear to induce a switch to fighting, while others a switch to hiding? This chapter attempts to answer these questions by considering the world from cartels' perspective, and ask under what conditions it would make sense to switch from a hiding to a fighting strategy. To put it another way, what are the potential benefits to anti-state violence, and how does state policy intensify or erode those benefits?

Building on Kalyvas' (2006) foundational argument that different forms of violence serve different purposes within civil war, I identify two principal 'logics' of anti-state violence in criminal war—*violent corruption* and *violent lobbying*—as well as several other, ancillary logics that may play a subsidiary role: competitive signaling, and what is known in Mexico as '*calentar la plaza*,' i.e. bringing down heat on rivals. The logics discussed are not intended to exhaust the universe of possible motivations; in particular, I do not consider the issue of 'expressive' or 'irrational' violence. Nor are these logics mutually exclusive: a single act of violence can achieve multiple ends, intimidating, say, both police and rivals. Finally, and perhaps most importantly from a substantive point of view, I do not claim that all or even most drug violence is cartel-state conflict (it is not), nor that fighting *among* cartels

(what I call *turf war*) does not play a role in triggering cartel-state conflict. Rather, by delineating the different logics that lead cartels to go on the offensive against the state, I am able to make theoretical predictions about the effects of heightened turf war on cartel-state conflict: increased fragmentation and competition among cartels should exacerbate violent corruption, but attenuate violent lobbying.

Inherent in these logics are what we might call ‘scope conditions’ under which they become operative. Crucially, violent corruption turns out to have relatively weak scope conditions, while the other logics simply do not ‘make sense’ unless more restrictive conditions are met. This fact can help us sift through the observed empirical variation in the modalities of cartel-state violence. Cartel-state violence and drug violence more generally are characterized by a proliferation of ‘narco-tactics’: narco-banners (*narcomantas*), narco-bombs, narco-blockades, narco-attacks, narco-protests, and so on. This very proliferation strongly suggests that there are strategic considerations behind cartels’ choice of tactics, holding out the promise that the empirical variation we observe in the modalities of violence employed can tell us something about the strategic dynamic that produced them. The logics of violence distinguished here predict different empirical footprints: patterns in the type and temporal clustering of narco-tactics. This provides some theoretical leverage in interpreting the empirical record.

Putting the pieces together, the theory yields a number of predictions.

1. Both violent corruption and violent lobbying can be triggered by crackdowns, and are more likely to be triggered when the crackdown is unconditional.
2. Crackdowns increase the amount of fighting in a violent corruption equilibrium when police fear physical confrontation more than getting caught for bribe-taking.
3. The scope conditions for violent corruption are the least restrictive, suggesting that it will occur more frequently and with more constancy than other forms of cartel-state violence; I conjecture that it is the genesis of cartel-state conflict, even where violent lobbying or other logics end up overshadowing it.
4. An increase in the intensity of turf war *among* cartels has multiple aggravating effects on the corruption channel, making violence more likely. However, it has mixed effects on the lobbying channel; the net effect is conjectured to be weakly negative.

I present these logics and associated empirical footprints in plain language in the following section. Section 3 presents a formal model of violent corruption, focusing specifically on conditions under which a cartel might switch from a nonviolent, hiding strategy to a violent, fighting strategy. Section 4 presents a far simpler, ‘toy’ model of violent lobbying, whose purpose is more illustrative than analytic, followed by an extended discussion.

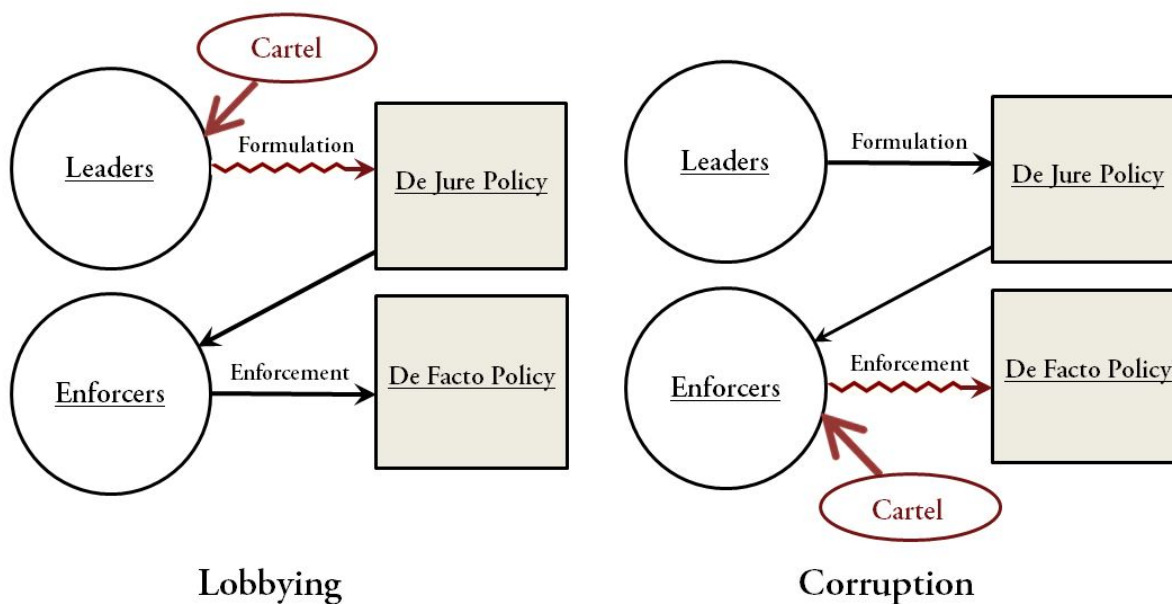
3.2 Logics of Violence in Criminal War

Violent Corruption and Violent Lobbying

As I argued in the previous chapter, criminal war, and cartel-state conflict in particular, must be understood as an attempt use violence to influence state policy. Given the central empirical puzzle presented by my cases—the divergent response by cartels to militarized crackdowns—the first questions a theory of cartel-state violence has to answer is why and when would violence be a reasonable response to a state crackdown. At the most general level, this study is arguing that state crackdowns represent movement away from cartels’ ideal point, and thus can increase cartels’ incentives to use violence to shift policy back. Whether these incentives dominate the costs and risks of engaging in anti-state violence ultimately determines how cartels respond to crackdowns. Multiple factors are at play, as we will see. However, the single most important is simply the *conditionality of repression*—the degree to which opting for violence will bring down additional state repression as a consequence.

Looking more closely, it is clear that cartels, like all interest groups, may act to influence policy at two distinct levels (Scott, 1969). Let us broadly denote efforts to influence the formulation of de jure policy as *lobbying*, an activity normally aimed at *leaders* (often presidents and governors, but also decision-making bureaucrats, legislators, and precedent-setting judges); and efforts to influence enforcement, or de facto policy, as *corruption*, which is usually aimed at *enforcers* (police, investigators, sentencing judges). The distinction is captured in Figure 3.1.

Figure 3.1 Levels of Policy Influence



As discussed in Chapter 2, cartels face a somewhat stark decision between what I call ‘fighting;

and ‘hiding’ strategies. Crossing this dimension with the corruption/lobbying distinction yields the four distinct approaches seen in Figure 3.2. When cartels ‘hide,’ they try to minimize their visibility, if not to enforcers than in the public eye, and rely overwhelmingly on material inducements; in terms of influence, this corresponds roughly to our conventional notions of corruption and lobbying.¹ However, when cartels adopt fighting strategies, two new approaches arise: in *violent corruption*, cartels use violence to induce enforcers to change de facto policy. Generally speaking, this takes the form of some combination of threats and bribes in exchange for non-enforcement—the focus of the model of violent corruption presented in the next section. However, other variants are possible: a threat with no bribe offer (what we might think of as ‘pure intimidation’); a threat/bribe combination aimed at getting enforcers to inflict repression on rivals; or simply the elimination of an individual enforcer seen to be unusually tenacious or incorruptible. In *violent lobbying*, cartels use violence to induce leaders to change de jure policy, generally taking the form of a campaign of public attacks which cartels offer to curtail in exchange for reduced repression along a specific policy dimension.

Figure 3.2 also provides typical examples of each approach, captured in now-famous phrases from the leaders of the two main cartels of Colombia’s ‘narco-violence’ period (1984-1993). Pablo Escobar and his Medellín cartel epitomized the fighting approach at both levels. His campaigns of terroristic violence (public bombings, high-level assassinations, and elite kidnappings) typify violent lobbying, accompanied as they were by overt demands on the government to abolish extradition and negotiate and amnesty. At the same time, his ubiquitous and infamous offer of “*plata o plomo*” (the bribe or the bullet) to judges, investigators and police—backed up by hundreds of killings—captures the essence of violent corruption. The Orejuela brothers’ Cali cartel saw corruption differently: “Why kill judges when you can buy them?” At the de jure level, they foreswore the all-out attack on the state launched by Escobar, and once he was gone, organized the ‘Champagne Project,’ the goal of which was to elect a president who would agree to a de jure policy of amnesty. While the cartel offered to donate heavily to both major candidates in 1994, in the end only Ernesto Samper accepted, leading Miguel Orejuela to declare “We’ve already got ourselves a president.” (Chepesiuk, 2003:190).

Note that while there is a sharp divide between hiding and fighting strategies—since it is hard to maintain a low-profile once one has engaged in anti-state violence—both cartels could engage in corruption and lobbying; there is nothing mutually exclusive about the columns in Figure 3.2. Indeed, the distinction between lobbying and corruption can be less than stark, even when it is licit groups doing the lobbying. When cartels lobby non-violently, it is nonetheless, almost by definition, illicit, and hence by some accounts, an act of corruption. The example of the Samper affair highlights this. When the Cali cartel’s contributions came to light, a massive ‘corruption’ scandal ensued which ultimately led to the cartel’s takedown. That said, the distinction can be operationalized by focusing on the level of policy an action is (principally) intended to act on. Since the stated aim was to garner influence, rather than to purchase the non-enforcement of a de jure policy already in effect, the case is better thought of as lobbying.

¹Since bribery is always illegal, it is of secondary importance whether the actor engaging in it is involved in a strictly illicit business or a potentially legitimate business seeking to violate a law or regulation. Lobbying, on the other hand, can run the gamut from above-board to abjectly criminal, and in the case of cartels, is likely to tend toward the latter. Thus whereas it would make no sense to label the bottom-left cell ‘illicit corruption,’ the non-violent lobbying in the bottom-right cell is virtually guaranteed to be ‘illicit.’

Figure 3.2 Strategies of Policy Influence

		Level of Policy Influence	
		Enforcement (de facto)	Formulation (de jure)
Type of Cartel Strategy	Fighting	<u>Violent Corruption</u>	<u>Violent Lobbying</u>
	Medellín Cartel	“The bullet or the bribe?”	Narco-Terrorism
	Hiding	<u>Corruption</u>	<u>(Illicit) Lobbying</u>
	Cali Cartel	“Why kill judges when you can buy them?”	Narco-Politics

Similarly, grey cases exist at the frontier between violent forms of corruption and lobbying: when Escobar had the pro-extradition presidential candidate Luis Carlos Galán assassinated in 1989, it was probably aimed more at affecting the future of Colombia’s de jure policy on extradition, though it may have also had the effect of intimidating government enforcers, who would presumably be more inclined to accept a bribe in the future. On the other hand, I argue that Escobar’s 1983 assassination of Rodrigo Lara Bonilla, then minister of justice, was ultimately driven principally by the logic of violent corruption, the following-through on a “bribe or bullet” offer that Bonilla refused to accept.

Recalling that cartels need not choose between the two, this study finds that violent corruption is the primary mechanism driving cartel-state conflict. To be sure, violent lobbying is, by its nature, highly salient and disruptive—generally carried out by means of terror tactics calculated to generate a sense of crisis and attendant political costs for leaders. As such, it dominates headlines and histories, directly touching a broader swathe of the population than enforcer-directed violent corruption. But, as I argue below, the conditions under which the logic of violent lobbying is operative are more restrictive, and as a result, it is far rarer in comparative perspective: Mexico and Brazil have witnessed only intermittent, seemingly tentative attempts at violent lobbying, not surprising given the lack of propitious conditions, making its prominence in the Colombian case appear somewhat idiosyncratic. More importantly, even in Colombia violent lobbying began well after the onset of violent corruption, and even then was only part of the story. While important, it is perhaps going too far to suggest that it was the sole mechanism at play (Reuter, 2009:277).

Scope Conditions and Empirical Footprints As noted above, the real question is not so much which column a cartel will locate itself in, since it can engage in both corruption and lobbying, as

much as which row. Each logic of violence is really about the decision to use violence within a realm of influence, not about which level of policy to opt for.

The model of violent corruption presented here derives in a formal setting both the scope conditions and predicted footprint of the *plata o plomo* bribe-negotiation mechanism. At its core, the model combines two insights from the literature on organized crime and corruption. First, Fiorentini and Peltzman's observation that "the greater the effectiveness of deterrence activities, the more they create incentives [for criminals] to invest in corruption and manipulation of the deterrence agencies themselves" (Fiorentini and Peltzman, 1997:27). Second, Dal Bó et al.'s argument that the ability to simultaneously make threats and offer bribes should lead to lower bribes in equilibrium. The model of violent corruption presented here shows how and when the increased incentives created by a crackdown can lead cartels to substitute additional violence for higher bribes.

To preview the results, state crackdowns provoke (additional) cartel-state violence when they 1) occur in a context of widespread police corruption (in the sense of non-enforcement in exchange for bribes);² and 2) are not *conditional* on cartels' behavior, i.e., do not explicitly target violent cartels for additional or differential repression. The intuition behind 1) is that crackdowns give corrupt enforcers more leverage over cartels, pushing up bribe demands. To avoid paying this higher price in full, cartels can increase spending on arms; the result is more frequent fighting but a smaller bribe when agreement is reached. This mechanism only works, though, when police are more 'afraid' of cartel violence than getting caught for bribe-taking—a realistic assumption when corruption is widespread and rarely punished. The model also shows that crackdowns exacerbate violence to the extent that they are unconditional, such that opting for violence does not expose cartels to additional levels of repression. Conversely, if repression is sufficiently conditional on cartels' behavior, then they will never fight, and moreover, there will be no bribes in equilibrium.

The model predicts intermittent violence, occurring only when a bribe agreement cannot be made, and targeted at enforcers. Where the drug trade is highly territorial, as in Rio de Janeiro, fighting likely takes the form of open clashes as cartels stand their ground in the face of police enforcement. Where enforcement is more juridical than territorial, and where cartels have more reach, as in Colombia, assassination is the logical modality.

The underlying logic of violent lobbying is some ways similar to that of *plata o plomo*: the idea is to make lack of agreement a costly proposition, though to leaders rather than enforcers. However, whereas violent corruption requires as a condition some realistic probability that enforcers will take the bribe, violent lobbying requires a realistic probability that leaders will change a *de jure* policy. This brings into play political questions that do not arise in the case of corruption. Put simply, there is no point in trying to force the state to the bargaining table unless there is a viable issue about which to bargain, i.e. some piece of *de jure* policy that could conceivably be changed or revoked.

Given states' rhetorical commitments to prohibition and eradication, such open policy questions are rare. Examples from my cases include extradition of traffickers in Colombia, the deployment of troops to Michoacán, Mexico to fight the cartels, and isolation of imprisoned gang leaders in Rio

²In this setting, pure intimidation, in which enforcers simply choose not to enforce the law without actually accepting a bribe, is equivalent to a bribe priced at zero. This rests on the assumption that enforcers expected punishment for corruption is constant with respect to the price of the bribe. One future avenue of research would be to relax this assumption.

de Janeiro. While all of these constitute cases of violent lobbying, only extradition remained an open political question for long enough to produce a sustained campaign of violence. The predicted empirical footprint is also different: while cartels may in some cases be in a position to physically target (generally low-level) leaders, for the most part cartels must inflict indirect, political costs by using violence to create social and economic disruption. This channel thus frequently involves “terror” tactics like car-bombs, massacres, and prominent kidnappings, as well as forced closing of businesses and schools, coerced street protests, and open (if unilateral) communication with leaders. Violence is likely to be clustered in time to foment a sense of crisis, and so that cartels can offer to call off the attacks in exchange for policy concessions. Crackdowns can provoke this type of violence when they involve “negotiable” *de jure* policy decisions that could conceivably be reversed.

Interactions of Violent Corruption and Lobbying with Turf War

How does the advent or turf war between cartels, or its intensification, affect the calculus of choice that leads cartels to adopt fighting strategies, whether at the policy formulation or enforcement levels? I hypothesize three main channels, affecting the logics of violent corruption and lobbying in different ways. On the whole, turf war seems more likely to aggravate violent corruption, and attenuate violent lobbying.

The first channel is the usefulness of anti-state violence as a competitive signal, discussed in Section 3.2. More dire inter-cartel competition, and in particular a more unstable industrial organization of the drug trade (perhaps due to crackdowns), should lead a cartel to derive more ‘extra value’ from anti-state violence in the form of a signal to its rivals and own members. This extra value should come into play whether anti-state violence is committed in the name of corruption or lobbying; in fact it might be stronger in the lobbying channel if only because the type of violence needed to effectively lobby is often quite spectacular and brazen. For example, the CV could conceivably get some ‘extra value’ (in terms of signalling its strength to rivals) by getting into a shootout with cops, since rivals would get information about the local crew’s strength and resolve from observing the battle. But the CV might reveal considerably more information when it launches brazen, terroristic attacks on state targets outside the favela.

Still, it is hard to believe that the need to signal strength to rivals could, alone push cartels into fighting strategies vis á vis the state. A more plausible pathway is the accumulation of firepower. As the model shows, a critical factor in determining the relative payoff to hiding versus fighting is expense of accumulating enough firepower to effectively intimidate the state. If a cartel already has considerable firepower as a result of its ongoing interaction with rivals, then it may not need to acquire much or any additional firepower to threaten the state, making fighting more appealing on the margin. Section 3.3 presents an extension to the model considers this pathway to violent corruption; it seems particularly apt with respect to the Mexican case. This channel could also make violent lobbying more attractive, if the cost of imposing violence is a constraining factor. Thus, for example, we might think that the military buildup of MAS³ that Escobar oversaw contributed to his decision to attack the state at the outset of the narco-violence period.

³*Muerte a Secuestradores*, ‘Death to Kidnappers.’ See Section 5.2 for details.

Finally, a third channel seems stronger, and cuts in opposite directions: violent lobbying aims to change *de jure* policy, which by its nature tends to be universal, part of the legal code, applicable more or less equally to all (Scott, 1969). Of course, it is always possible to write laws and policies in ways that benefit individuals. But to the extent that the potential benefits of (violent) lobbying are non-excludable, it is subject to free-riding. Nothing better than having your rival take on the state in an all-out armed conflict to win policy concessions that will benefit you ‘for free’. Influencing *de facto* policy, on the other hand, amounts to inducing selective non-enforcement, the benefits of which are by their nature particularistic. (Scott, 1969).

On the whole, the free-rider problem seems like it should outweigh these other conditions, meaning that turf war should have an aggravating impact on violent corruption but an attenuating impact on violent lobbying. A suggestion of such attenuation can be seen in a July 2010 car-bomb attack in Ciudad Juárez. In graffiti found near the attack site, the Juárez cartel took responsibility for the attack, and threatened another bombing unless the FBI and DEA investigated corrupt ties between federal agents and the Sinaloa cartel, which at the time was threatening Juárez’s turf. The case is notable for fitting the empirical pattern associated with violent lobbying: terroristic violence, targeting civilians but aimed at high-level authorities. However, the change the cartel sought is really one of enforcement, not policy formulation, and the intended audience of this act are enforcers. Ultimately, this example suggests that when turf war is very intense, the public nature of *de jure* policy makes it so unattractive a goal that even when the tactics of narco-terror are seen as propitious, they are used toward particularistic, *de facto* ends.

Turf-War Logics of Anti-State Violence

Violent corruption and lobbying, though quite different, are both forms or components of criminal war: the attempt to affect state policy through violence. But criminal war often coexists with, and is frequently preceded by, turf war: the use of violence by cartels to expropriate territory or market share from one another. Turf war obeys its own, rather different logics, since its ultimate aim is essentially one of conquest rather than constraint. However, turf war cannot be left out of the analysis, for two key reasons. First, the presence and intensity of turf war may affect cartel’s incentives to adopt fighting strategies vis-à-vis the state, whether at the *de jure* or *de facto* level. I consider these interaction effects in the next section. Second, though, turf war may, on its own, generate incentives to use anti-state violence. In these cases, the *victims* of violence may be state agents, but the violence is ultimately aimed at rival cartels. Obviously, most turf-war driven violence victimizes members of rival cartels; below I consider two somewhat exceptional but still important cases where cartels might find it beneficial to attack state actors outside the logics of violent corruption and lobbying outlined above.

Competitive and Internal Signaling.

Our theories attribute to violence, at times unreflectively, a number of very different primordial functions. In the vast ‘costly lottery’ literature, violence definitively distributes control over some piece of territory or other asset (Fearon, 1995, e.g.); but it may also eliminate or incapacitate a rival; or it may do nothing more than inflict pain. A fourth primordial function of violence is as a signal. In this view,

acts of violence—quite apart from their physical, “battlefield” effects—convey important information about the perpetrator’s operational capacity, internal cohesion, resolve, and so on.

A good example of violence that is clearly signal-sending was what stands as perhaps the first organized armed campaign of drug cartels on record. In 1981, virtually all the top traffickers in Colombia joined forces under the banner MAS to free the sister of drug baron Jorge Luis Ochoa, who had been kidnapped by the M-19 leftist guerrilla for ransom. MAS’s first actions involved capturing M-19 members and leaving them in front of newspaper offices shackled, beaten unconscious, and wearing notes that read “I am a kidnapper” (Castillo, 1987:115). The fact that the victims were left alive strongly suggests that the motivation was not to directly weaken the M-19 *per se* but to communicate MAS’s capacity and resolve to inflict further damage. Indeed, MAS had distributed leaflets from airplanes at sporting events announcing its intentions to do just that prior to the onset of the anti-M-19 violence. But as game theory teaches, talk is cheap, and signals must usually be costly to be effective (Spence, 2002). While going to the trouble of identifying M-19 members, kidnapping them, and then releasing them alive might seem wasteful, in a sense that is the point: only an organization with sufficient resources and resolve would send such a costly signal. The tactic worked: within weeks, Ochoa’s sister was released, and the M-19 never targeted the cartels again (in fact, the incident led to a decade of warm relations between Pablo Escobar and the M-19 leadership).

In this example, neither the victim nor the intended receiver of the violent signal were state actors. Conversely, many examples of violence against state actors, such as high-level assassinations of police or judicial officers, may be understood as signals whose intended recipients are also part of the state. In these cases, signaling forms part of a larger strategy of violent corruption or violent lobbying, ultimately aimed at affecting policy at either the *de jure* or *de facto* level.

A third possibility exists, in which violence against state actors serves as a signal not to the state but to members of the drug trade itself. To the extent that cartels kill cops, or attack army outposts, or machine gun public buildings, or assassinate mayors so that other traffickers will know that they are willing and able to do so, we can say that the motivating logic was one of ‘turf war’ rather than ‘criminal war’—that is, the aim of such violence is ultimately to acquire greater market share or territory, as opposed to changing state policy. Reuter (2009) usefully distinguishes two subtypes of this signalling logic. Typically, such violence is part of a *competitive* strategy aimed at rival cartels. However, larger organizations like Mexico’s cartels may be complex enough to experience significant and problematic internal information asymmetries. In situations like this, violent signals are intended for an organization’s own members (think of Al Capone beating an underling to death in front of his colleagues).⁴

Empirically, violence primarily motivated by competitive and internal signaling is likely to have traffickers as its victim—it seems unlikely that a cartel would risk attacking state forces *solely* to communicate its strength to rivals or upstarts within an organization. That said, anti-state violence is rarer and almost certainly more costly than inter-cartel violence; as such, it may well make a powerful signal to other traffickers. In an extension to the model of violent corruption, I show how to the extent that a signaling effect enters the calculations of cartels as a kind of ‘added bonus’ to taking on the state, it can

⁴Suffice it to say that both competitive and internal signaling can occur with either state or non-state actors as the *victims* of violence. In the latter case, the specific violence would fall outside the definition of cartel-state violence, though it might ultimately be the result of a larger dynamic that crucially involves cartel-state conflict.

help push cartels into fighting strategies. The logic of signalling could also make violent lobbying more attractive: if, for example, setting off car-bombs not only helped Escobar in his negotiations with the state, but also intimidated potential rivals and upstarts.⁵ This is a crucial way in which the dynamics of turf war can contribute to the onset or aggravate cartel-state conflict.

Scope Conditions and Empirical Footprints Obviously, it does not make any sense to signal to rivals unless one has real rivals; similarly, as Reuter notes, we would not expect internal signaling to occur in market sectors where firms are so small that serious internal information asymmetries were unlikely to arise. In general, this kind of violence should be sporadic when drug market industrial organization is stable, since informative signals only need to be sent once. Conversely, crackdowns that decapitate or fragment cartels, or that otherwise generate strategic uncertainty, are likely to feed this type of violence. As for the type of violence predicted, the costlier the signal, the more strength and resolve is communicated, pointing toward high-profile assassinations and brazen, tactically ambitious attacks, especially those targeting state officials, as well as credit-claiming tactics (such as Mexico's ubiquitous *narcomantas*).

Calentar la Plaza: Bringing Down Heat

Literally, 'to heat up the plaza' (In Mexico, *plaza* refers to drug turf), the idea is to use violence, particularly anti-state violence, to deliberately bring state repression down on a region in dispute or under the control of a rival, in order to interfere with their rent-producing activities or otherwise weaken them.⁶ This category includes what are known as 'false flag' attacks in warfare, which aim to create the incorrect belief that the attack was carried out by someone else, but extends to cases where it is sufficient to foment doubt or a sense of crisis that will bring down government repression. Naturally, this channel of violence may involve false-credit claiming and public disputes about the true authorship of violent events, as occurs in this communiqué from Pablo Escobar's group Los Extraditables:

"The purpose of the massacres and terrorist attacks perpetrated in the city of Medellín in the last few days was to sow confusion and damage our sincere desires for peace and rapprochement with the Colombian state (*justicia colombiana*). [...] These deeds were led and financed by Mr. Gilberto Rodríguez Orejuela [leader of the Cali cartel] with the complicity and collaboration of officers of the National Police." (*El Tiempo*, 1990))

Similar public dispute occurred after the tragic 2009 grenade attack on a crowd celebrating Mexico's independence in the town square of Morelia, Michoacán. Suspicion immediately fell on the Familia Michoacana cartel, known to be the dominant cartel in the state of Michoacán. However, the cartel adamantly denied responsibility, blaming its rival Los Zetas, and sending text messages to journalists and hanging narco-banners with messages such as "Don't let them fool you: La Familia of Michoacán is with you and does not agree with acts of genocide." (Lacey, 2008).

⁵This cuts against the overall hypothesis that turf war make violent lobbying less likely, due to the free-rider problem.

⁶Interview, CISEN intelligence officer, Mexico City, September 28, 2010.

Scope Conditions and Empirical Footprint Clearly, this logic is driven by the presence of turf wars among cartels. Moreover, it requires as a scope condition that the target cartel be facing something less than maximum repression. This could be because it has pacted or is trying to pact with the government, or simply because the government is applying conditional repression and the cartel has previously avoided violence. It also requires a situation in which the attacking cartel stands to gain by exposing the target cartel to additional repression, but is not too afraid of inadvertently exposing itself. In the first example quoted above, and taking Escobar at his word for a moment, these two requirements are clearly met: Escobar was in the process of negotiating his voluntary surrender, and was strategically withholding terroristic violence as part of a larger strategy of violent lobbying. A few months earlier, when he was in the midst of his car-bomb campaign, such attacks by the Cali cartel would have made little sense, at least beyond their immediate tactical effects. At the same time, the Cali cartel (in Escobar's telling) had the complicity of state forces, and so did not fear bringing down heat on itself by resorting to terroristic actions.⁷

The predicted empirical footprint is well-illustrated by the examples above: since the aim of this kind of violence is to draw attention from the public and the authorities, it makes sense to target civilians with terror tactics. Targeting state forces might also make sense, provided that authorities could not discern from the attacks the identity of the perpetrator. In addition, as the cases above show, use of false-flag violence is likely to engender subsequent acts of propaganda in which responsibility for the violence is disputed.

While the somewhat restrictive conditions under which *calentar la plaza* violence is sensible may make this a less-than-crucial category in terms of observed patterns of violence, it is important to recognize that this channel, unlike the others, could be *strengthened* by conditional crackdowns, since it depends on using anti-state violence to expose rivals to differential repression.

'Maxing Out' Repression: General Equilibrium Effects From Market Fragmentation

All of the mechanisms considered above constitute potential postiche incentives to resort to anti-state violence. Conditionality of repression—the extra repression that a cartel faces when it opts for violent strategies—plays a key role by providing countervailing incentives to eschew violence. To work through the logic of each of these mechanisms, I have employed, sometimes formally, a 'partial equilibrium' approach that holds all factors constant save one, yielding comparative statics. In particular, I often assume that the level and conditionality of repression is a choice variable for state leaders; also, I abstract away from the question of how many cartels are in the market, and whether and to what degree they are competing with one another.

Such partial equilibrium analysis is an important exercise, but runs the risk of overlooking general equilibrium effects. In particular, conditions of market fragmentation, with multiple cartels engaging in violent competition, can have important effects on the dynamics analyzed here. Conditionality of repression is limited in a sense by the maximum repression the state can dole out. The effective maximum the state can apply to any one cartel is likely to be a function of how many cartels are

⁷It is fascinating to note that, if true, Escobar's allegations indicate an attempt on the part of enforcers to prevent a de jure policy accommodation from occurring through insubordination, a possibility I discuss in more general terms in Section 4.

operating, how they are behaving, and how willing the state is to concentrate on one cartel. In general, when violence is widespread, repressive force may have to be spread around among multiple violent cartels, reducing the amount of repression that any one faces.

The potential for positive feedback should be obvious: if the state is ‘maxed out,’ then the effective repression faced by a violent cartel falls with each new cartel that becomes violent. This may also be a factor in the diversification of cartels’ activities and the rise of armed criminal organizations not primarily dedicated to drug trafficking. In a world where only the tiniest fraction of homicides, no matter how brutal, are investigated much less prosecuted, all sorts of violent criminal activities that would normally be risky and ill-advised can suddenly become ex-ante profitable propositions. And for each new criminal band that emerges and commits a crime, the prospects for other potential entrants to criminal activity get better. The potential for an escalatory spiral of violence is clear.

An important related issue arises from the impact of individual cartel decisions in a concentrated versus fragmented context. In Colombia, there were essentially two cartels, only one of which took a violent stance toward the state. Thus one man, Pablo Escobar, could essentially decide the level of cartel-state violence. This allowed him to engage in the very precise coercion and bargaining that led up to his voluntary surrender in 1991. In Rio, although all three major cartels have confronted the state, the CV is a kind of ‘market leader’—traditionally the largest and most confrontational cartel, its apparent switch to non-violent strategies in 2010 presaged a similar switch by the ADA cartel that controlled the Rocinha favela until its recapture by the state in 2011. In Mexico, we lack any observations of cartels switching from violent to non-violent strategies, but we can conjecture that since even the largest cartels are small relative to the total market, their individual decisions to use violence or not thus have less decisive effects on the overall equilibrium.

3.3 A Model of Violent Corruption

Discussing the economic aspects of organized crime, Schelling (1967) noted that an organization that controlled when and where police enforced the law could effectively extract rents from the direct providers of illicit goods and services. In the 1960s Miami he describes, the Mafia played this role, acting as what Reuter called “the licensed collector of the rents associated with the franchise held by the corrupt police department[.]” (2009:277). Because the mob held monopoly power in both directions, it successfully extorted half of bookmakers’ profits while paying the police relatively small bribes. But, Schelling notes,

It could have been the other way around, with the police using the syndicate as their agency to negotiate and collect from the bookmakers, and if the police had been organized and disciplined as a monopoly, it would have been the police, not the syndicate, that we should put at the top of our organizational pyramid. From the testimony, though, it is evident that the initiative and entrepreneurship came from the syndicate, which had the talent and organization for this kind of business, and that the police lacked the centralized authority for exploiting to their own benefit the power they had over the bookmakers. (Schelling, 1967:119)

In settings where corruption is regularized and tacitly accepted, police—especially those in direct contact with illicit businesses—often possess precisely this “talent and organization”. In such cases, it is not merely the other way around; police may simply cut out the middleman and directly negotiate with cartels. The ability to selectively enforce the law gives corrupt police the ability to sell non-enforcement at the price of a bribe; this ability lays at the heart of what Snyder and Durán Martínez (2009) call ‘state-sponsored protection rackets’.

This presents a conundrum, one which lays at the heart of the model presented here. In the topsy-turvy world of regularized police corruption, enforcement of the law is simultaneously the preferred outcome from the perspective of leaders (and, perhaps, society as a whole), and the threat corrupt enforcers use to extract rents from illicit businesses. When leaders increase the level of the repression at the *de jure* level, it inadvertently but necessarily hands corrupt enforcers additional leverage over cartels at the *de facto* level.

Such a racket can be a very effective method for extracting the illicit rents from the drug trade: the kingpin of Rocinha, the largest favela in Rio, if not Latin America, said at his 2011 arrest that he had regularly paid 50% of his gross receipts in bribes to police, often leaving him without any profits at all (Werneck, 2011). One way for cartels to avoid being bargained down to their reservation value is to ‘threaten back’: if police know they will meet with armed resistance if an agreement is not reached, they are likely to settle for a smaller bribe. As an upper-level manager of the drug trade in one of Rio’s largest favelas explained to me:

There’s no way to pay [the police] everything they demand, because if we did we’d end up just working for them. [...] If there’s no money to pay them with, well then it’ll be with bullets.⁸

The idea that threats can make bribes cheaper is precisely the motivating logic behind Escobar’s practice of *plata o plomo*” as well as a model named in its honor by Dal Bó, Dal Bó, and Di Tella (2006). They show how access to a ‘punishment’ technology with which to threaten a potential bribe-taker lowers the equilibrium bribe price, and increases the total amount of bribery in the system. For our purposes, it is really only half the story. To be fair, the authors’ goal is not to explain anti-state drug violence, but rather to model more generally how the threat of violence affects bribe negotiations and interest group politics. It nonetheless fails to capture two key aspects of its motivating example. First, in their model, threats of violence are never acted on in equilibrium. In Colombia, as in Brazil and Mexico, we see a mixture of bribery *and* violence. This seems like more than just ‘noise’: some groups clearly opt for a ‘hide and bribe’ strategy that minimizes conflict with state forces, and in which there is no violence even off the equilibrium path. Second, whereas pressure groups have an outside option to simply refrain from bribe attempts, cartels are actively prosecuted by the state no matter what they do. Dal Bó et al. cannot explain violent blowback in the face of state crackdowns, because their bribers do not face state repression.

The model presented here formalizes the interaction between cartels and enforcers (police), while conceptualizing leaders as exogenously determining the level and conditionality of repression. The model reveals, first, an intuitive and sharp distinction between ‘fight and bribe’ vs. ‘hide and bribe’

⁸Interview, mid-level CV manager, Rio de Janeiro, March 29, 2010.

strategies. Within the context of a hiding strategy, crackdowns—an increase in the level of repression—lead to more and more expensive bribes. In the context of fighting, however, as long as corruption is not too risky, crackdowns drive increases in fighting. Finally, the more that crackdowns are *conditional*, such that the repressive force falls only on cartels engaged in anti-state violence, the more they push cartels toward hiding strategies. I also illustrate one channel by which the presence of ‘background’ turf war between cartels makes cartel-state violence more likely: cartels that have acquired an endowment of arms in order to fight turf wars need to spend little or no additional resources on armament in order to make fighting a credible threat (and reap the bribe-lowering rewards). Finally, the model formalizes the intuition that the threshold for switching to fighting strategies is lower when the drug trade is more territorial, such that the act of fighting itself is more effective in retaining illicit rents compared with hiding.

A word on modeling choices and the violence-generating mechanism. The opening scene of the film *Tropa de Elite* (2007) portrays a bribe negotiation gone awry, and explains the situation in surprisingly game-theoretic terms:

Every Friday [the Major] would go up the favela to collect the *arrego*. Traffickers live a life of war, but they also want to survive. Why exchange gunfire with the police if you can negotiate? [...] The truth is that in Rio, peace depends on a delicate equilibrium between the ammunition of the traffickers and the corruption of the police. It’s a fragile balancing act that can be upset by the slightest breeze.

The ‘breeze’ in this model—the mechanism that generates fighting along the equilibrium path—is similar to that employed in Powell and Dal Bó’s (2009) model of spoils politics: the exact size of the ‘pie’ is a random variable, the realized value of which is impossible to credibly communicate prior to bargaining. To avoid being low-balled by the offer-maker, the offer-taker must sometimes fight, with increasing frequency the worse the offer.⁹ This specific mechanism highlights the concern that cartels have in not being driven down to reservation values, but it can hardly account for every situation in which bribe negotiations fail. Further work could focus on other potential drivers, including commitment problems (how do parties know that the other will not renege?) and state-directed signaling (how else besides fighting occasionally can traffickers communicate to police how much firepower they have?).

Model

Setup and Timing

The game has two players: a drug trafficking organization D (he), and a street-level police officer or squad P (she). It is useful to think of a government leader G (it) as a third player who sets some of the parameter values prior to the interaction modeled here. However, rather than explicitly model G as a strategic actor, I treat the policy parameters under its control as exogenously given, then take

⁹The difference is that in Powell and Dal Bó (2009), the offer-maker has private information, which the offer-taker’s threat of fighting forces him to reveal. It is a continuous-types signalling model, and they focus on a perfectly separating equilibrium. In my model, the offer-taker possesses the private information, so there is no signalling.

comparative statics to show how policy shifts could alter the equilibrium strategies of the players. D moves first, choosing a level of armament a to spend on arms and soldiers; these are sunk costs, so that $-a$ appears in D 's payoffs no matter what branch the game follows. Next, the illicit rents y from D 's activities are realized, where $y \sim [\underline{y}, \bar{y}]$ is a random variable (I specify a distribution below); D observes y but P does not. Since D chooses a prior to learning y , there is no signaling. Then P demands a bribe b . D then decides between three actions: pay the bribe (B), hide (H) or fight (F). A strategy for D is a choice of a and a mapping from realized values of y and P 's choice of b to actions:

$$\sigma^D : \{a; A : \{y, b\} \rightarrow \Delta\{B, H, F\}\}$$

A strategy for P is a mapping from a and parameter values to bribe demands:

$$\sigma^P : \{b(a, \cdot) : \{a, \cdot\} \rightarrow b\}$$

The solution concept is subgame perfect Nash equilibrium (SPNE).

Payoffs If D pays the bribe, he keeps all of the illicit rents y less the bribe b and his sunk costs a . P receives the bribe b minus the ‘expected cost of corruption’ d (discussed below). An important implicit assumption here is that P can commit to not enforcing should she receive b .

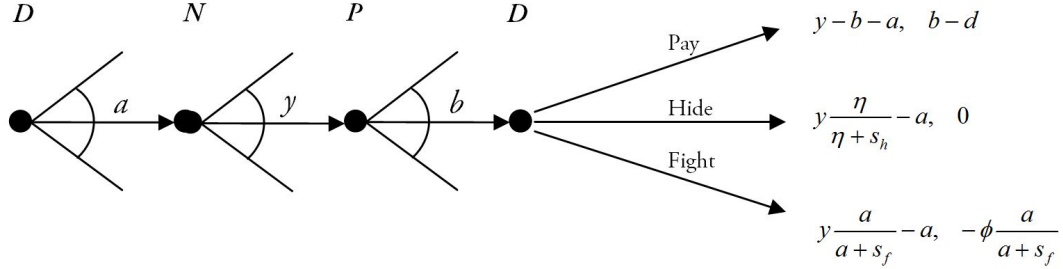
If D fights or hides, P enforces, causing D to lose a portion of realized drug profits. To gain tractability, I model this loss as a contest success function; some of the results generalize to a larger class of functional forms. Whether hiding or fighting, D 's loss depends in part on the amount of repression he faces. Let s represent the total amount of repressive force available to the state, which we can conceive of as a combination of sheer troop strength, equipment and jurisdiction to enforce laws and engage cartels. Then $\{s_h, s_f\} \leq s$ is the amount of repressive force directed at D conditional on hiding or fighting respectively. We can now give the concept of *conditionality of repression* a formal definition: repressive policy is conditional to the extent that $s_f > s_h$.¹⁰ For concreteness, I assume that repression is ‘maxed out’ when D fights, so $s_f = s$, and that $s_h = s(1 - c)$, where $c \in [0, 1]$ parameterizes conditionality of repression.

Now, if D fights, he keeps a share of drug profits given by the function $\frac{a}{a+s}$. If he hides, a does not come into play. Rather, he retains $\frac{\eta}{\eta+s_h}$ of y , where η is a scaling parameter that captures the efficacy of hiding relative to fighting. Substantively, η can be seen as an inverse measure of the territoriality of the drug trade: when η is very low, territoriality is high, so that hiding forfeits a large share of profits.

I normalize P 's payoff to enforcing when D hides to 0, and say that if D fights, P incurs disutility of $-\frac{a}{a+s}\phi$, where ϕ is a parameter value capturing P 's relative distaste for violence. The fact that, generically, $\phi \neq y$ reflects the idea that in cartel-state conflict, as in wars of constraint more generally, the two sides are not fighting for control over the same ‘pie’. In this case, while the police in situations of regularized corruption are willing to take on the role of rent collector played by the Mafia in Schelling's Miami example (1967), they are not willing to physically administer the drug trade, and would get nothing from appropriating D 's turf. Figure 3.3 presents the game tree with these general-form payoffs:

A few characteristics of these contest functions, which more general forms should share:

¹⁰A key assumption throughout is that P cannot affect these variables, she can only decide to enforce or not.

Figure 3.3 Bribe Negotiation Game Tree

1. $\frac{d}{da} \left(\frac{a}{a+s} \right) > 0$; $\frac{d}{da} \left(\frac{\eta}{\eta+s_b} \right) = 0$: arming raises D 's and lowers P 's payoffs to fighting (apart from the cost of arms) but has no effect on their payoff to hiding.
2. $\frac{d}{ds} \left(\frac{a}{a+s} \right) < 0$; $\frac{d}{ds} \left(\frac{\eta}{\eta+s_b} \right) < 0$: the more state repressive force applied in response to an action, the smaller share of y that D can retain.
3. $\frac{d}{db} \left(\frac{a}{a+s} \right) = \frac{d}{db} \left(\frac{\eta}{\eta+s_b} \right) = 0$. Since no bribe is paid, the value of the bribe demand b has no effect on either players' payoffs to H or F .
4. $\exists \tilde{a}(\cdot) > 0$: $\frac{\tilde{a}}{\tilde{a}+s} = \frac{\eta}{\eta+s_b}$: For any parameter values, there exists some level of armament such that by fighting D wins a larger share of y than by hiding. Fighting when $a = 0$ obtains a smaller share of y than hiding.

Drug profits (y) The size of the 'drug pie'—the realized profits from drug trafficking—is a random variable y , and it is uncertainty over this variable that generates bargaining breakdown in equilibrium (i.e. hiding or fighting with positive probability, as opposed to always paying the equilibrium bribe demand). Although the model is fairly robust to different specifications for the distribution of y , when the degree of uncertainty is very small, P often prefers to make a low-ball demand that will always be accepted. To see this more clearly, I follow Powell and Dal Bó (2009) and specify $y = \mu + \varepsilon$, where μ is fixed and ε is a random variable with mean zero, distributed over $[\underline{\varepsilon}, \bar{\varepsilon}]$. For tractability, I further assume that ε is distributed uniformly, which implies that $\underline{\varepsilon} = -\bar{\varepsilon}$. Now, the low-ball outcome mentioned above is ruled out whenever $\bar{\varepsilon} > \frac{\mu}{3}$. Since the pie is always positive, it is natural to assume $\bar{\varepsilon} < \mu$. Thus, to pin down the model and rule out the low-ball outcome, I assume $\bar{\varepsilon} = \frac{\mu}{2}$, which yields $y \sim U \left[\frac{\mu}{2}, \frac{3\mu}{2} \right]$.

Expected sanction from non-enforcement (d) The parameter d represents, from the perspective of the enforcer, the sum of all expected consequences of non-enforcement net of any bribe received. It is a reduced-form way of capturing the complex (hence unmodeled) dynamics of police corruption.

Although not crucial to the model's findings, I interpret d as generally low when corruption is rampant, and high when corruption is rare. The logic is straightforward. First, decompose d thus:

$$d = z_d \cdot \pi_d + \psi; \quad \pi_d = f(e_d, \xi_d, \cdot)$$

where ψ represents the psychological or moral costs of bribe-taking, z_d is the punishment P will suffer conditional on being caught, and π_d is the probability of detection and successful prosecution. π_d is a function of, among other things, anti-corruption effort e_d . The government can set z_d and e_d directly, but a key determinant of π_d is how many other enforcers are taking bribes, represented here by ξ_d . From such a starting point, models of corruption and law-enforcement (e.g. Tirole, 1996) have derived multiple equilibria, a 'good' equilibrium in which there are few law-breakers, so that π_d and hence d are high, giving each officer an incentive to obey; and a 'bad' equilibrium in which everybody breaks the law, so that any one enforcer faces a low π_d and hence a low d . Empirical work further supports the notion that corruption is a multiple-equilibrium game (Fisman and Miguel, 2007; Olken and Barron, 2007). Police departments do occasionally get cleaned up, suggesting that sufficient state pressure, via changes in z_d and e_d , can shift the equilibrium outcome. However, corruption remains an endemic problem in many places, and it is not clear that states face a simple choice over whether to have corrupt police or not. In other words, the empirical relationship between π_d and e_d is not at all clear; indeed, it constitutes an entire research agenda in its own right. This model does not address these questions, and treats d as essentially exogenous.¹¹ The model does predict that a state that successfully eliminated a culture of corruption and shifted d from a low to a high value would also make progress against violent corruption. But the more relevant and salient finding is that state leaders can, through direct manipulation of the parameters they do control, s and c , eliminate violent corruption without any change in e or d .

This model abstracts away from issues of norms and individual police officers' moral compunctions, hence no indexing of ψ . A different approach would be to let variation in ψ_i define multiple types of enforcers; it seems likely that private information about ψ_i could produce violent equilibria, functioning in a parallel manner to the private information about y in this model. In such a model, D would sometimes fight 'high', non-corruptible types to keep 'low', more corruptible types from bluffing.

Analysis

There is a sharp and immediate division between 'hide and bribe' equilibria and 'fight and bribe' equilibria, and a minimum level of armament $\tilde{a}$ needed to make fighting a credible threat:

$$\tilde{a} = \eta \frac{s_f}{s_b} = \frac{\eta}{1 - c}$$

¹¹An important assumption made here is that the total expected sanction d is not a function of the size b of the bribe taken. One potential objection to this assumption is that very large bribes might attract the attention of superiors and hence have a higher chance of detection. Another is that there might be an important discontinuity when $b = 0$, i.e. the law, the public, or both might distinguish between an enforcer who simply fails to enforce the law and one who has received money from criminals. Relaxing these assumptions by more explicitly modeling d would complicate the model, but make an interesting avenue for further research.

Note that $\tilde{a}$ is decreasing in the territoriality of the drug trade (i.e. increasing in η) and increasing in the conditionality of repression (c).

Lemma 1 *In equilibrium, D never plays $a \in (0, \tilde{a})$.*¹²

This is because SPNE ensures that in the last round D will choose the action with the highest payoff; whether or not it is worth paying the bribe will depend on P 's choice of b and the realization of γ , but D 's choice of a at the outset determines which 'outside option' payoff will be greater, hiding or fighting. Generically, her optimal choice of a will not be $\tilde{a}$, so there can be no mixing between hiding and fighting once a level of armament has been chosen. Substantively, D cannot credibly threaten to fight unless she has sufficient firepower ($a \geq \tilde{a}$), and once she has obtained sufficient firepower, cannot credibly threaten to hide should a bribe not be agreed to.

To further analyze the model, it is helpful to separately calculate, then compare D 's best-response payoffs for hiding ($a = 0$) and fighting ($a > \tilde{a}$) strategies. For clarity, I denote those best-response strategies a_h^* and a_f^* respectively. We then think of D 's equilibrium choice as

$$a^* = \arg \max_{\{a_h^*, a_f^*\}} E[U^D(a)]$$

Then by Lemma 1, $a_h^* = 0$ and $a_f^* \geq \tilde{a}$.

Case h : $a < \tilde{a}$ ('Hide and Bribe')

Given $a = 0$, for any b , D will hide if

$$\gamma < \gamma^* = b \left(1 + \frac{\eta}{s_b} \right) \quad (3.1)$$

and pay b otherwise. Note that there is a minimum (and maximum) bribe below (above) which D never (always) hides. These can be derived from the equation above, yielding:

$$b_h^m = \frac{\mu}{2} \frac{s_b}{s_b + \eta}, \quad b_h^M = \frac{3\mu}{2} \frac{s_b}{s_b + \eta}$$

P does not know the realized value of γ when she chooses b , so the probability of D hiding conditional on b is:

$$\Pr_H(b) = \begin{cases} 1 & \text{for } b \geq b_h^M \\ \frac{b}{\mu} \left(1 + \frac{\eta}{s_b} \right) - \frac{1}{2} & \text{for } b \in (b_h^m, b_h^M) \\ 0 & \text{for } b \leq b_h^m \end{cases} \quad (3.2)$$

P 's expected utility is a function of $\Pr_H$

$$E[U_b^P(b)] = \Pr_H(b) \cdot 0 + (1 - \Pr_H(b))(b - d)$$

¹²Proofs for all formal results are given in Appendix A.

and so is kinked at b_h^m and b_h^M . To determine P 's best response, we can maximize an 'unconstrained' version of her utility function:

$$b_h^* = \arg \max_b \left[\frac{b \left(1 + \frac{\eta}{s_b}\right) - \frac{1}{2}\mu}{\frac{3}{2}\mu - \frac{1}{2}\mu} (0) + \left[1 - \frac{b \left(1 + \frac{\eta}{s_b}\right) - \frac{1}{2}\mu}{\frac{3}{2}\mu - \frac{1}{2}\mu} \right] (b - d) \right] \quad (3.3)$$

This yields:

$$b_h^* = \frac{s_b}{s_b + \eta} \frac{3}{4} \mu + \frac{1}{2} d \quad (3.4)$$

Then, we check what happens if b_h^* lies outside the interval (b_h^m, b_h^M) . First, note that the assumption on the distribution of y guarantees that $b_h^* > b_h^m$, ruling out a situation where P prefers to make a low-ball demand that will always be paid.¹³

Lemma 2 *If $b_h^* > b_h^M$, P is weakly better off playing b_h^M than any other b , and strictly better off than for any $b < b_h^M$.*

This yields the following strategy for P :

$$\hat{b}_h^* = \begin{cases} b_h^M = \frac{s_b}{s_b + \eta} \frac{3}{2} \mu & \text{if } b_h^* \geq b_h^M & \text{and } \Pr_H = 1 \\ b_h^* = \frac{s_b}{s_b + \eta} \frac{3}{4} \mu + \frac{1}{2} d & \text{if } b_h^* \in (b_h^m, b_h^M) & \text{and } \Pr_H = \frac{1}{4} + \frac{1}{2} \frac{s_b + \eta}{s_b} \frac{d}{\mu} \\ b_h^m = \frac{s_b}{s_b + \eta} \frac{1}{2} \mu & \text{if } b_h^* \leq b_h^m & \text{and } \Pr_H = 0 \end{cases} \quad (3.5)$$

Thus there is an interior solution (i.e. $b_h^* < b_h^M$) whenever

$$d < \left(1 - \frac{\eta}{s(1-c) + \eta} \right) \frac{3}{2} \mu \quad (C_d)$$

This condition has a natural interpretation: the right hand side is the largest loss that P can impose on D if no bribe is paid. If this exceeds P 's reservation bribe price (d), then there is some room for mutually beneficial bribes. If d is above this cutpoint, then police lack sufficient leverage to extract a bribe large enough to compensate them for the expected punishment from bribe taking, and we get pure enforcement.

Recalling that $s_b = s(1-c)$ we can now see that allowing c to approach 1 not only makes fighting unviable, it also guarantees that no bribery will occur, as long as d is nonzero.

Proposition 3 *If C_d holds, and assuming $a = 0$, the equilibrium probability of hiding is $\frac{1}{4} + \frac{1}{2} \frac{s(1-c) + \eta}{s(1-c)} \frac{d}{\mu}$. The probability of bribe-taking ($1 - \Pr_H$) is thus increasing in μ and s , and decreasing in d and c .*

¹³If we model the range of y as $[\mu - \varepsilon, \mu + \varepsilon]$, then $\varepsilon > \frac{\mu}{3}$ guarantees that $b_h^* > b_h^m$. The low-ball condition can only occur when the uncertainty over the size of the pie is relatively small. As noted, I have chosen $\varepsilon = \frac{\mu}{2}$ throughout.

It is straightforward that the larger drug profits (μ) are, the easier it is for bribery to occur, and likewise that a higher expected punishment from bribe-taking (d) deters bribery. The other two results, however, are counter-intuitive: crackdowns (increases in s) increase the equilibrium probability of bribery, because they reduce D 's outside option, and thus make him more willing to pay a bribe. By the same token, increases in conditionality (c) reduce the effective level of force P can apply under a hiding strategy, thus giving D less incentive to reach a deal. This leads to the following

Corollary 4 *For any set of parameter values, $\exists c^{NB} \in (0, 1) : c > c^{NB} \implies b_b^* \geq b_b^M$, such that Inequality C_d does not hold, and if $a = 0$, no bribes are paid.*

Intuitively, as c approaches 1, we get a form of conditional decriminalization, where D faces next to no repression as long as he eschews violence. As his potential loss from law enforcement (the right-hand side of Inequality C_d) approaches zero, he is no longer willing to pay a bribe to avoid enforcement.

Case f : $a > \tilde{a}$ ('Fight and Bribe')

The first steps of the analysis are similar, since P takes a as given when he chooses b . As before, there are minimum and maximum bribes b_f^m, b_f^M which are now functions of a . As before, we can calculate an unconstrained b_f^* and show that P can do no better than to play $\widehat{b_f^*(a)} = \max \left[\min \left[b_f^*, b_f^M \right], b_f^m \right]$:

$$\widehat{b_f^*(a)} = \begin{cases} b_f^M(a) = \frac{s}{a+s} \frac{3}{2} \mu & \text{if } b_f^* \geq b_f^M & \text{and } \Pr_F = 1 \\ b_f^*(a) = \frac{s(\frac{3}{2}\mu + d) + a(d-\phi)}{2(a+s)} & \text{if } b_f^* \in (b_f^m, b_f^M) & \text{and } \Pr_F = \frac{1}{4} + \frac{a(d-\phi) + sd}{2s\mu} \\ b_f^m(a) = \frac{s}{a+s} \frac{1}{2} \mu & \text{if } b_f^* \leq b_f^m & \text{and } \Pr_F = 0 \end{cases} \quad (3.6)$$

Because a is a choice variable, a true interior solution is one in which $b_f^*(a_f^*) \in (b_f^m(a_f^*), b_f^M(a_f^*))$, where a_f^* generates the highest payoff to D 's conditional on $a > \tilde{a}$. Once again, it is simplest to calculate 'unconstrained' values for a_f^* , then check whether $b_f^*(a_f^*)$ lies within $(b_f^m(a_f^*), b_f^M(a_f^*))$. First, for any a , D will be indifferent between paying and fighting when $y - b_f^*(a) = y \frac{a}{a+s}$. Assuming an interior solution and plugging in b_f^* from Equation 3.6, we can define the cutpoint $y^*(a) = \frac{2ad + 2ds + 3s\mu - 2a\phi}{4s}$ such that D fights when $y < y^*(a)$ and pays otherwise. D 's 'unconstrained' expected utility as a function of a is thus given by:

$$E[U_f^D(a)] = \int_{\frac{\mu}{2}}^{y^*(a)} \left(y \frac{a}{a+s} - a \right) \frac{1}{2\mu} dy + \int_{y^*(a)}^{\frac{3\mu}{2}} \left(y - \frac{s(\frac{3}{2}\mu + d) + a(d-\phi)}{2(a+s)} - a \right) \frac{1}{2\mu} dy \quad (3.7)$$

We can now maximize this 'unconstrained' function, which yields:

$$a_f^* = s \left(\frac{\sqrt{(8s\mu - (d-\phi)^2)(23\mu^2 + 12\mu\phi - 4\phi^2)}}{2(8s\mu - (d-\phi)^2)} - 1 \right) \quad (3.8)$$

To ease the notation, write $\Omega \equiv 8s\mu - (d - \phi)^2$ and $\Upsilon \equiv 23\mu^2 + 12\mu\phi - 4\phi^2$. Then, substitution into Equation 3.6 yields:

$$b_f^*(a_f^*) = \frac{d - \phi}{2}\Omega + \left(\frac{3}{2}\mu + \phi\right)\sqrt{\Omega \cdot \Upsilon} \quad (3.9)$$

Focusing on areas of the parameter space where an interior solution exists, we can now solve for $\Pr_F(a^*)$. This yields:

$$\Pr_F = \frac{1}{4} + \frac{\phi}{2\mu} + \frac{(d - \phi)}{4\mu} \frac{\sqrt{\Omega \cdot \Upsilon}}{\Omega} \quad (3.10)$$

Taking comparative statics on $\Pr_F(a_f^*)$:

$$\frac{\partial \Pr_F}{\partial s} = (\phi - d) \frac{\sqrt{\Omega \cdot \Upsilon}}{\Omega} \quad (3.11)$$

Note that $a_f^* = s \frac{\sqrt{\Omega \cdot \Upsilon}}{\Omega} - s$, so if $a_f^* > 0$, which it must be to have fighting in equilibrium, then the sign of $\frac{\partial \Pr_F}{\partial s}$ depends directly on the relative size of d and ϕ . This is a key result of the paper.

Proposition 5 *Given an interior solution for a fighting strategy, crackdowns increase the probability of fighting whenever the cost of corruption is low ($d < \phi$), but decrease fighting when corruption is rare ($d > \phi$).*

In addition, we see that the probability of fighting is increasing in d , which is straightforward: higher expected costs of corruption leads to fewer bribes in equilibrium.

If $b_f^*(a_f^*) < b_f^m(a_f^*)$, then D does not ‘need’ to go ‘all the way’ to a_f^* ; rather, by playing $a_B < a_f^*$ he can induce P to demand a low-ball bribe that D is always willing to pay. With $\Pr_F = 0$, this is a situation can be thought of as ‘corrupt coerced-peace,’ a ‘fight and bribe,’ with a real threat of violence off the equilibrium path, that nonetheless has no fighting in equilibrium. This too is an important finding: it constitutes another ‘path to violence,’ since an increase in s can push a_B above a_f^* . Below, I explore a simulation of such a coerced peace devolving into violence in response to a crackdown, and find that the dynamics echo the situation faced by Colombia’s judiciary as it expanded its fight against Pablo Escobar in the late 1980s.

The opposite situation can also occur if $b_f^*(a_f^*) > b_f^m(a_f^*)$, that is, the bribe which P ‘wants’ to demand is so high that D would never pay it. This is, in a sense, violent non-corruption, corresponding to a world where both sides simply prefer a fight to a ‘bargained solution’. For this to occur, d must be large relative to μ , suggesting a low-corruption equilibrium. At the same time, for this to be the true equilibrium outcome, D must prefer always fighting to some hide and bribe equilibrium. Thus in general c and η would need to be relatively small.

Determining D 's equilibrium strategy

The analysis thus far has derived two potential payoffs for D : his payoff to setting $a = 0$, the best he can do under a 'Hide and Bribe' strategy, and to setting $a = a_f^*$, the best he can do under a 'fight and bribe' strategy. By comparing these two potential payoffs, we can determine which strategy D adopts in equilibrium.

Recalling that in this specification, $b_b^* > b_b^M$, D 's equilibrium payoff to $a = 0$ is given by:

$$E[U_b^D] = \begin{cases} \mu \frac{\eta}{\eta + (1-c)} & \text{if } b_b^* \geq b_b^M \\ \frac{1}{32\mu} \left((2d - 3\mu)^2 + \frac{4d^2\eta}{s(1-c)} + \frac{23\eta\mu^2}{\eta + s(1-c)} \right) & \text{if } b_b^* \in (b_b^m, b_b^M) \end{cases}$$

Then we check what the best D can do by fighting. Assuming an interior solution, such that $b_f^*(a_f^*) < b_f^M$, we get:

$$E[U_f^D(a_f^*, b_f^*)] = \frac{8\mu(s + \mu) + 3\mu\phi - 2\phi^2 + d(-3\mu + 2\phi) - \sqrt{\Omega \cdot \Upsilon}}{8\mu}$$

Even assuming interior solutions for both potential strategies, which strategy is optimal is still largely a question of parameter values. One thing is clear, however: increasing the conditionality of repression strictly raises the payoff to hiding and has no effect on the payoff to fighting. Thus there is always some level of conditionality sufficient to induce hiding.

Lemma 6 $\lim_{c \rightarrow 1} E[U_b^D] = \mu$

Proposition 7 $\exists \tilde{c} \in (0, 1)$ such that if $c > \tilde{c}$, D plays $a = 0$, P plays $b \geq b_b^M$, and D always hides.

In words, Lemma 6 says that as we approach total conditionality (which we can think of as decriminalizing the non-violent trafficking of drugs), the payoff to hiding approaches the entire rents from the drug trade. Proposition 7 then establishes that there is some level of conditionality such that D never fights, and never pays bribes either. Although this may seem like an extreme result, contradicting the idea that the drug trade is inherently violent, it is an intuitive aspect of criminal war: if groups fight (and bribe) state forces to retain illicit rents, then there is no reason to fight (or bribe) when the state allows groups to retain a sufficient portion of those rents.

Numerical Simulations

The complexity of the model makes it helpful to use a numerical simulation to show how increases in s (i.e. crackdowns) affect the equilibrium strategies in the game under varying degrees of conditionality and parameter conditions. The first example illustrates how an unconditional crackdown alone can lead a cartel to switch from non-violent to violent corruption. The second explores the role of conditionality

in curtailing violence. The third simulates a ‘coerced peace,’ in which cowed enforcers ask for only minimal bribes, until an increase in their repressive capacity ultimately leads to fighting.

In all the figures below, the horizontal axis shows D ’s choice of a , and the vertical axis shows D ’s expected utility assuming P plays according to equilibrium strategy. The two curves represent D ’s equilibrium payoffs. The downward sloping solid line is D ’s payoff to hiding: note that if he hides, he is always best off setting a to 0. The convex curve is his payoff to fighting; when there is an interior solution, the curve reaches its maximum at a_f^* . Thus D ’s decision about whether to hide (and bribe) or fight (and bribe) amounts to checking whether payoffs are higher at a_f^* or $a = 0$. For ease of visual comparison in these simulations, the payoff to $a = 0$ is shown as a dashed horizontal line.

For reference, key values are reported underneath each figure in three tables. The top table shows the ‘input’ parameter values, the middle table shows results for hiding, the bottom for fighting. Another way to see which strategy will hold in equilibrium is to simply compare the right-most value of the lower two boxes: U_b^D vs. U_f^D . Other key values are $\Pr_H$ and $\Pr_F$, the probabilities of fighting and hiding respectively, b_b^* and b_f^* , the equilibrium bribe demands, and of course a_f^* , the amount of cartel armament.

Unconditional Crackdown and Blowback

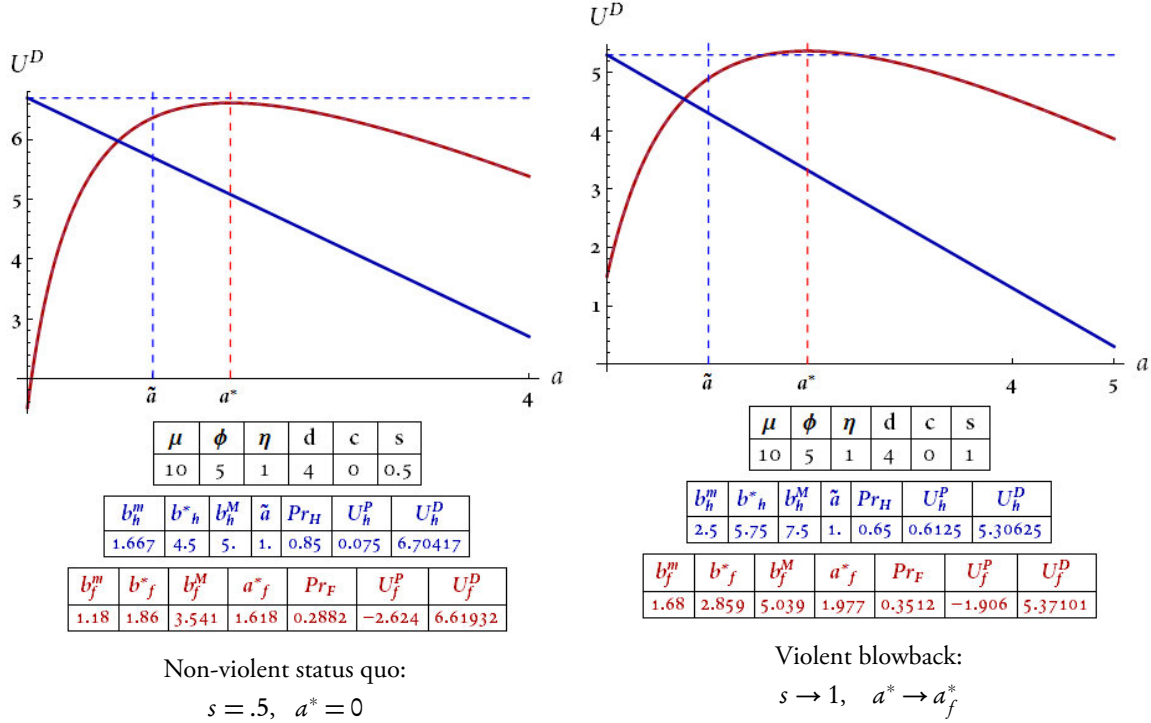
In this example, $\phi > d$ (relatively high corruption), μ is large relative to d (plenty of room for mutually beneficial bribes) and repression is entirely *unconditional* ($c = 0$).

For concreteness, think of the left half of Figure 3.4 as a *status quo ante* in which the state has an only mildly repressive stance toward the drug trade: given $\eta = 1$, $s = .5$ implies that when police enforce the law and traffickers hide, police succeed in reducing drug profits by a third. Note, though, that if D plays $a = 0$, P demands a bribe of 4.5, which D will pay 15% of the time. D could try to use armed force to intimidate P into lowering her bribe demand. The best D could do under such a strategy would be to set $a = a_f^*$. While this would lower the bribe demand considerably (to about 1.8), the price of arming and occasionally fighting makes D worse off than under a ‘Hide and Bribe’ approach. However, were the state to crack down, and raise s to 1, as shown in the right-hand panel of Figure 3.4, the calculus would change: now D is better off playing $a = a_f^*$, and we get fighting with a probability of .35.

Note that there is deadweight loss associated with fighting: $U_f^D + U_f^P < U_b^D + U_b^P$. As in Powell (2004), intertemporal commitment problems play a role here: In theory, P could offer to demand a lower bribe if D chooses $a = 0$, but once D has done so (in the first round), he becomes weaker, and in the third round (when P chooses b) P would renege.

Conditional vs. Unconditional Crackdown

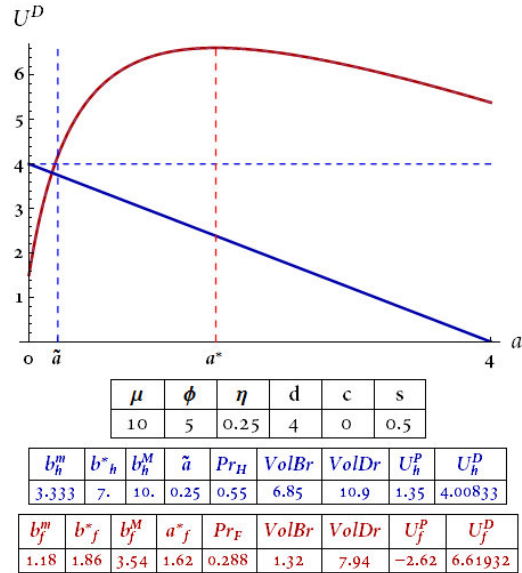
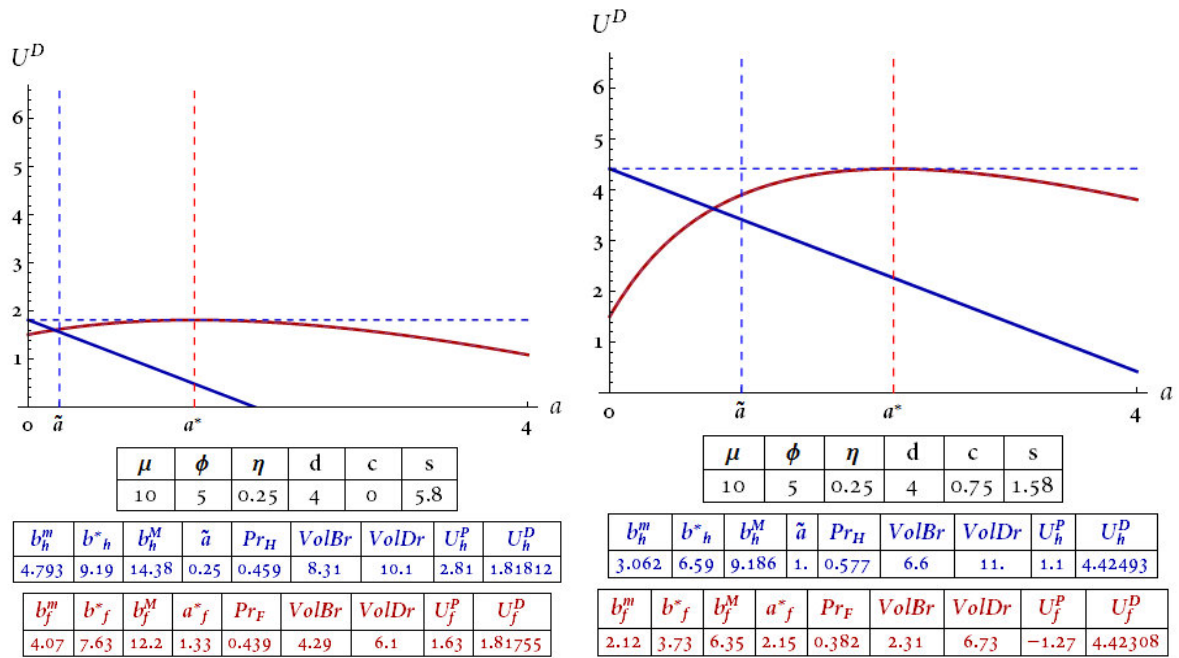
The previous example shows that it is possible for an increase in s alone to drive a shift from hiding to fighting strategies. However, beyond some point, increases in s drive cartels to hide. The question is how much force is needed, and in the next example, we can see that conditional crackdowns can be

Figure 3.4 Simulation #1: Unconditional Crackdown and Blowback

more effective. Figure 3.5 shows a drug market that is highly territorial, so that the payoff to hiding is relatively low ($\eta = .25$). Even with $s = .5$, the cartel will fight:

Now consider two alternative interventions aimed at eliminating the violence (Figure 3.6). In each case, let s^* be the cutpoint at which the cartel switches to a non-confrontational strategy.

The left half of Figure 3.6 represents an all-out, unconditional crackdown on the drug trade: an increase in s and no increase in c . The right half represents a conditional crackdown, with c rising to $\frac{3}{4}$. The amount of armed force necessary to induce hiding is far less under a conditional crackdown. Moreover, the expected probability of a bribe ($1 - Pr_H$), the equilibrium bribe price (b_h^*), and hence the total volume of bribes ($VolBr$) are all less under the conditional crackdown. This is because increased conditionality reduces P 's leverage over D when D is not fighting. One effect of this is to make P worse off and D better off than under an unconditional crackdown. The simulation thus captures some of the tradeoffs and political difficulties associated with a conditional policy: on the one hand, it requires less actual repressive force (and thus may be the only feasible solution if the state faces resources constraints on s) and leads to less corruption (by reducing enforcers' leverage). On the other, it leaves (corrupt) police worse off, possibly generating hostility or insubordination, and leaves cartels better off, exposing it to criticism as 'aiding and abetting the drug trade'.

Figure 3.5 Simulation #2: A Violent, Territorial Drug Market**Figure 3.6 Simulation #2: Unconditional vs. Conditional Crackdown**

Unconditional crackdown:

$$c = 0, \quad s^* = 5.8$$

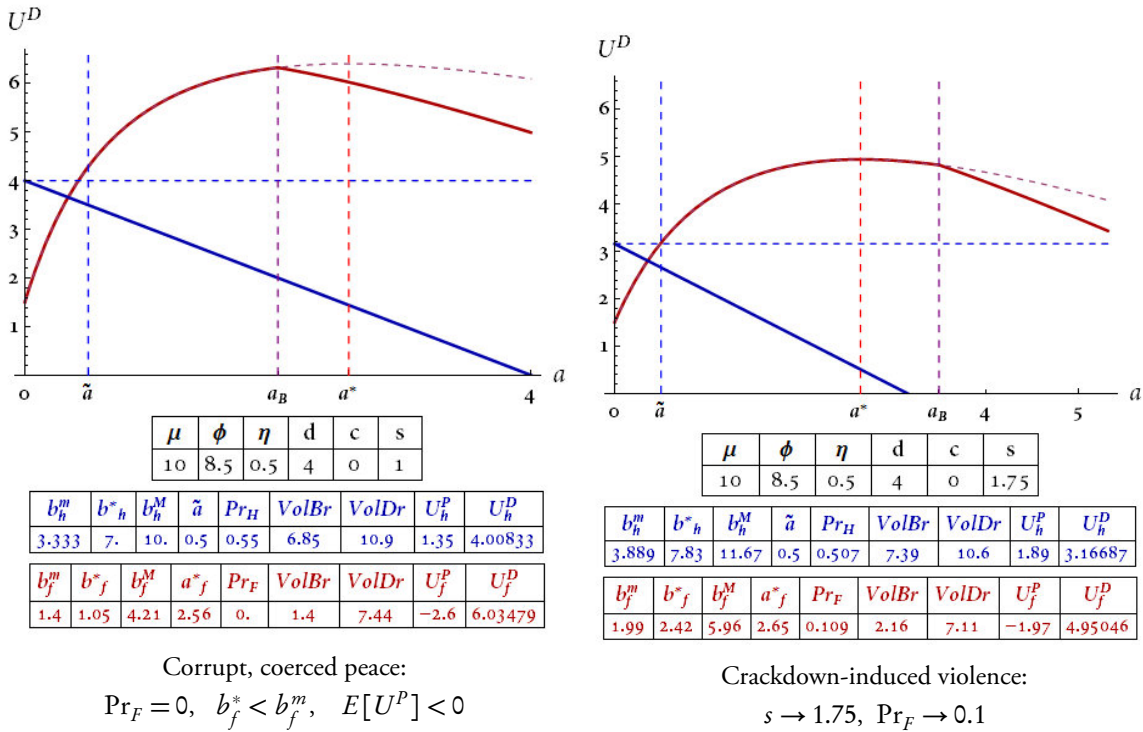
Conditional crackdown:

$$c = .75, \quad s^* = 1.58$$

Corrupt Coerced Peace

A final simulation reveals a different mechanism by which an increase in s could cause an outbreak in violence, the ‘coerced-peace corruption’ discussed above. and illustrated in Figure 3.7. Recall that b_f^* is decreasing in a . Thus there is a cutpoint a_B such that for $a > a_B \Leftrightarrow b_f^*(a) < b_f^m(a)$; substantively, a_B is a level of cartel armament above which P prefers to make a low-ball offer that will always be accepted rather than risk fighting. If $a_f^* > a_B$, then $b_f^*(a_f^*) < b_f^m(a_f^*)$ and (assuming fighting is preferable to hiding) we get a ‘fight and bribe’ equilibrium with no fighting. This is the situation shown in the left panel of Figure 3.7. Note in this example P has a strong distaste for fighting ($\phi = 8.5$); this makes (the threat of) fighting a very effective lever for D to lower the bribe price. Indeed, P is actually being coerced into accepting a bribe $b = b_f^m$ that is lower than d , her expected punishment for bribe-taking, yielding negative expected utility ($U_f^P = -2.6$). She does this because it is still better than fighting the cartel, given her relatively high ϕ .

Figure 3.7 Simulation #3: ‘Corrupt Coerced Peace’ and its Breakdown



Substantively, this calls to mind the situation that judges faced in Colombia, simply too afraid of Pablo Escobar to risk fighting him, but receiving less than their uncoerced reservation price for bribe-taking. A threatening note from Los Extraditables to one of the presiding judges in a 1985

lawsuit against the extradition treaty, for example, explicitly acknowledges holding enforcers to below their reservation value:

“We will DEMAND a favorable decision... We will not except that you go sick. We will not accept that you go on holiday; and we will not accept that you resign.” (Bowden, 2001:70)

Coerced peace depends on the relative weakness of the state relative to enforcer’s distaste for fighting. Under such circumstances, an increase in state capacity could actually trigger an outbreak of violence. The righthand panel shows the effect of an increase in s ; now $a_f^* < a_B$, and P now demands a bribe large enough that D will sometimes reject it, and fight. In terms of the Colombian example, we can interpret the increase in judicial personnel and equipment in the late 1980s as an increase in s , that may have pushed some officials to stand up to Escobar, leading to a spate of assassination of judges.

Extension: Effects of Turf Wars

The game as structured assumes that D 's only relevant strategic interaction is with police, but of course D may be competing for turf with other DTOs. Such turf wars, as I have argued in earlier chapters, are essentially wars of conquest in which players fight over a single 'pie,' and thus different from the interaction modeled here. Moreover, they are clearly multiplayer games and, based on the observed variation between periods of relative peace and those of intense inter-cartel fighting, capable of generating both violent and (potentially implicit) pacted equilibria.

Capturing the complex interaction between inter-cartel turf war and cartel-state conflict is beyond the scope of this model; here I examine one piece of it in a partial equilibrium setting. The intuition is that, due to an ongoing turf war, D may *already* have acquired a stock of armament, which is a sunk cost vis à vis his interaction with P . To formalize this, we let $a = a_v + a_\omega$, where a_ω is D 's endowment of arms, and a_v his investment in additional arms. When D fights he uses all his arms, a , only a_v appear in his payoffs since the costs of a_ω are sunk prior to the game. If we think of a_ω as an equilibrium outcome of the inter-cartel game, then all things equal, the more turf war that game is producing, the higher a_ω .¹⁴ So, in this reduced-form way, we can test the effects of an ongoing drug war by taking comparative statics on a_ω . First, assuming that $a_\omega < a_f^*$, note that since D still faces a constant marginal cost for a , the total equilibrium level of armament a_f^* does not change:

$$a_v^* = s \left(\frac{\sqrt{(8s\mu - (d - \phi)^2)(23\mu^2 + 12\mu\phi - 4\phi^2)}}{2(8s\mu - (d - \phi)^2)} - 1 \right) - a_\omega \quad (3.12)$$

$$a_v^* + a_\omega = a_f^* \quad (3.13)$$

This means that Pr_F also remains unchanged. However, D 's payoff to fighting relative to hiding increases by a_ω .

$$\widetilde{U}_f^D(a_f^*) = U_f^D(a_f^*) + a_\omega \quad (3.14)$$

This suggests a simple mechanism by which a turf war could trigger the onset of cartel-state conflict: imagine parameter conditions such that $U_h^D > U_f^D(a_f^*)$ in the absence of a turf war. As the turf war intensifies, cartels want to increase their armament levels in order to predate on other cartels and protect themselves from predation. When a_ω crosses the critical point $a_\omega^* \equiv U_h^D - U_f^D(a_f^*)$, D switches from a hiding strategy ($a_v = 0$) to a fighting strategy ($a_v = a_f^* - a_\omega$). In this case, then, turf wars do not affect the dynamics of cartel-state conflict once underway, but they make the switch from hiding to fighting more likely. In the more extreme case that $a_\omega > a_f^*$, $a_v^* = 0$ (assuming an interior solution) and we get more (less) fighting if $d > \phi$ ($d < \phi$). If $a_\omega > \frac{\eta}{1-c}$, then D can never hide, even if he sets $a_v^* = 0$.

¹⁴The key bit of hand-waving here is in ignoring the reciprocal effects of the cartel-state interaction on the inter-cartel game. Fortunately, as we will see, the effects are reinforcing: a higher a_ω leads to more fighting in the cartel-state interaction, which, I argue, should lead to further intensification of turf war (in Chapter 2, I call this the 'punching the ref' effect).

Empirically, this path to cartel-state conflict fits the Mexican case well. There, non-violent corruption was the norm for decades, during which inter-cartel turf war was minimal. With the breakdown of the PRI, cartels began vying for turf, and an arms race began, culminating with the Gulf cartels' innovative recruitment of rogue special-forces soldiers as a private militia that came to be known as Los Zetas. The rival Sinaloa cartel responded by building its own armed wing. When the two cartels clashed in Nuevo Laredo between 2004 and 2005, some of the first sustained cartel-state violence occurred (Grillo, 2011:103-105).

3.4 A 'Toy' Model of Violent Lobbying

Rather than developing and solving an elaborate model of violent lobbying, I present a highly simplified 'toy model' and discuss the issues it raises. In the analysis, I discuss how further exploration of these factors would lead to different extensions of this very basic approach.

Model

Setup

In this simple framework, a cartel D (he) faces a government leader, G (she). At the outset, G chooses a policy ρ from among three options in increasing order of harshness. Denote these l, c , and m , for laissez-faire, crackdown, and maximum repression. Assume G has a (weakly) ideal point at c :

$$U_l^G < U_c^G \geq U_m^G$$

while D prefers the least amount of repression:

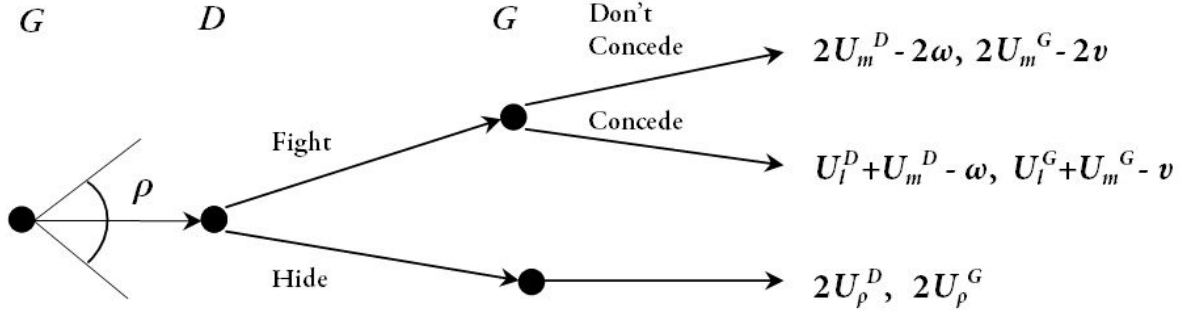
$$U_l^D > U_c^D > U_m^D$$

Once $\rho \in \{l, c, m\}$ is announced, D chooses whether to fight or hide; if hiding, the game ends and the players get $U_\rho^{i \in \{G, D\}}$ for two periods. By assumption, if D fights in any period, the level of repression goes to m ; in addition, D inflicts ν in damage on G , at an out-of-pocket cost (apart from any policy effects) of ω . If fighting occurs in the first period, G can then either grant concessions by switching to l , or not, in which case D fights again and repression remains at m for period 2. If concessions are granted, G pays a political cost of δ , over and above her ex-ante policy preferences. I discuss δ at length below; for now think of it as a placeholder for all potential political effects, both good and bad, of negotiating (successfully) with cartels. If G does not grant concessions, the players get $U_m^{i \in \{G, D\}}$ plus their respective costs of violence for two periods. I assume no discounting.

Solving the game

Working backward, if D has chosen to fight, then at node 3 G will back down and grant concessions if $2U_m^G - 2\nu < U_m^G + U_l^G - \nu - \delta$. This yields a *insufficient resolve* condition:

$$U_m^G - U_l^G - \delta < \nu \quad (R_G)$$

Figure 3.8 Violent Lobbying Game Tree

If R^G does not hold, D cannot inflict enough pain on G to induce policy concessions, and therefore has no incentive to fight. In that case, G can do no better than to choose her ideal point, c . This corresponds to the uninteresting case in which the state cannot be influenced and D knows it.

If R^G holds, D knows that by enduring one period of fighting he can induce his desired policy in the second period. He will fight if this leaves him better off than just accepting whatever policy ρ is chosen by G at the outset:

$$U_l^D + U_m^D - \omega > 2U_\rho^D$$

Rearranging yields a *sufficient resolve* condition for D :

$$U_l^D - U_\rho^D > U_\rho^D - U_m^D + \omega \quad (R_\rho^D)$$

This has a clear substantive interpretation: the left-hand side represents, for any initial choice of ρ , D 's potential policy gains from violent lobbying, while the right-hand side captures the (always positive) costs of violence. Thus R_ρ^D never holds for $\rho = l$ (why fight if the status quo is your ideal point?). Costs can be decomposed into out-of-pocket costs ω , and policy costs, $U_\rho^D - U_m^D$. The latter represents, for any choice of ρ , the additional sanction available to the state should D opt for violence—capturing the idea of *conditionality of repression*. Thus if the state ‘maxes out’ at the beginning of the game, choosing $\rho = m$, conditionality of repression is effectively zero, and D will always fight (as long as ω is small relative to the potential policy gains).

Whether R_ρ^D holds when $\rho = c$ depends on parameter values, and corresponds to a substantive question about the relative incentives and disincentives to violence that D faces. If R_c^D fails, G 's simply plays her ideal point c , knowing that D will not fight. If R_c^D does hold, G will play l as long as $2U_l^G > U_m^G + U_l^G - v - \delta$ which we know is true from R^G . The parameter space can thus be divided into three regions, corresponding to three substantive outcomes:

Note that with complete information and no change in relative strength between periods, is insufficient to generate fighting along the equilibrium path.

Table 3.1 Regions of Parameter Space for Violent Lobbying Game

		R^G	
		T	F
R_c^D	T	G is effectively coerced	G cannot be coerced
	F	G <i>could</i> be coerced but not worth it to D	

Incomplete Information with Fighting

Fighting along the equilibrium path could be generated any number of ways. In keeping with the illustrative nature of this very simple model, I focus on a basic private information mechanism. Assume again that R^G holds. Now say that there are two possible types of cartel, strong and weak, for whom R_c^D does and does not hold, respectively. G believes she is facing a weak type with probability $\mu \in [0, 1]$. D knows his type but has no way to credibly communicate it to G before she chooses ρ . If G plays c , she will provoke a fight (that she will lose) with probability $1 - \mu$, but will otherwise enjoy her ideal-point policy. This is worth the risk if:

$$\mu(2U_c^G) + (1 - \mu)(U_m^G + U_l^G - \nu - \delta) > 2U_l^G$$

This is false if $\mu = 0$ (by R^G) and true if $\mu = 1$, so by continuity there is some cutoff μ^* above which G plays c and a fight ensues with probability $1 - \mu$.

In this world, D only fights when he can win. Further private information would be needed to produce an equilibrium in which D sometimes fights and loses. But the model already provides a key insight. From the perspective of a strong D facing $\rho = c$, the state's policy is, in a sense, conditional, but *in the wrong direction*. If D hides, he has to live with c ; if he fights, he will eventually get l . This *inverse conditionality* captures, in a stripped-down fashion, a logic often attributed to Escobar, namely that the government would only grant concessions once it became convinced that it could not defeat the cartels outright (López Restrepo, 2006:203).

Discussion

The necessary conditions for violence off the equilibrium path—that is, for the threat of violence, though not ultimately acted on, to influence the actions that leaders take—are captured by R_G and R_D . Before we ask why violence would actually occur in equilibrium, unpacking these highly reduced-form equations helps to focus on the relevant real-world scope conditions for violent lobbying. The government's resolve condition R_G has three components: policy preference ($U_m^G - U_l^G$), disutility of cartel violence (ν), and the cost of concessions (δ). The first is relatively straightforward: it represents leaders' ex-ante feelings about engaging in maximal crackdown vis-à-vis laissez-faire. These

preferences certainly incorporate a host of political considerations, including assessments about the future consequences of pursuing either policy. However, they are separate from concerns about appearing to have caved in to cartels' demands, which are captured by δ . This captures the idea that, assuming $\delta > 0$, that always having been laissez-faire (U_l^G) is preferable to switching to laissez-faire ($U_l^G - \delta$). Cartel violence is also straightforward: it includes not only the risk of physical damage that leaders face, but (more importantly, at least empirically) the political costs of public outrage and panic in the face of cartel attacks, which tend to take the form of terroristic violence.

The parameter δ is, on the other hand, nothing more than a placeholder for a host of potential factors and dynamics that might be at play. Many of these lie 'outside' the model, in the sense that they involve actors or realms not explicitly captured in the game. First among these are audience costs (Fearon, 1994), the public's disapproval and political punishment of politicians who back down in the face of a crisis. On the other hand, since actual fighting is occurring, the public may become weary an end to the violence. Related to this is the political saliency of the specific policy issue at hand: if leaders can make a policy concession that remains largely invisible (such as a subtle change to prison policy) then the audience-cost component of δ might be quite low. But a realistic model might also need to partially endogenize δ , since the manner in which leaders announce and enforce their policy choice can affect their 'wiggle room' later on. President Calderón, for example, strongly identified his entire presidency with his crackdown on the drug trade, (intentionally) elevating δ so high as to make a policy reversal virtually unthinkable.

A more subtle but potentially crucial dynamic also covered by δ has to do with the creation of a pro-crackdown constituency within the state. When leaders initiate large-scale crackdowns, they empower 'drug warriors'—bureaucrats; police, military, and intelligence officials; a—who may then use their acquired position of prominence to push back against any potential concessions or negotiation. A prime example of this was the vocal opposition of General Maza, then director of Colombia's DAS, to the Barco and Gaviria government's attempts to put in place a policy of voluntary submission. Going even further beyond this model, in some cases attempts to back down from hardline positions by leaders can be met with actual obstinance and insubordination by enforcers, such that de facto policy remains largely unchanged. This seems to have occurred in Rio de Janeiro, for example, when the left-wing Worker's Party (PT) briefly held the governorship (2002-2003), appointed a restraint-minded security czar, but failed to rein in an increasingly militarized and homicidal police force.

As we have seen, an information asymmetry is sufficient to generate violence along the equilibrium path. The relatively few empirical examples of violent lobbying seen in my cases suggest a role for asymmetric information: one-off terror attacks, like the Familia Michoacana's 2009 synchronized attack on police ~~st~~ and a more complex information structure—in particular one that realistically modeled mutual (though perhaps not symmetric) uncertainty over the true size of δ —would be one interesting avenue of further formal investigation. That said, incomplete information models are widely thought to be better at explaining the outbreak of violence than sustained violence, since fighting over time would presumably reveal the private information that caused the fighting in the first place (Fearon, 1994; Powell, 2006). In substantive terms, a mechanism like the one shown here seems more compelling as an explanation of the momentary outbreaks of violent lobbying, such as the sporadic terror campaigns launched by the CV in Rio or the handful of examples from the Mexican case than the decade-long war waged by Escobar against the Colombian state.

In the latter case, we might follow the literature in looking to complete information approaches, in which a commitment problem keeps the two sides from reaching agreement. In this strain of models, a group fights today to prevent a shift in power that will leave it unable to fight effectively tomorrow. The counterparty might like to buy off the violent group, but cannot credibly promise not to renege once the group has been weakened in the future. In concrete terms, the problem for the Colombian state was not merely agreeing not to extradite Escobar today, but finding a way to guarantee that it would not turn around and extradite him in the future, once he had disarmed. Strong evidence that such a dynamic was at play is the fact that negotiations over Escobar's voluntary submission dragged on for years, and then abruptly ended on the very day that a Constitutional Assembly approved an article definitively banning extradition. Escobar turned himself in that afternoon. A similar kind of story could be told of Escobar's flight from La Catedral—the prison he built for himself upon surrendering and from which he retained significant control over his operations—rather than allow himself to be transferred to more secure facilities.¹⁵ Further research along these lines would require a more complicated model in which fighting not only imposes costs but also affects future bargaining power.

Finally, important aspects of the empirical cases suggest that a fuller model of violent lobbying might need to take into account third parties. I have already discussed some of the issues around the parameter δ , which depends in large part on the reaction of the public, but may also reflect intra-state friction between enforcers and leaders. Explicitly modeling these actors could help endogenize δ , if only partially. Another consideration along these lines is electoral competition. In the toy model, there is just one G , but the fact that violent lobbying in Brazil has often coincided with election periods suggest a model in which δ has a different value for the incumbent G and some electoral challenger: the incumbent may be too committed to his crackdown to survive concessions, but a challenger could reap the benefits of reducing public violence without paying the political price of backing down.

A question looms: is violent lobbying ever successful? One possible answer is 'no'. Under this view, Escobar's war ultimately failed: he wound up dead, his cartel dismantled, and extradition was reinstated in the 1990s. Similarly, if we follow Rio officials and in attributing the CV's November 2010 attacks as an attempt to push the state away from the UPP policy, it seems like an obvious failure. And La Familia's attacks in Michoacán seem to have had little effect on *de jure* policy and ultimately contributed to the organization's decapitation. Moreover, in all three cases, rivals were happy to stand back and let the more confrontational cartels take the brunt of state repression. On the whole, this study finds that violent lobbying is problematic for precisely these reasons, and is thus rarer and less central than violent corruption. That said, characterizing violent lobbying as an *ex ante* error, or evidence that cartels are "crazy" or irrational, is almost certainly going too far. Escobar, after all, ultimately achieved his aim of negotiating his own submission on extremely favorable terms; his stint in La Catedral was, by his brother's account, the happiest year of his life (Escobar Gaviria, 2000). Above all, he avoided extradition; if the motto of *The Extraditables* was an accurate report of his preferences, he may well

¹⁵There were certainly information asymmetries involved in what appears to have been a snap decision by Escobar to take state hostages and flee in the middle of the night—the operation was by all accounts a comedy of errors on the part of the government (Salamanca and Garzon, 2003) and there was an abject failure to communicate to Escobar any credible information about where he would be transferred to. Nonetheless, even with adequate information, there may have been no mutually agreeable solution: if the transfer would have left Escobar powerless to hurt the government, nothing could stop the government from renegeing on any promises it had made.

have been a utility maximizer after all.

Chapter 4

Rio de Janeiro

4.1 Introduction

For more than a quarter century, Rio de Janeiro's retail drug markets and the favelas (slums) they operate out of have been under the militarized territorial dominion of prison-based drug syndicates,¹ who hold a local monopoly within each community. This is highly anomalous. Retail drug markets in general are characterized by small trafficking operations—frequently street gangs with local ties to the neighborhood or slum they operate in (Dorn, Murji, and South, 1992; Hagedorn, 1994)—without the fire- or man-power to directly challenge state authority; my own fieldwork showed this to be the case in a number of other major Brazilian cities (Lessing, 2008). In Rio de Janeiro, by contrast, a then-unique form of criminal organization, emanating from a gang-dominated prison system, managed to consolidate control over most of the city's retail drug trade in the mid-1980s, and perpetuate itself in the face of sustained, militarized repression by police. Early schisms in the original group, the Comando Vermelho (CV), led to an oligopoly with three main syndicates that has persisted until the present day.

Equally anomalous—with respect to both other Brazilian cities and retail markets more generally—is the history of sustained armed conflict between Rio's syndicates and state forces. Since the first armed confrontations between the nascent CV and police in the mid-1980s, the state has, in fits and starts, increased its repressive capacity and tactics with the stated goal of eliminating the syndicates. However, in the decades that followed, the syndicates neither disappeared nor adopted non-violent strategies. On the contrary, they have continued to fight back (and fight each other), amassing ever more militarized arsenals and standing armies of children 'soldiers' (Dowdney, 2003).² In the intervening years, Rio's police built a fleet of armored vehicles and an elite corps of highly trained 'killing machines,' and made

¹What to call Rio's drug-trafficking organizations? In Portuguese, they are known as *facções criminosas*, or 'criminal factions,' reflecting the fact that they originated as rival groups within prison. The groups' names often include 'Command' as in *Comando Vermelho* (Red Command), though they are not referred to collectively as *comandos*. In any case, neither 'faction' nor 'command' are particularly useful terms in English. They are no more nor less true cartels than Mexican and Colombian 'cartels'; however, unlike in Mexico and Colombia, neither the press nor the groups themselves use this term, making it seem forced here. I use 'prison-based syndicate' or 'syndicate' where, as in this chapter, I am discussing Rio's DTOs in isolation, and 'cartel' when considering them together with Mexican and Colombian DTOs.

²Dowdney's work not only shed light on the use of children in Rio's drug trade, but also helpfully distinguished the phenomenon he called Children in Organized Armed Violence (COAV), often overshadowed by international concern

massive armed occupations of favelas a common practice. In response, the syndicates obtained land mines, grenades, anti-aircraft weapons, and adopted a combination of homespun guerilla and medieval siege tactics.

To any observer of Rio's drug war in the mid-2000s, including the author at the outset of this study, two salient seemingly contradictory characteristics would have stood out: on the one hand, the extremity of the violence, on the other, the fundamental stability of the underlying strategic situation. From 1994-2008, police killed well over 10,000 civilians, all allegedly armed "opposers," while at least seven interventions involving the federal armed forces occurred. Yet as 2008 drew to a close, the majority of the city's favelas were still dominated by the CV or one of its principal rivals.³ Corruption too is a constant presence: the flip-side of violent police actions in the favela is the regularized bribing of local police battalions known as the *arrego* (arrangement); even more perverse are the occasional revelations of arms to traffickers sales by police and army officials, either from seized weapons stocks or the state's own arsenals. Also stable was the entrenched social control and public goods provision practiced by the syndicates within the areas they dominated: a decade later, Leeds' definitive account of this so-called 'parallel power' (1996) remained accurate. Not only Rio's syndicates but an entire socio-political dynamic (including the flow of dirty money into the highest echelons of government) has proven surprisingly resilient, a violent yet stable system for producing and distributing illicit rents and subcontracting the enforcement of social order throughout the urban periphery.

Over the course of this study, a felicitous surprise has occurred. Starting in late 2008, the state has explicitly formulated and enacted a new policy vis à vis the syndicates and the favelas they control, known as the 'pacification' strategy, or, equivalently, the UPP program. The effects of this new policy on dependent variables like crime and homicide rates or even housing prices are currently the subject of active research; the results are mixed and sometimes methodologically muddled, but in general positive. However, quantitative analyses such as these miss what is, from the perspective of this study, the real dependent variable of interest: cartel-state conflict, and more specifically, the choice by cartels to adopt strategies of confrontation toward the state. Here the result is clear and unmistakable: since the advent of the pacification strategy, the state has succeeded in occupying on an ongoing basis some of the very most important pieces of syndicate territory in the city, with only a bare minimum of violence.

Compared to the 1985-2008 baseline, the last three years represent an astonishing and radical reversal. For this reason alone, like the rapid upsurge in violence in Mexico in the wake of Calderón's policy shift in late 2006, there is strong *ex ante* reason to suspect that it is at least partially the result of a shift in state policy, as opposed to being driven by more incremental factors like drug market conditions, the state of the economy, much less background conditions like 'institutions' or 'culture'. The details

for child soldiers in "official" civil wars and armed conflicts. The similarities and important differences in the drivers and consequences of COAV vs. child soldiers (Dowdney, 2006) constitute one manifestation of the larger distinction between civil and criminal war highlighted in chapter 2.

³The only significant inroads into syndicate territory were being made not by the state but rather violent, police-linked paramilitary groups known as *milícias*. The *milícias* have expanded rapidly in the last six years, and now may collectively control as much or more territory than the CV. Although their expansion suffered a setback in 2008, after one *milícia* group tortured and killed a number of journalists from a popular daily, leading to a congressional investigation (Freixo, 2008) and several high-profile arrests. Nevertheless, the *milícias* remain a grave threat, not least because of their far greater power to penetrate the political system, and issue I have explored in co-authored work (Hidalgo and Lessing, 2011). See Cano (2008) Cano for an excellent empirical overview.

of the case strengthen this claim: for example, two major militarized invasions of the Complexo do Alemão favela, the ‘headquarters’ of the CV, one just prior to the advent of the pacification strategy and another two years into the program, had nearly diametrically opposed outcomes. Another key piece of evidence is the GPAE⁴ pilot project, an early predecessor of the UPPs. At inception, GPAE constituted a pacification-within-a-single-favela approach, and for a time successfully eliminated cartel violence, before a change in GPAE leadership led to a reversion to traditional police practice, and a resurgence of cartel-state conflict.

In this chapter, I apply the theoretical framework of this study to the case of Rio to explain both the violent but stable pre-UPP equilibrium, and the changes that have occurred in the wake of the UPP program. While few observers would object to the claim that the UPP program is a major driver of these changes in cartel-state dynamics, there is a tendency to focus on what has been called the UPPs’ ‘counterinsurgency’ (US Consulate in Rio de Janeiro, 2009) aspect —providing safety and infrastructure to favela residents to win hearts and minds (Gloudemans, 2010; Stahlberg, 2011). While this laudable aspect of the program is absolutely fundamental to the consolidation of democratization and the extension of citizenship, as well as to the socio-economic development of the favelas, it is wishful thinking to believe that it is the cause of the syndicates’ turn away from confrontation.

Rather, drawing on an analytic tradition that sees Rio’s drug war less as a pseudo-Maoist insurgency than as a system for illicit rent extraction (Misse, 1997, 2003), I argue the UPP program’s ‘conditional repression’ aspect played the decisive role in turning the tide. During the long decades of cartel-state conflict, Rio’s syndicates—facing a violent, unaccountable, and thoroughly corrupt police force—relied on a fighting strategy to lower the price of systematic bribes. As my model of violent corruption predicts, unconditional state crackdowns during that time tended to exacerbate the violence but had little effect on the underlying dynamic. The UPP, I argue, represents a decisive shift to a conditional approach, de-linking interdiction from violence-reduction, and essentially creating strong new incentives for Rio’s syndicates to eschew anti-state violence. This seems to have induced a sustained switch to ‘hide and bribe’ strategies, a result predicted by my model. Recent, unexpected developments such as the deployment of army troops instead of police to patrol formerly cartel-dominated neighborhoods, allow limited testing of the model; the results are, happily, consistent with the model’s predictions.

4.2 Analytic Approach: ‘Dictatorship Over the Poor’ vs. ‘System of Rent Extraction’

As a generation of Brazilian intellectuals has pointed out (e.g. Batista, 2003; Cerqueira, 1996; Coimbra, 2001; Zaluar, 1985), Rio’s anomalous drug war is in many ways a legacy of Brazil’s period of military dictatorship (1964-1985). Three particular factors stand out: a police apparatus designed by the junta for maximal repression and minimal accountability, the inadvertent transfer of organizational know-how from insurgents to a nascent criminal syndicate in the bowels of the dictatorship’s dungeons, and the existence of a large, populous urban periphery accustomed to neglect and abuse by the military government. One tradition takes this history as a starting point, analyzing the drug war in

⁴GPAE stands for Grupamento de Policiamento em Áreas Especiais, or Policing in Special Areas Unit.

terms of insurgency, and focusing on factors like the syndicates' use of guerrilla tactics, their establishment of territorial dominion over the favelas; their provision of social order and other public goods to the marginalized residents at the price of silence and complicity; their recruitment from the local population; their use of the favelas as a physical base from which to occasionally launch invasions of rival territory, strikes against state forces, or terroristic attacks against the civilian population; and their sustained defiance in the face of militarized and brutal state repression.

For some, the outcome is the fruit of the dictatorship's original sins, and the state's war against the favela-ensconced syndicates represents a disturbing and perhaps deliberate translation of the authoritarian right's struggle against the "enemy within" from the realm of politics (leftist insurgents) to economics (urban poor), allowing it to live on in the face of democratization (e.g. Batista, 2003; Coimbra, 2001) and even thrive under the post-cold war, pro-market 'consensus' (Wacquant, 2003). Interestingly, the reactionary right makes no bones about advocating highly repressive and authoritarian measures against the syndicates and the areas they dominate; it simply blames the leftist insurgents of yesterday for causing the problem and the human-rights advocates of today as traitorous defenders of criminals (de Carvalho, 1994). Meanwhile, less overtly political scholars of security studies treat Rio's drug war as a prime example of 'criminal insurgency' (Sullivan, 2000:29; Burgoyne, 2012; Killebrew, 2011), 'criminal urban guerrillas' (Souza Pinheiro, 2009), and other novel subtypes.

This analytic perspective has important merits; among them, it draws attention to the plight of Rio's more than 1 million favela residents, and addresses fundamental questions of consolidating the democratic rule of law in post-authoritarian Brazil (Pinheiro, 1997), and third-wave democracies more generally (O'Donnell, 1993). It also captures an important facet of the empirical reality, summed up in a chilling quote by one of the founders of the CV:

"We conquered something the guerrillas never did: the support of the poor. I go to the favelas and I see kids involved, smoking and selling pot. In the future, they will be three million adolescents, who will kill [the police] on the corners. Have you thought what it will mean to have 3 million adolescents and 10 million unemployed with guns?"⁵ (Amorim, 1993:255).

Yet this approach lends itself to an overly simplistic view of the state as a unitary actor, often treating the thoroughgoing corruption of the police as an afterthought. Likewise, it rarely treats the economic component of the drug trade, and the resulting incentives facing the syndicates, as central to its analysis.⁶ As such, it generally fails to provide a compelling explanation for anti-state violence on the part of syndicates.

An alternative approach treats Rio's drug war less as a story of Maoist insurgents swimming in a sea of favela residents than as a system of illicit rent extraction. It was largely pioneered by Michel Misse (1997, 2003), perhaps the first scholar to clearly identify the negotiation of bribes as central to the problem of violence in Rio. Starting from a very different historical point of departure, he notes that prior to the rise of Rio's drug trade, a long-standing system of casual police corruption

⁵ Author's translation.

⁶ The 'criminal insurgency' literature does emphasize economic aspects; however, as I have argued in Chapter 2, by stretching the concept of insurgency to include cases where armed groups have no revolutionary or secessionist intent, it fails to fully appreciate the very different nature of cartels' decisions to confront the state.

surrounding the numbers racket (*jogo do bicho*) had been in place (1997:16). This system—in which a popular activity was nominally criminalized but widely tolerated by police in exchange for regularized bribes that ultimately wended their way up through the echelons of political power—was essentially replicated for drug markets, first marijuana, then cocaine. He also argued that in such a context, the growth of markets for illicit goods generate concomitant growth in shadow markets for ‘political goods’ (*mercadorias políticas*)—what I loosely refer to as ‘bribes,’ for simplicity. And although he did not lay out an explicit causal pathway for how bribe negotiation could generate violence, he clearly recognized that increased repression by police could increase the size of such shadow markets (11-16).

The model of bribe negotiation presented in chapter 3, along with the broader analysis of violent corruption and criminal war running throughout this study, can be seen as an extension of this analytic approach. It innovates by detailing a clear mechanism linking changes in de facto repressive policy with the incentives syndicates face to take up arms against the state, and by characterizes the conditions under which it makes more sense to fight (and bribe) than hide (and bribe). The conjunction of the marginalization of the favelas with an incredibly violent and unaccountable police apparatus still plays an important role. However, where others focus on its normative aspects and the consequences for the democratic rule of law (e.g. Ahnen, 2007; Caldeira, 2002; Pinheiro, 2000), my analysis highlights the immense leverage it grants corrupt state enforcers over syndicates when negotiating how illicit rents will be divvied up. The advantage of my approach is that it yields an intuitive explanation for syndicates’ startling consistency in opting for a strategy of confrontation in the face of overwhelming losses police have inflicted on them over the decades: favela-bound, without legal or social protection against a licensed-to-kill police force bent on extorting away syndicate’s profits, cartel-state conflict is a viable alternative to coerced wage-slavery.

My choice of analytic approach has implications for the way this case study is structured. I focus on three principle actors: syndicates, police, and leaders; the complex interdependence of syndicates with local residents and the resulting dynamics local electoral politics, deftly explored in a rich ethnographic literature (Arias, 2006; Gay, 1990; Misse, 2003; Zaluar, 1985), does not play a prominent role here. In addition, I will not discuss one entire ‘half’ of the Pacification project, the community-policing, human-rights-respecting UPP battalions themselves, which are permanently installed in the ‘pacified’ communities. This is in keeping with my overarching causal argument about the success of the UPP program in turning syndicates away from violent strategies. To be sure, the promise of a police force that treats favela residents as true citizens is of utmost normative importance, and the promise of security, formalization of property rights, and infrastructure investments has the potential to transform the lives of favela communities. However, the effort to win the hearts and minds of favela residents—what a confidential cable from the US Consulate in Rio (2009) identifies with “U.S. counter-insurgency doctrine and strategy in Afghanistan and Iraq”—is unlikely to have been the prime cause of the syndicates’ sudden change of strategy, any more than neglect of the favelas alone pushed criminals there to take up arms against the state in the first place. Rather, it is the UPP program’s explicit focus on eliminating the armed presence of the syndicates and downplaying of efforts to eliminate the drug trade per se that has created—for the first time in a sustained and credible fashion—incentives for traffickers to eschew violence.

4.3 Actors: Syndicates, Enforcers and Leaders

The Comando Vermelho

The story of Rio de Janeiro's anomalous drug war is, in large part, the story of the Comando Vermelho. And the story of this prison-gang-cum-drug-syndicate—arising within the bowels of a military dictatorship's dungeons as a side-effect of efforts to crush an armed resistance movement, only to become a far graver threat to state power than the leftists ever posed—is a spectacular example of consequences as unintended as they were ironic and perverse.

In the early 1970s, Brazil's military dictatorship, invoking the newly passed National Security Law (*Lei de Segurança Nacional*, LSN), began convicting and incarcerating leftist militants together with common criminals, in an attempt to obscure the militant's political status and, it was hoped, delegitimize their cause. A makeshift, open-plan “LSN wing” was created in Cândido Mendes prison, itself a sort of dilapidated and anarchic Alcatraz located on an island some 40 kilometers from the Brazilian mainland, to house the new convicts. The insurgents, however, responded with a disciplined campaign to physically separate and politically distinguish themselves from the common criminals. By the mid-1970; they were granted amnesty, though by that time armed resistance to the regime was on the wane.⁷

The true beneficiaries of the junta's ill-conceived policy were the common criminals of the LSN wing. In a spectacular example of unintended consequences, these inmates learned and adopted many of the leftists' organizational and collectivist tactics, forging a strong group identity, and eventually decimating all rival gangs at Cândido Mendes.⁸ Recognizing that, in the words of a CV founding member, “Our path could only lay in...integration with the prison masses” (Lima, 1991:43), they imposed a rough-hewn social order, banning rape and theft; provided rudimentary welfare; and fought for and won important concessions from authorities that ultimately made them overwhelmingly popular among inmates. The ‘gang’ soon propagated throughout Rio de Janeiro's prison system, and overwhelmed guards ceded operational control over prison life to CV leaders.

The CV began to plan its outward expansion, using its power to facilitate mass prison breaks and individual escapes. Freed members were obliged to contribute money and resources to the prison collective, and to participate in rescue attempts, under penalty of death. Mutual aid and cooperation among freed CV members held the promise of joint actions, but since most were property criminals, and the militants they had learned from relied heavily on bank robberies for operating funds, the first iteration of the CV's outside operations were limited to risky and frequently disastrous heists. As the

⁷The British later used the same technique with the Irish Republican Army (IRA), to (arguably) even worse effect. The IRA was, by some accounts, galvanized and rejuvenated by the so-called “prison wars” and the immense media attention generated by IRA hunger strikes won many new sympathizers (English, 2005:187-226)

⁸It remains controversial how complicit leftist militants were in passing on such volatile human capital to the other LSN inmates. When the CV first attracted public attention, the media and the military government assumed that its members had been deliberately indoctrinated and trained by the leftists as part of a long-term strategy to re-ignite armed resistance to the regime (Amorim, 2003)—this association is thought to be the origin of the name ‘Red Command,’ which founding members say was imposed by authorities (the group began life as the Falange LSN, or LSN gang). But both leftists and CV members concur that the former minimized contact with the common criminals, and successfully mobilized to have their wing physically divided (Lima, 1991:45)

ranks of founding members thinned, newer members with a background in drug trafficking gained sway over the organization.

The decade from 1980-1990 saw a double transformation of Rio's drug trade and its relationship to the favelas. First, as was the case in much of the world at this time, the retail market for cocaine expanded, with increased supply from the Andean region going hand in hand with increased demand as the drug became financially accessible, and soon thereafter fashionable, to the working and middle classes (Misse, 1997:4). As marijuana lost ground to cocaine, drug dealing went from being mildly to extremely lucrative, and drug 'lords' arose with the financial power to hire and arm 'crews' and consolidate local monopolies within the favelas they operated out of. This is the process that is portrayed in the popular film *City of God* (2002), and recounted in the anthropological research that undergirded it (Lins, 1997; Zaluar, 1985).

The second transformation, humorously hinted at in the very last scene of that film,⁹ was the systematic takeover of the city's drug trade by the Comando Vermelho. By lending one another man- and firepower, freed CV bosses were able to systematically take over drug points of sale and the favelas in which they were located. By the mid-1980s, CV bosses controlled 70 per cent of Rio's favelas (Amorim, 2003). This hegemony ended with the advent of several schism-born rival syndicates, but the CV remains the most powerful. By the early 1990s, both Rio's favelas and its prison units had been divvied up among the CV and its rivals, a surprisingly stable status quo that persists today. With the advent of rival syndicates Terceiro Comando and Amigos dos Amigos, by the early 1990s, Rio's drug market settled into a violent, tense, but ultimately stable equilibrium.

Outside the prison system, the CV is essentially a loose affiliation of autonomous drug firms whose bosses engage in mutual aid and occasional coordinated actions. There is no central treasury or clear hierarchy, and the politically tinged rhetoric of the early days has long given way to a concern for drug profits (Coelho, 1988). Obviously, this study focuses largely on the 'favela side' of Rio's syndicates: the drug trade and the massive armed presence the syndicates have amassed to defend it. However, the CV's 'prison side' continues to play a central, if less visible, role in perpetuating the group. First, when recent arrestees are first assigned to jails based on the syndicate-affiliation of the community they are from, so someone from a CV-dominated favela will be sent to a CV-dominated prison, regardless of whether they are linked to CV traffickers in their community. This leads to socialization into the rituals and codes of behavior, in effect making new recruits into 'real' members. Even those who enter prison as autonomous criminal actors may well leave as a respected member of the organization, with the right to a lucrative position within the drug trade.¹⁰ Second, imprisoned leaders continue to wield important influence over outside members. The clearest cases are imprisoned CV drug bosses, who usually continue to run their drug operations directly from prison, delegating only the necessary amount of authority to their right-hand men. Orders are almost always followed, since those on the outside know that sooner or later, either the boss will be released or they will go to prison.

⁹Non-Brazilian viewers may have missed the joke: an impossibly young member of the newly ascendant gang asks his leader if he's heard the rumors of "some Falange Vermelha," ---an early moniker of the CV---"coming this way?" "No," says the leader, "but if he tries, we'll whack that guy too." The substantive point captured in the scene is that at the outset of the CV's expansion, trafficking groups were autonomous, run by individual kingpins, and limited to single favelas, such that its collective structure and modus operandi would have been entirely unforeseeable.

¹⁰Interview with non-trafficking ex-CV member and prison capo, August 14, 2009.

But a more subtle form of influence is also at work, often overlooked by analysts. The prison system provides a forum for CV leaders to coordinate their strategies, share information, agree on mutual aid policies, plan invasions, and come to agreements. The greatly respected older CV leaders, especially those with links to the founding members, are particularly important (Barbosa, 1998). Their praise or disdain can alter the fortunes of an up-and-coming CV member, or decide the fate of a proposed course of action. They are frequently called upon to settle disputes, appoint successors, broker deals between bosses and evaluate alternative strategies.¹¹ As I argue elsewhere (Lessing, 2012), imprisoned leaders exert influence on outside members not just through coercion (the promise of reward or punishment once incarcerated) but as ‘focal players’ on whose signals it is mutually beneficial for outside actors to coordinate (Myerson, 2004; Schelling, 1960).

These mechanisms help explain why Rio’s retail drug trade has its anomalous character. In the urban periphery of three other Brazilian cities, I found that local drug markets are usually characterized by shifting degrees of market concentration: from time to time, one group expands and becomes dominant, only to draw the attention of authorities and rivals, while the lack of resilient succession mechanisms leads to the re-fragmentation of the market after the upstart’s demise or imprisonment (Lessing, 2008). Similar dynamics are reported in other contexts (e.g Dorn, Murji, and South, 1992; Hagedorn, 1994), leading to the observation that drug retailing organizations in general tend to be small, informal and short-lived. By contrast, Rio de Janeiro’s (at the time) *sui generis* syndicates used the coordinating power derived from their control over the prison system to neutralize many of these centrifugal forces, organizing a united front against police and rivals, pooling resources, and resolving succession and other intra-syndicate disputes. Elsewhere (Lessing, 2008), I argue that this prison-based power—rather than hilly geography, police corruption, and market size—is the most plausible explanation of the consistently concentrated nature of Rio’s drug market and the unusual persistence of large, articulated, well-armed ‘cartels’ in a retail setting.¹²

The Police

The modern juridico-institutional structure of law enforcement in Brazil, as well as the praxis of quotidian police activity, was essentially laid down during the military dictatorship and remains largely unchanged to this day. Concerned first and foremost with leftist insurgency, the regime built a highly repressive police apparatus that democratic governors have struggled with ever since (Cerqueira, 1996).

Policing in Brazil is concentrated at the level of state governments. Most cities lack armed municipal police, though many have municipal guards (*guarda municipal*) who have limited, order-keeping functions. A specialized federal police corps has jurisdiction over highways, while the main Federal Police (*polícia federal*, PF) has an investigatory function like that of the FBI, which can overlap with, and frequently targets corruption within, state police corps. At the state level, the most important structural feature is the division of the ‘ostensive’ policing functions (*policimento ostensivo*)—patrolling, main-

¹¹Interview with ex-CV drug boss and inmate, 14 August 2009.

¹²Further evidence for this claim comes from recent developments in São Paulo, where a prison gang that consciously modeled itself on the CV rose to pre-eminence within the prison system in the late 90s and early 00s, then proceeded to dominate the city’s once-fractured retail markets. Similar coordination by large, articulated prison gangs of retail drug sales on city- and region-wide scales has been reported in California and Texas.

taining order, responding to situations, and so on—from investigative and juridical functions. The former is the responsibility of the confusingly named military police (*polícia militar*, PM), the latter the civil police (*polícia civil*, PC). At the time of their foundation during the authoritarian period, the PM was the purely repressive arm of the state, designed to crack down on public protests and physically confront whatever armed resistance to the regime should occur. The PC, on the other hand, served as a kind of political police, and carried out the detentions and interrogations of Brazil's limited but nonetheless brutal dirty war.

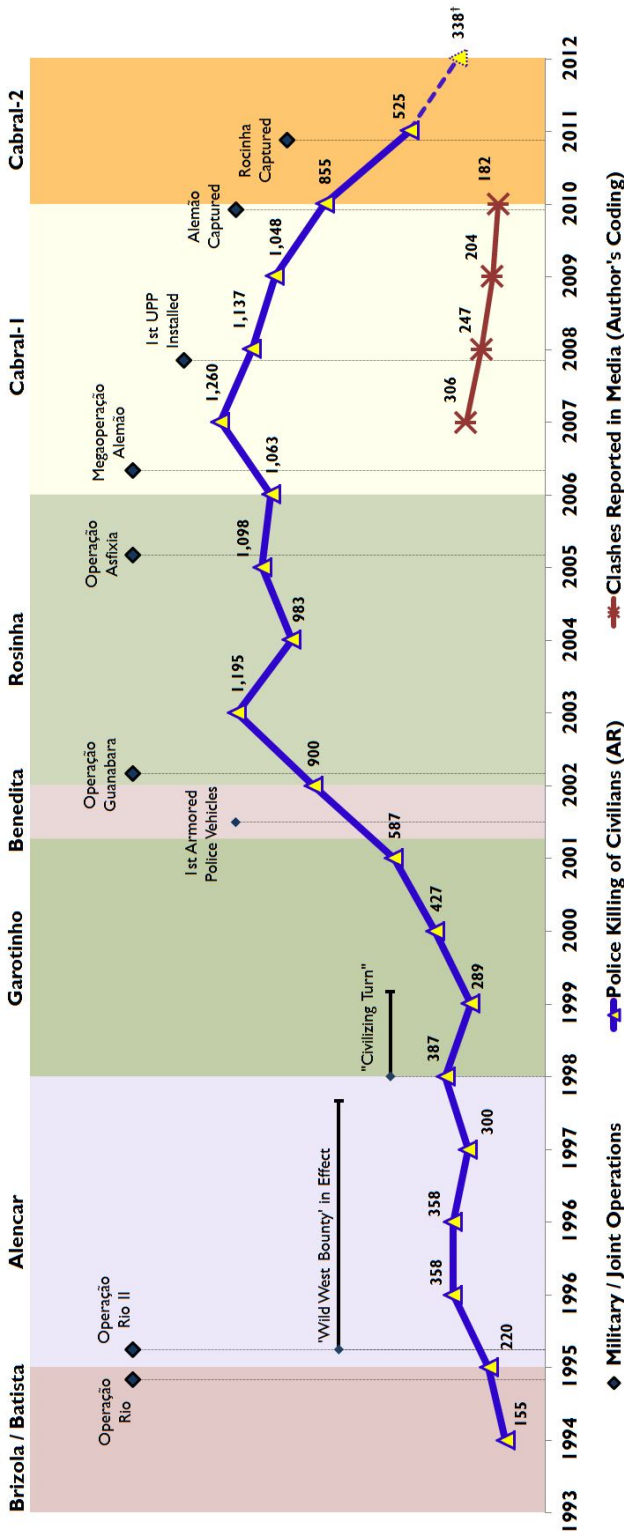
One particularly salient example of the very negative path dependence of Brazil's police institutions is what is known in Rio de Janeiro as an *auto de resistência*. Literally “act of resistance,” this legal denomination for cases of civilians killed by police during operations was introduced into the criminal law code in 1969 by the military dictatorship (Souza, 2010:157). While the denomination explicitly refers to “resistance followed by death of the opposer,” implying a resort to lethal force by police in self-defense, in practice, by simply registering a civilian death as *auto de resistência* the practicing officer was making a (generally uncontested) assertion that the victim had reacted violently. Only in the rarest cases would such an assertion be investigated, giving police a very effective mechanism for legally masking summary executions (Verani, 1996:33-37).

Forty years later, *autos de resistência* (ARs) remain a cornerstone of police activity in Rio de Janeiro. In the 1990s the government began tracking them and from 1998 has included them in tables of official statistics. These data can be hard to interpret, since there is no way to know what fraction of ARs arose in true armed confrontations (Alston, 2007). Moreover, ARs only account for those cases where police filed reports admitting responsibility for the killing—some police homicides may end up reported as stray bullets, “unknown causes” (Cerqueira, 2011), missing persons, or never get reported at all, particularly if they are carried out by off-duty officers (Alston, 2007:4). So, while it is probable that a fair number of AR reports are of citizens killed who were not in fact offering armed resistance, and some entirely uninvolved in the drug trade, it is also quite likely that the police kill additional citizens not reflected in the AR data. Still, each AR represents a civilian killed by a police officer in the line of duty, and reported by that officer as an act of self-defense. With more than 10,000 over the last decade, the data offers a shocking and yet conservative estimate of the scale of cartel-state violence. Moreover, the regularity and length of the AR time series provides the best available measure of the dynamics of cartel-state conflict over the past two decades (Figure 4.1).

Leaders

Since most of the relevant policy decisions over policing and anti-narcotics repression are made by state governments in Brazil, the key political figures in Rio's drug war are governors and their appointed public security officials. And because of the political salience of cartel-state violence (and crime in general) in Rio, policing policy has played an overwhelming role in determining the electoral fates of governors over the last twenty years. A strong pattern of oscillation emerges can be seen, both in terms of the public's salient mood, and in the resulting state governments. On the one hand—growing out of two decades' resistance to and ultimate victory over Brazil's military dictatorship—a left-leaning concern for human rights and restricting the repressive reach of the police and the state more broadly. On the other, a more conservative, even reactionary call for strong state action to reduce crime, violence, and a

Figure 4.1 Rio's Drug War: Police Killings and Major Militarized Operations by Governorship



Sources: ISP-RJ (2012); SSP-RJ (2003); Author's coding of media reports (NRI/OBIVAN).
† Yearly estimate based on comparison of Jan-Mar 2012 with same period for 2011.

growing sense of disorder and anomie. If it was accusations of progressive tolerance, willful blindness, or even sympathy vis-à-vis favela-based criminal behavior that fueled such hard-line reactions, then it was the inevitable excesses of repressive police action that eventually swung the pendulum back (partway) toward restraint.

Lionel Brizola, returned political exile, founder of the socialist PDT¹³, was the first post-dictatorship governor of Rio de Janeiro (1983-1987). He implemented a progressive, human-rights agenda that, among other things, greatly restricted discretionary police action in the favelas and in general reduced the effective repressive force available to police (Soares and Sento-Sé, 2000:7-9). Overall Brizola's agenda vastly improved living conditions for favela residents, but his approach to policing (informed by his own experience militating against the dictatorship and eventually going into exile) contributed to an entrenchment of syndicate power over favela life, vocal opposition from police leaders, and a sense of lawlessness and fear on the part of the middle class. This contributed to Brizola's defeat by Moreira Franco (1987-1991) of the more conservative PMDB¹⁴ who promised to end the violence within six months. Franco's victory marked a return to repressive police tactics and the explicit belief that public safety and respect for human rights (at least those of criminals and suspects) were incompatible (Silva, Leite, and Fridman, 2005:9). In addition, it raised the professional profile of old-guard police leaders whose careers had begun during the dictatorship, and granted them a wide berth for discretionary action (Soares and Sento-Sé, 2000:16). Increased repression, however, did not contain either crime in general nor the increasingly brazen violence of the syndicates (16), which fought a protracted turf war for a large favela in the heart of the city's wealthier region (Barcellos, 2003). The failure of the Franco government to stem the growing turf war among syndicates and restrain crime rates in general allowed Brizola to win a second term (1991-1995).

Although less ambitious than his first term, and hobbled by his exit from office to run (unsuccessfully) for president in 1994, Brizola's second term saw renewed efforts to restrict police brutality, reform the corps from within, and develop the first community policing programs (Cerqueira, 1996). These efforts met with a great deal of internal resistance from hard-line police officers (Soares and Sento-Sé, 2000); such discontent likely contributed to the growth of death squads (*esquadrões de morte*) and proto-paramilitary groups known as *policia mineira* during this time, culminating in several brutal massacres.

The growing sense of disorder led to Operação Rio, the first large-scale use of the armed forces to address Rio's drug war. Originally envisioned as a temporary measure to guarantee public safety during the 1994 elections, akin to the army's role providing security for hundreds of foreign heads of state during the Rio-92 summit, Brizola and acting governor Nilo Batista first opposed, then grudgingly accepted the operation in a clumsy and unsuccessful bid to cover their flank on security issues (Silva, Leite, and Fridman, 2005:12). They lost to right-wing Marcello Alencar of the PSDB¹⁵, who stayed true to his campaign promise of hard-line repressive action. Alencar arranged for the redeployment of the army to favelas in Operação Rio II, put an army general in charge of policing, authorized unconstitutional "collective search warrants"¹⁶ and instituted the infamous "wild west bounty" (*premiação*

¹³Partido Democrático Trabalhista, Democratic Labour Party

¹⁴Partido do Movimento Democrático Brasileiro, Party of the Brazilian Democratic Movement.

¹⁵Partido da Social Democracia Brasileira, Brazilian Social Democratic Party

¹⁶Of dubious legal standing, these supposedly authorized police to carry out invasive house-by-house searches in entire

faroeste), paying police bonuses for each (alleged) trafficker killed. Eventually, outrage from civil society (quick to compare these tactics to those of the dictatorship) helped push the pendulum back toward some degree of restraint.

In 1998, Anthony Garotinho, a young PDT rising star and political heir of Brizola, won the governorship in part on the promise of a “civilizing turn” (*inflexão civilizatória*) in policing, laid out in a detailed manifesto co-written with a team of progressive social scientists led by Luiz Eduardo Soares (Garotinho and Soares, 1998). Soares and his team took leadership positions, implementing a number of reform projects including the Mutirão pela Paz project, an early precursor of the UPPs (Soares, 2000:280-284). However, opposition and increasing insubordination from within the police corps made continued reform a costly political proposition for the governor. Garotinho publicly sacked Soares, who fled Brazil in the wake of police death threats, and replaced his team with hard-liners, part of a larger turn by the governor toward right-wing populism. A major escalation in police firepower and tactics occurred during this period, including the expansion of the elite BOPE Special Operations Battalion.¹⁷ He left office in 2002 to run for president, leaving his vice Benedita da Silva to finish out his term.

Benedita was a hero of the left-wing PT¹⁸ and had lent credibility to Garotinho’s originally progressive platform, but by the time she took office Garotinho had left the PDT and was running against the PT’s Luiz Inácio Lula da Silva for the presidency. Hostility from him and his remaining appointees combined with Benedita’s inexperience to make her brief tenure frustrating and ineffective. On the security front, her call for a return to the “civilizing turn” and re-appointment of Soares yielded a few positive experiences (Silva, Leite, and Fridman, 2005:18), but fed opposition with ranks (Câmara, 2009:8) just as important increases in police tactical power were coming online (including further expansion of the BOPE and the first operational deployment of the armored vehicles known as *caveirões*).¹⁹ Garotinho’s wife Rosinha Mateus easily won the 2002 election, reinstating what had by then become Garotinho’s signature hard-line approach (*Pressão Máxima*, or ‘Maximum Pressure’), and soon appointing him public security secretary. With the BOPE and its *caveirões* becoming the go-to state response, police killing of civilians (ARs) reached a record high of 1195 in 2003 and held steady for the rest of Rosinha’s term.

Somewhat counter-intuitively, Rosinha’s successor Sergio Cabral was able to win on a law-and-order campaign, largely because of serious corruption scandals involving the Garotinhos and corrupt police chiefs, as well as the general ineffectiveness of their security policy in reining in violence. Cabral’s rhetoric, as well as that of his public security secretary, the former federal police agent José Beltrame, recalled that of earlier crackdowns (Ribeiro, Dias, and Carvalho, 2008), while the coalition between Cabral’s PMDB and Lula’s PT facilitated the deployment of federal troops to favela hotspots. Yet when a 2007 ‘Mega-operation’ in the Alemão favela ended in failure, while police killings hit a new high, Cabral and Beltrame began contemplating a new approach. The Pacification strategy was developed

favelas.

¹⁷BOPE stands for *Batalhão de Operações Policiais Especiais*. It is the subject of the film *Tropa de Elite (Elite Squad)* (2007), from which I quote in Chapter 3.

¹⁸Partido dos Trabalhadores, Workers Party.

¹⁹Literally ‘big skulls,’ they were named this because they often carried the emblem of the BOPE, a skull with a bowie knife thrust through it.

over the course of 2008 and rolled out starting in October of that year.

4.4 The Pacification Strategy and its Predecessors

The pacification strategy consists of the following steps:

1. Announce the next community to be “pacified”. While an exact date is not given, announcements come far enough in advance to give traffickers a chance to flee.
2. Occupy with overwhelming force. This is usually carried out by the elite Special Police Operations Battalion (BOPE), but the larger occupations have involved additional support from the military, especially in the form of tanks.
3. Pacify community and install UPP. For a month or so after the occupation, the BOPE remains in the community, conducting searches for arms and drugs and dissuading any attempts by traffickers to retake the community. In the transition, a UPP “proximity policing” unit is installed, usually in a new building built to purpose. In the case of Alemão and its neighbor, Vila Cruzeiro the military played a large role in the invasion.
4. BOPE / army withdraws, UPP stays. In an effort to break the culture of corruption and brutality of the military police, the UPPs are composed entirely of fresh recruits who have gone through a separate and specialized training program in human rights and community relations. A large share of UPP officers are women, and all of them receive bonuses, intended to raise the profile of work that traditional, hard-line officers have tended to view as ‘soft’.²⁰ In some communities, the project is reinforced with a “Social UPP” component, a raft of social programs. In Alemão, because the pacification operation had been reactive rather than fully planned, UPP units of appropriate size were neither ready nor in the pipeline. As a result, the army has remained in Alemão on a semi-permanent basis.
5. Move on to the next community. Some 19 UPP battalions have been installed in communities cleared of drug syndicates and milícias, with plans to pacify a total of 40 favelas by the 2014 World Cup (de Aquino, 2011).

The ideas underlying the UPP program are not new. While drawing on basic community- and proximity-policing practices and learning from the experiences of Medellín and Bogotá, Colombia (Stahlberg, 2011:7), much of the core approach of the program was directly adapted from earlier alternative policing projects in Rio. Key among these was the pioneering 1999 Mutirão pela Paz (Mobilization for Peace) project, which combined police occupation of a target favela with community outreach and a raft of new social programs (Soares, 2000:280-284), and the innovative successor program GPAE, which was installed on a pilot basis in a group of favelas in 2001 (Huguet, 2009). The guiding idea of GPAE was to establish a permanent police presence in the favelas, which would not attempt to eradicate the drug trade per se, but rather its armed presence. This translated into a change in tactics: rather

²⁰Interview with UPP police academy instructor, December 20, 2011.

than invade favelas in large coordinated actions aimed at capturing or killing drug dealers, the GPAE battalion was installed within the favela, maintaining a regular, preventive police presence that did not actively target drug dealers, as long as they followed a few simple rules: “Don’t walk around openly armed, don’t sell drugs near school, and don’t employ children.”²¹

The program was initially very successful: the homicide rate fell to zero during the first year, and residents overwhelmingly approved of the program. Unfortunately, the formulator and original commander of the GPAE program took a post in Brasilia. At the same time, the program came under political fire from the mayor for constituting a “pact with the drug trade,” leading to the appointment of a more hard-line replacement commander and a return to traditional repressive approaches Fernandes, 2003:98. This sparked a wave of reprisals from the drug dealers, homicides rose again, and the program was eventually canceled.

The GPAE episode is an object lesson in the political difficulties of implementing a policy of conditional repression. I examine some of these in Chapter 7. For my purposes here, however, the key point is that a move to a conditional approach—however localized and temporary—was successful in radically reducing cartel-related violence in general and cartel-police clashes in particular. Furthermore, when repressive policy reverted to a more unconditional form, violence returned.

The UPP program borrows from GPAE its mantra of reorienting policing priorities, and its fundamentally conditional approach to repression. Three interrelated factors set the UPP program apart from previous iterations: its city-wide scale; its dynamic component, pacifying one favela at a time, and announcing future operations in advance; and the unusually strong support it is receiving, not only from a rare political alignment that spans the municipal, state, and federal levels of government, but also from business elites and the media giant Globo. These factors have permitted the UPP to thrive where its predecessors fell prey to political attacks, cooptation, or neglect.

4.5 Theory and Evidence

As with all the cases in this study, the drug war in Rio de Janeiro has many facets, all of them fascinating. One cannot hope to say even half of what could be said about a decades-long conflict involving multiple prison-based drug syndicates, a corrupt and unaccountable police force, a marginalized population of one million favela residents, and a complex political backdrop of returned leftist exiles, right-wing populists, patronage networks, technocrats, and a burgeoning civil society. In this section, I limit myself to making the case that my core argument: that in Rio, unconditional repression drove cartel-state violence, primarily in the form of violent corruption, and that a shift to conditional repression, in the form of the pacification program, has led syndicates to shift to less violent strategies.²² For clarity, I break this argument into four component claims:

#1: Prior to pacification, repression was unconditional

#2: Prior to pacification, syndicates engaged in violent corruption

²¹ Author’s interview, Major Antonio Carballo Blanco, June 2003. See also Carballo Blanco (2003)

²² Recall the definition of conditionality discussed in chapter 2: the extent to which traffickers face additional repression when they opt for a violent or confrontational strategy as opposed to a ‘hiding’ strategy.

#3: Pacification represents a shift to conditional repression

#4: In response to pacification, syndicates have shifted to non-violent strategies

As discussed above, these claims receives further support from the GPAE experience. In fact, it is more accurate to say that GPAE showed that claims are plausible, inspiring Cabral and his staff to attempts a conditional approach on a much larger scale. The very positive results of the pacification strategy thus far add considerable confirmatory support.

Claim #1: Prior to the pacification strategy, crackdowns were unconditional

Repressive policy certainly varied over time in the pre-UPP period, as the political pendulum swung between reactionary, hard-line crackdowns and various reformist positions (Soares, 2000:100-114). With a few important exceptions, however, what varied was the overall *level* of repression, not its *conditionality*. Hard-line governments generally gave police ever-increasing leeway, capacity, and even incentives to use deadly force; progressive governments in turn attempted to restrict violent police practice. Traffickers rarely experienced a ‘crackdown on violence,’ i.e. a clear signal from the state that they would only face the full brunt of repression if they insisted on using violence.

On the contrary, police actions in favelas are extremely violent and to a large extent indiscriminate, with little effort made to distinguish actual traffickers from non-participants, much less hinge decisions about the use of lethal force on the behavior of traffickers. As a popular saying has it, “The only good criminal is a dead criminal.” A particularly stark but nonetheless familiar anecdote conveys the reality:

The young boys Welington Santiago Oliveira Lima, 11, and Luciano Rocha Tavares, 12, were killed by Rio Military Police during an operation in the Estado favela in Niterói (15km from Rio). Another two minors and a youth also died. The police claim the victims were drug dealers, including the two children. Residents, however, deny the accusation. [...] Welington’s mother... says that he had gone to buy a soda when the shootout started: “a policeman started shouting that he was a drug dealer, dragged him by the leg like a pig and killed him with a shot in the head.”

“History shows that children do participate in the drug trade. In May, we captured a 12-year-old boy who confessed to killing a PM sergeant. I am certain they were part [of the drug trade],” said the commanding officer.²³

This particular incident attracted attention because of the age of the youngest victims. But even granting the commanding officer’s claim that these pre-adolescents were traffickers, his statement is quite telling: if simply being involved in the drug trade is enough to warrant summary execution at the hands of the police, then traffickers have every incentive to fight back when police enter the favela. Indeed, no effort was made to determine whether the children had actually shot at the police before being killed:

²³“Polícia mata garotos de 11 e de 12 anos no Rio,” *Folha de S. Paulo* (São Paulo), December 6, 2005. Author’s translation.

The bodies of the five dead -- among them four minors -- were released from the Legal Medical Institute [Instituto Médico-Legal, IML], without having been examined for gunpowder traces on their hands, which would have shown if in fact they participated in a shootout, as the police allege.²⁴

This suggests that police officers face little pressure to condition their use of lethal force on the behavior of traffickers, and, consequently, that traffickers—or even favela youth who might be mistaken for traffickers—cannot typically avoid facing the full brunt of police actions by eschewing violence.

More systematic assessments confirm this. Cano (1997, 2010) studied the universe of incidents involving police that ended with firearm deaths or wounds between over a 30 month period. Among many intriguing findings, he calculates *lethality indices*: the ratio, among all incidents in which police shot ‘opposers’ (not innocent bystanders), of deaths to woundings. Presumably, if police were trying to apprehend or incapacitate criminals, rather than kill them, this index would be less than one, and Cano reports that for most US cities, it is (1997:31). In Rio, however, it is significantly higher. Even for whites in non-favela areas, there were about two lethal shootings for every non-lethal shooting; for non-whites in favelas, there were more than eight (2010:40). Cano also reports that forensic examinations were carried out in only 26% of cases with civilian victims, and that even among those, tests for gunpowder on hands were rare (1997:57).

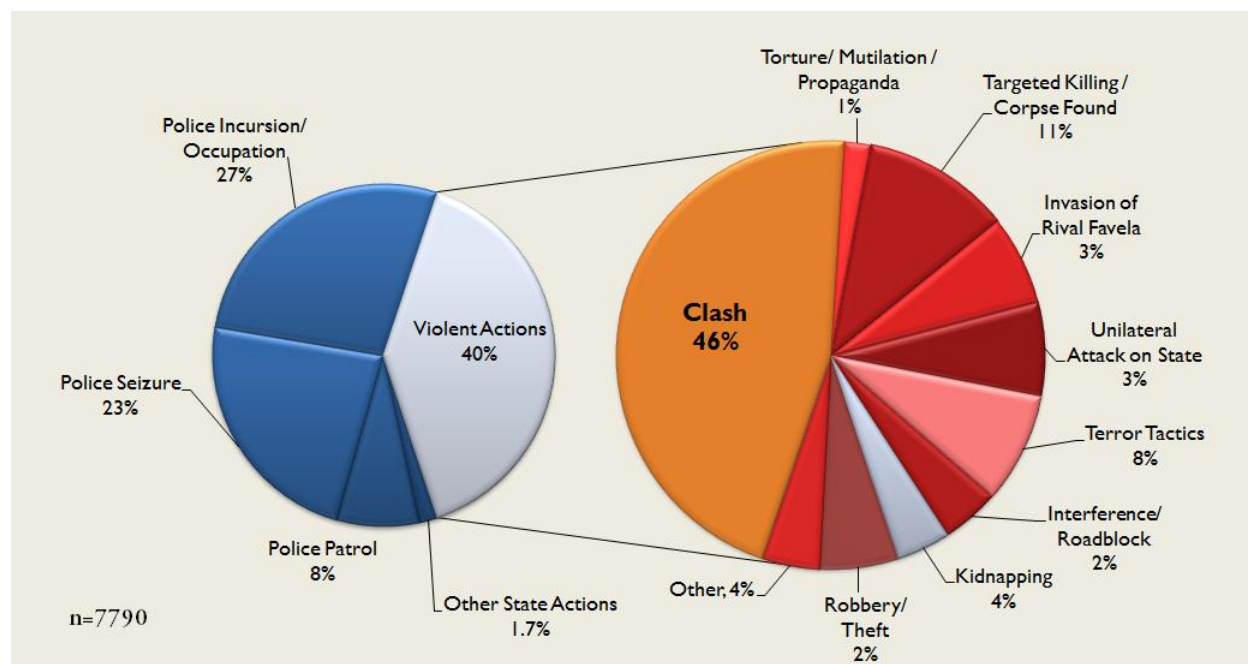
The title of a 2005 Amnesty International report vividly captured favela residents’ experience of police actions in their communities: “They come in shooting” (Amnesty International, 2005). Residents also consistently reported being treated by police with disrespect and suspicion as “accomplices of the criminals”. As the report points out, such police behavior often has some legal sanction in the form of collective search and seizure warrants handed out for entire favela communities. Comments like, “[The police] beat and beat and beat you, then say ‘Sorry, you’re not the one we’re looking for’” (25) make clear that for residents, even those not involved in the drug trade, violence at the hands of the police is hard to avoid. This is undoubtedly true for youth actually involved in the drug trade: of more than 200 traffickers interviewed in a 2004 study, 74% reported suffering violence at the hands of police, while only 53% reported having ever been arrested (Silva et al., 2004:35-37).

Claim #2: Prior to pacification, syndicates used ‘fight and bribe’ strategies

A key claim of this chapter is that, to a first approximation, Rio’s syndicates—particularly the largest and most important syndicate, the CV—operated under a ‘fight and bribe’ strategy. That is, they used armed force against state enforcers as part of a larger strategy to maximize profits, and in particular as a means of keeping police bribe demands reasonable. The most important piece of evidence is simply the aggressive and confrontational behavior of CV outfits throughout this period. Over and over again, traffickers showed themselves willing to engage not only Rio’s Military and Civil Police in armed battle but also Army and Navy troops, when these were deployed.

Preliminary results from violent-event datasets I produced as part of the NRI/OBIVAN project, presented in Figure 4.2, supports this claim as well. By far, the most prominent type of violent action

²⁴“Testemunhas contestam versão da PM,” *O Globo* (Rio de Janeiro), December 6, 2005. Author’s translation.

Figure 4.2 Newspaper Reports of Cartel-related Actions, Proportion of Total

Source: Author's coding of media reports (NRI/OBIVAN).

is the *tiroteio*, a shootout, almost always occurring in favelas. Such clashes²⁵ account for nearly half of all reports of drug violence in Rio coded. The violent-event datasets were coded so as to permit detailed analysis of the nature of drug violence; in Rio they provide further evidence that clashes arise from violent corruption dynamics. First, the vast majority of reported clashes are between police and syndicates, not among syndicates (Figure 4.3). Second, at least 75% of all clashes occur in favelas.²⁶ Finally, half of all clash reports indicate that some police-initiated action preceded the outbreak of gunfire.²⁷

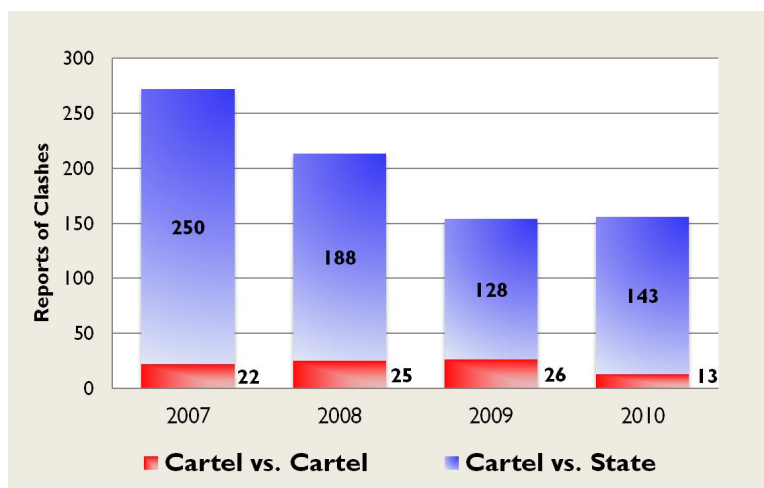
While there is not always a tight fit between modality of violence and underlying logic of violence, in the case of Rio, evidence like this makes it clear that the vast majority of these clashes arise out of the *plata o plomo* logic of violent corruption.

Furthermore, while frequent enough at the city-wide level, confrontation between traffickers and police is actually rare. On any given day, hundreds of favelas patrolled by openly armed traffickers were

²⁵The methodology of the NRI/OBIVAN project involves coding reports of events by their component action. While there are many categories of action, some more tailored to the local reality of each country, across all three coding projects there is only one category of clash. Any situation in which two or more armed actors fired on one another is counted as a clash.

²⁶All events are coded for "Type of location," with categories for favelas in formal parts of the city (*asfalto*), non-urban areas, and roads. Among clashes, 75% took place in favelas, and another 16% lacked information.

²⁷Police incursions that were themselves in response to a violent event are counted as cartel-initiated.

Figure 4.3 Newspaper Reports of Clashes, 2007-2010

Source: Author's coding of media reports (NRI/OBIVAN).

not the scene of shootouts, even though police certainly knew where to find the traffickers. The most plausible explanation of this intermittent fighting is that it is part of an ongoing, repeated interaction in which violence is the result of bargaining breakdown, such as in the model of violent corruption presented in chapter 3.

A second crucial piece of evidence is the overwhelming role that both bribe-paying and armed confrontation with police play in traffickers' accounts of their business. In a longitudinal study of 230 drug traffickers, 54% reported having suffered extortion by police, while only 53% reported having been arrested and 28.5% had actually been imprisoned (Silva et al., 2004). This regularized corruption transpires in a context of mutual violence: a full 73.5% of the sample reported having suffered police violence, while 68% had been involved in at least one armed confrontation with police (compared to only 53% in confrontation with rival groups). In an earlier survey, traffickers were asked to name their main fear in their line of work; among those under 18, fear of death ranked first (35%) followed by fear of police extortion (30%), while among those over 18 fear of extortion ranked first; in both cases, fear of arrest was third. In terms of the model presented in Chapter 3, these results provide evidence that a 'fight and bribe' strategy predominates in Rio: contact with the police is more likely to result in either violent confrontation or a bribe payment than actual enforcement of the law.

Interviews and statements of higher-ups in the drug trade make a related point: police bribe demands are very large relative to drug profits—indeed, the boss of Rocinha said in his statement upon arrest in 2011 that he regularly paid half of his revenue in bribes, and often had zero net profits (Werneck, 2011). One of my informants, a high-level manager in a large unpacified favela, expressed a similar sentiment, and explicitly tied it to a motivation for the use of anti-state violence:

There's no way to pay [the police] everything they demand; if we did we'd end up just working for

them. [...] So when there's not enough money to pay them with, well then, there will be bullets.²⁸

Soares, Bill, and Athayde (2005) transcribes an interview with a syndicate member expressing a similar sentiment:

Say [a cop] is behind on his car payments, and he's no longer at the police post [in the favela], so he's not part of the *arrego* [bribe]. So he comes to ... arrest a dealer who has already paid the *arrego*. [...] When they break the *arrego*, they always arrest one of us. Then they want R\$15,000, R\$20,000 [US\$7.5-8,000], above and beyond the *arrego*. So, some of these guys get shot, and what happens when you shoot them, they call for reinforcements. And then the shit that has to go down goes down. (259-260)

These testimonies nicely captures both the presence of the *plata o plomo* logic in Rio de Janeiro, and also its very different cast from the Colombian case. Whereas Escobar reached out to judicial officials and police chiefs, pro-actively making his offer, Rio's traffickers are physically circumscribed within their favela bases, sitting ducks for well-armed police officers with the power to, if not permanently expel them, seriously disrupt their drug business. Bargaining theory tells us that in general, the player who makes the offer has more bargaining power; in Rio it certainly seems as though police held the advantage in the negotiation of the *arrego*.

Claim #3: Pacification represents a shift to conditional repression

With the exception of localized experiments like GPAE, anti-syndicate repression was essentially unconditional, though often quite extreme. Two aspects of the pacification strategy make it clearly conditional. First, the state government announces pacification occupations ahead of time; it also generally maintains only loose perimeter patrolling between announcement and occupation, and declares the operational goal of the occupation itself the retaking of territory rather than the capture or killing of traffickers. In this way, the state essentially gives syndicates a 'hiding option,' i.e. a chance to flee or, for those unlikely to be identified by police, disarm and 'melt' into favela society. Second, once established, the UPP battalions, while not exactly tolerating the drug trade explicitly, make interdiction and arrest of traffickers as a minor priority.

Both of these aspects of the policy represent strong breaks with previous practice, and, as with GPAE before it, the UPP program has come under criticism for turning a blind eye to traffickers. But whereas GPAE's backers often found themselves on the defensive, Secretary Beltrame has forthrightly defended both aspects of the UPP strategy. In an absolutely crucial piece of rhetorical innovation, he has repeatedly stressed that the primary goal of public security policy should be to establish state control and presence within the favelas, and that the goals of arresting kingpins and eradicating the drug trade per se should be considered secondary.

'We cannot guarantee that we will put an end to drug trafficking nor do we have the pretension of doing so. [The idea is] to break the paradigm of territories that are controlled by traffickers with weapons of war.' (Phillips, 2010).

²⁸Interview, mid-level CV manager, Rio de Janeiro, March 29, 2010.

Challenged on the policy of allowing kingpins to escape, he said:

‘What difference does the arrest of a drug lord make to the life of people who live in a given community? [...] Will it reduce crime rates? Arresting drug lords is important, but it isn’t the most important thing. Without territory, they are much less “lords” than they were before’ (Bastos, 2011).²⁹

When confronted by journalists with footage of drugs being sold in a UPP-occupied favela, Beltrame did not apologize for what is perhaps the most difficult-to-swallow aspect of conditional repression, the need to use less than the full brunt of the state’s repressive apparatus against non-violent traffickers:

‘The basic mission was to disarm the drug dealers and bring peace to the residents. The footage doesn’t appear to show anyone armed. [...] I can’t guarantee there is no drug dealing going on, in some dark corner, in a place as large as City of God.... That positive outcome is worth infinitely more than the sale of a half dozen packets [of cocaine]’ (Araújo, 2010).³⁰

Claim #4: Pacification has led syndicates to switch to hiding strategies

A confidential US diplomatic cable from 2009 makes clear that Beltrame had been planning to invade Alemão in 2010, and that he expected it to be a bloody and “traumatic” operation (US Consulate in Rio de Janeiro, 2009). This strongly suggests both that prior to the 2010 Alemão invasion, syndicates were understood to be entrenched in a fighting strategy, and that even the formulator of the pacification strategy did not anticipate (publically, at least) the extent to which the CV would switch to hiding strategies. Indeed, as state forces amassed on the periphery of Alemão, there was widespread concern from varied quarters that the impending invasion would result in a “bloodbath” – i.e. that the CV soldiers, now gathered in one place, would make their final stand. A coalition of eight prominent human rights and community groups released a public note on November 27th entitled “We will not accept another massacre,” making explicit reference to the 2007 ‘mega-operation’ in Alemão.³¹ On November 28th, the commanding officer in charge of state forces made a public ultimatum, giving the traffickers until sundown to turn themselves in. A prominent cultural figure and experienced mediator, who entered Alemão on the 28th at the behest of the traffickers and with the permission of state authorities in an attempt to convince the traffickers to surrender, said he was motivated to take such a risky action by a desire to avoid a “bloodbath”. The attempt at mediation failed, only one trafficker surrendered, and the next morning a combined force of 2,700 police and soldiers entered Alemão. However, to the surprise of the media, analysts, and even force commanders, there was next to no resistance: the entire operation lasted only a few hours, and produced three fatal casualties.

Prior to the invasion, estimates of the number of armed traffickers in Alemão ran from 500 to more than 1,000. The invasion produced no more than two dozen arrests. Most of the traffickers, including

²⁹ Author’s translation.

³⁰ Author’s translation.

³¹ “Nota Pública---Não aceitamos mais uma chacina”, available online at <http://global.org.br/programas/nota-publica-nao-aceitamos-mais-uma-chacina>

the local CV boss, successfully fled. Although the official line is that the state sought to corral the traffickers and bring them to justice, and that the escapes occurred via genuinely successful subterfuge or the corruption of individual officers, this seems implausible given the sheer number of traffickers. A more likely hypothesis is that, as had become standard practice during previous UPP installations, state forces essentially allowed the traffickers to either flee or to disarm and melt into the local population.

What is beyond doubt is that since the retaking of Alemão, the state has managed to retake enormous amounts of important favela territory without firing a shot. One indication of the decisive effect the occupation of Alemão and Cruzeiro had was the next scheduled UPP operation, in the São Carlos favela, in February of 2011. A smaller community with a much lighter armed presence of drug traffickers, the pacification took place almost nonchalantly. Residents said that the traffickers had either fled or disarmed a week in advance of the operation (Costa, Moura, and Daflon, 2011).

The most spectacular example of this shift toward nonviolent strategies, however, was the pacification of the Rocinha-Vidigal-Chácara do Céu in November 2011. The largest favela in Rio and, some say, in Latin America, Rocinha sits in the heart of the city's wealthy southern zone and is widely thought to be the single most lucrative drug market in the city. After arresting the head (*dono*) of the favela's drug operation under somewhat bizarre circumstances (he was riding in the trunk of a car the drivers of which claimed to be Congolese diplomatic officials), the state announced the imminent pacification of the community. Several days later, an enormous task force of police and army units took all three favelas in a matter of hours without firing a shot.

A word about alternative explanations: Much has been made of the community-policing aspect of the UPP units themselves. The advent of a more human police force with the capacity to form a relationship of mutual respect with favela residents is a major step forward for the consolidation of democracy and the full expansion of citizenship in Rio de Janeiro. Welcome as such a development is, it is simply not plausible that this aspect had a substantive effect on the decision of syndicates to eschew violence. It certainly seems implausible that the reason syndicates fought instead of hid was out of concern for how residents would be treated. The other potential channel is a counterinsurgency, 'hearts and minds' effect: by winning over the local population, UPPs are undercutting the 'social base' of the traffickers. This is logically possible, but empirically unconvincing: the shift in syndicate strategy was simply too abrupt, and occurred too soon in the UPP process (many pacified communities are still occupied by BOPE and army forces). Besides, public opinion among pacified residents is still wary and divided.

4.6 Conclusion

Different patterns emerge as one examines this history at different time-scales. Observed on a daily or weekly basis, one notes a nearly constant stream of shootouts and confrontations, both among syndicates and—more frequently—between traffickers and police. At the same time, a bit of reflection would reveal that on any given day the vast majority of syndicate-controlled favelas were *not* the site of police operations, and that actual enforcement of the law was the exception, not the rule. Taking a slightly broader view, the years are punctuated by less frequent but more severe events: full-scale invasions by one syndicate with the intent of permanently taking another's territory; shocking police

massacres of civilians suggesting rampant and violent corruption; syndicate actions *outside* the favela, often attacks on police stations or government buildings, but also ‘terroristic’ actions like bus-burnings, grenade attacks, and forced closing of schools and businesses.

Stepping back again, to the time-scale of governorships, one perceives the oscillation between crack-down and restraint described above, although not always reaching “all the way down” to the level of de facto police action. Finally, taking the very long view, one perceives both a steady escalation in terms of armament, tactics, and lethality; and at the same time, a remarkably stable underlying arrangement. Decades passed, governors come and went, the presidency switched hands from privatizing reformer Fernando Henrique Cardoso to leftist hero Luiz Inácio Lula da Silva, and police and syndicates went from pistols to assault rifles to armored vehicles, barricades, grenades, and anti-aircraft weapons, but besides driving ever-higher death tolls, none of this seemed to fundamentally alter the dynamics of the syndicate-police-favela nexus. At the outset of 2008, the CV and its rivals controlled the same swathes of critical urban territory—including the massive favelas Complexo do Alemão and Rocinha—that they had for some twenty years, and the state seemed no closer than ever to dislodging them. Indeed, the situation was so grim that when police-linked paramilitary groups known as *milícias* began to “liberate” outlying favelas only to establish their own exploitive rule, Rio’s mayor publicly declared them to be the lesser of two evils (Bottari and Ramalho, 2006).

Rio State Governor Sérgio Cabral began his first term in 2007 with a hard-line stance that led to an increase in lethal confrontations between police and syndicates; this fit into a longer pattern of oscillation in state policy between periods of benign neglect and lethal crackdowns (see Figure 4.1). A June 2007 joint operation of police and federal armed forces in the Complexo do Alemão favela, stronghold of the CV, was significant. While over 1,300 troops laid siege to the favela for a month, “traffickers circulated carrying assault rifles and pistols...and impudently pointed them at federal soldiers, challenging them to a confrontation in the favela” (Costa et al., 2007). Finally, troops invaded the area, leaving 19 civilians (all allegedly drug traffickers) dead and yielding some arms seizures but no arrests. Incredibly, while this operation—the largest ever in Brazil’s history according to officials—drew severe criticism from human rights organizations and even the United Nations (Alston, 2007), it left the favela under the dominion of the CV (Costa et al., 2007).

The contrast with the post-UPP 2010 Alemão invasion could not be starker. Not only was the relative lack of confrontation during the invasion an enormous and felicitous surprise to observers, activists, and the government itself; so too was the aftermath. The operation left Alemão firmly in the hands of the state for the first time in more than a generation, ending what Rio’s Public Security Secretary and architect of the pacification strategy José Beltrame called the “illusion of invincibility” of Alemão (Carneiro, 2010). The event marks a watershed in the history of Rio’s drug war; while hundreds of favelas remain under the control of the syndicates and paramilitary groups, and armed violence is still rampant, if declining, the sense that the tide may be turning is palpable. As a former Brazil specialist for Amnesty International put it, “This city is becoming normal.”³²

³²Interview, Damian Platt, January 5, 2012

Chapter 5

Colombia

5.1 Introduction

Perhaps the quintessential example of cartel-state violence, and criminal war more generally, is Colombia's 'narco-violence' period, which we can date roughly from Pablo Escobar's murder of justice minister Rodrigo Lara Bonilla in April 1984 to Escobar's death at the hands of state forces in December 1993. Indeed, the history of cartel-state violence in Colombia is largely the history of Escobar himself and the Medellín Cartel he organized. Escobar emerged in the early 1980s as a kind of 'boss of bosses,' uniting Colombia's principal drug traffickers in a militarized response to extortion by leftist guerrilla groups. This unity began to unravel when Escobar extended his confrontational approach to his dealings with the state, which in 1983 began ramping up efforts to fight the drug trade.

Escobar, a prominent public figure at a time when Colombian elites were still ambivalent about the cocaine trade¹, openly sought political power through the Liberal party and his own social actions in the slums of Medellín, and was eventually elected to Congress in 1982. The following year, Attorney General Rodrigo Lara Bonilla expelled Escobar, publicly accusing him of having links to the drug trade; the year after that, in retribution, Escobar had Lara Bonilla killed. Thus began ten years of open conflict between Escobar and the state and, increasingly over time, with his competitors. Along the way, Escobar assassinated leading presidential candidate Carlos Galán as well as a standing state governor, an attorney general, chiefs of police, countless judges, and the director of a major national newspaper; he bombed the headquarters of the Colombian intelligence agency DAS, blew up an airplane meant to carry Galán's successor (and eventually, president) César Gaviria, and made a standing offer to the thugs of Medellín of several thousand dollars for every policeman killed.

Ostensibly, much of this fighting was over the issue of extradition. Escobar and his partners, using the collective name 'Los Extraditables' ('The Extraditables'), waged both a physical war and a public relations campaign against extradition, painting it as unpatriotic and "pro-yankee" (Sanín and Stoller, 2001), and taking as its motto the phrase "Better a tomb in Colombia than a jail in the United States." The legal status of extradition was unclear during much of this time: a formal extradition treaty was found unconstitutional by the Supreme Court on procedural grounds, while a few extraditions were

¹Interview, former Attorney General Gustavo de Greiff, December 13, 2010

carried out as executive orders under States of Emergency.

The violence escalated throughout the 1980s, culminating in the 1990 election in which the four main candidates were assassinated (not all by Escobar). Following the election, a new constitution was promulgated that, among other things, banned extradition. Escobar immediately turned himself in and publicly called off his war, on the condition that he be allowed to essentially construct his own prison. For roughly a year between 1991 and 1992, Escobar and his crew were technically behind bars but relatively free to continue to run their operation. The government, aware of this but only spurred to action when Escobar brought a disloyal associate to the prison and murdered him there,² attempted to move the kingpin to a more secure location. Escobar easily escaped. For the next year, an intense manhunt ensued, involving significant US assistance, which finally ended with Escobar's death in 1993.

The Cali Cartel reaped the benefits of Escobar's downfall. its non-violent approach had exposed it to far less repression, and it had won a promise of amnesty from president-elect Ernesto Samper in exchange for massive campaign contributions. However, when these ties came to light, they became politically toxic (Dugas, 2001), leading to an intense, targeted effort that resulted in the capture and extradition of the Orejuela brothers (by this time, the constitutional ban on extradition had been eliminated) (Serrano Cadena, 1999). In the aftermath, the drug trade fractured and traffickers became involved in the budding war between paramilitaries and leftist guerrilla groups. Though neither the drug trade nor armed violence has abated in Colombia, the days of open cartel-state conflict ended with Escobar's death.

5.2 Key Historical Episodes

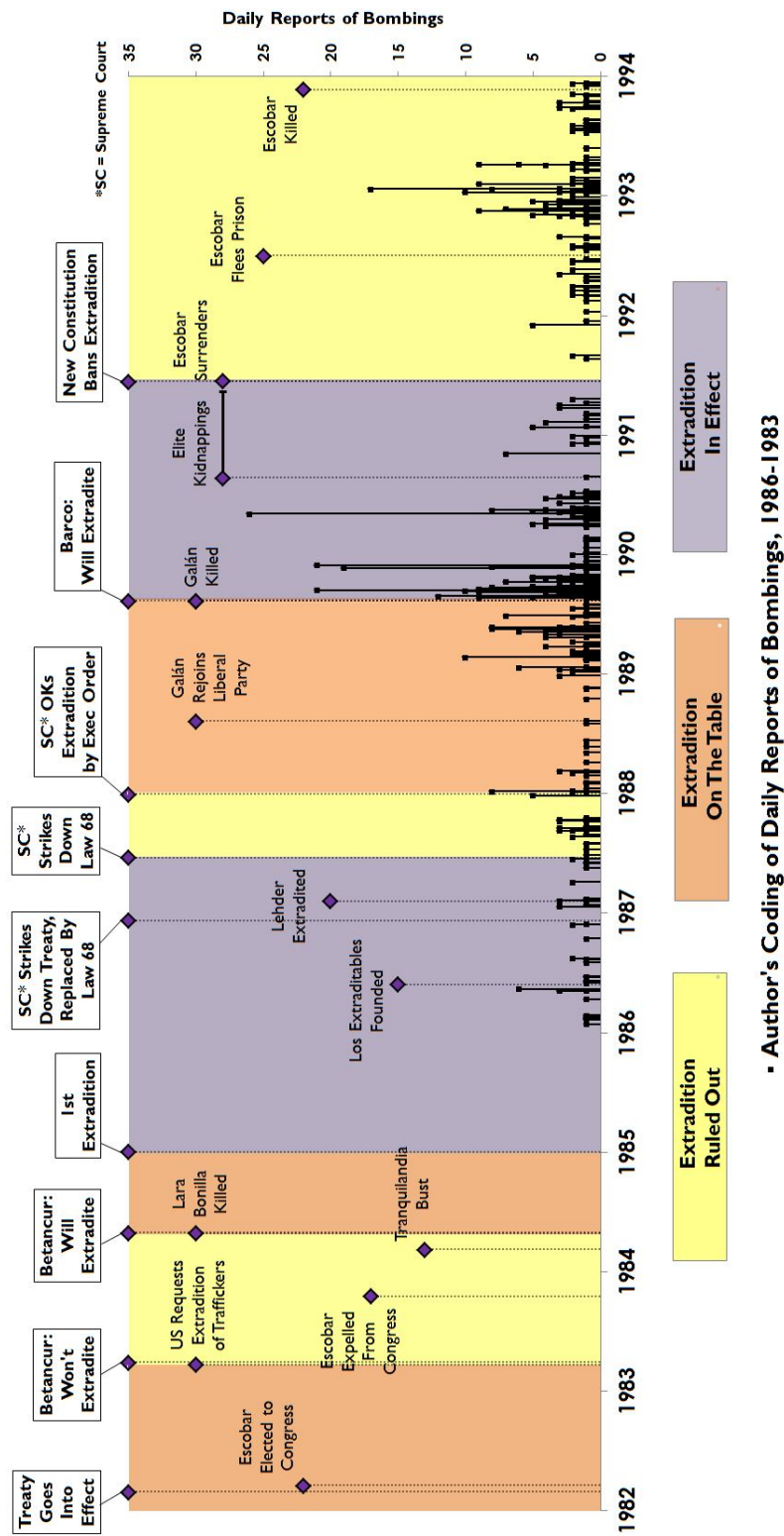
This section presents additional detail for some of the principal episodes of period studied. To ease cross-referencing from other parts of this study, I present these in separate subsections. Some of the incidents referred to are seen in Figure 5.1, which present a timeline of the narco-violence years in Colombia, divided into periods according to the legal and operational status of extradition. For convenience, I have coded these periods tri-chotomously, as periods where extradition was in effect, periods in which it was “on the table” as a potential option or of unclear or changing status, and periods in which it had been judicially ruled out (if only temporarily). In addition, Figure 5.1 presents preliminary results from violent-event datasets I produced as part of the NRI/OBIVAN project: in this case daily newspaper reports of bombings and acts of arson. The height of the bars indicates number of unique articles mentioning an event on that day, not necessarily the number of unique events, and can thus be seen as a rough measure of intensity or public impact.

Early Years and Advent of MAS

Drug trafficking and particularly contraband have long histories in Colombia, with emeralds and marijuana the largest markets until the late 1970s. By the early 1980s, cocaine shipments to the United States had begun to produce enormous illicit profits for an assortment of smugglers. It was a time when anti-narcotics policy was relatively permissive and frankly ambivalent toward the trade, recognizing it

²Interview, former Attorney General Gustavo de Greiff, December 13, 2010.

Figure 5.1 Colombia's Drug War: Extradition and Narco-terrorism, 1982–1994



Source: Author's coding of newspaper reports (NRI/OBIVAN).

as a unseemly activity yet admiring and appreciating the fortunes it created . The traffickers themselves were

In the late 1970s, the M-19 guerrilla movement adopted a strategy of kidnapping traffickers, with the goal of collecting large ransoms to put toward their planned “invasion of Colombia” (Kirk, 2003:104). After an unsuccessful attempt with the trafficker Carlos Lehder, the group succeeded in several kidnappings, including the daughter of Jorge Luis Ochoa, a major trafficker from Medellín and a prime ally of Escobar. Feeling targeted as a class, a nation-wide meeting of traffickers—some say as many as 200—was held in November 1981 to discuss a united response. Lehder and Escobar, both known for their skill in military matters, argued that only by hitting back at the M-19 with violence could the group avoid being victimized in the future. The argument won the day, the traffickers all agreed to pony up money, soldiers, and arms to the collective, which became known as ‘Death to Kidnappers,’ or MAS (*Muerte a Secuestradores*).

MAS announced its presence by dropping thousands of leaflets over a packed soccer stadium in Cali, but its true debut came when members of the M-19 were found bound and gagged in front of a Medellín newspaper office. MAS operated in covert cooperation with army and police units that were hunting the M-19, often carrying out the kind of brutal and unethical actions that state forces could not. Dozens if not hundreds of other members and associates of the M-19 were captured, tortured and murdered. Eventually, leaders of the M-19 and MAS met in Panamá, the meeting facilitated by Manuel Noriega, then head of Panamanian intelligence.³ Ochoa’s daughters were freed and the M-19 abandoned its strategy of kidnapping traffickers.

The MAS incident had diverse and far-reaching impacts. First, the targeting of the leaders of Colombia’s burgeoning drug trade ended up bringing together what was until then a group of autonomous actors; it imposed on them a kind of class consciousness, both of their vulnerability to extortion and their common interest in cooperation and presenting a united front. Though the immediate goal was to win release of the captives, the formation of MAS facilitated broader cooperation, leading to a peaceful division of US drug turf that held for several years.

At the same time, the incident made clear to the trafficker class the usefulness of armed force, and consequently elevated Pablo Escobar to a dominant role within the group, as the capo with a comparative advantage in violence and coercion. The rapid success of MAS’s operation further consolidated Escobar’s position, a position that in some sense resembled that of a Mafia protection racket: Escobar received donations from all the members of MAS to carry out the military actions needed to keep the traffickers ‘safe’. This turn of events, together with the victory of the M-19, seems to have cemented in his mind the idea that fighting was the best alternative to an endless spiral of extortion at the hands of others.

A third consequence is paradoxical and double-sided: on the one hand, the formation of MAS constituted the beginning of armed anti-guerrilla paramilitarism in Colombia. To those with anti-leftist leanings, the incident taught an important lesson: state forces would gladly ally with traffickers in a battle against an insurgent foe. Indeed, the paramilitary groups of the 90s—including the infamous Autodefensas Unidas de Colombia (AUC)—were literally outgrowths of the original members of MAS.

³According to Salazar (2001:87), Ochoa’s contact with the Panamanian government was itself facilitated by Carlos Andrés Pérez of Venezuela.

Yet at the same time, the MAS campaign brought Escobar into direct negotiation with the M-19 leadership, yielding a bizarre but important relationship of mutual respect and, according to some, operational cooperation. To Escobar, the M-19 was resourceful, clever, and effective. The personal contact turned a worthy opponent into a fellow traveler, and over the following years the M-19 would come to represent a model of successful violent lobbying, a trailblazer of sorts. Escobar's logic seems to have been: if the M-19 could stand up to the Colombian state, and MAS could stand up to the M-19, then why shouldn't MAS stand up to the state?

The lesson that other traffickers drew was very different. If the M-19 could stand up to the state and MAS could stand up to the M-19, then why not collude with and ultimately subvert the state by doing its dirty work for it? Although it would be years before the highly lucrative and functional pact between the Cali and Medellín cartels would break down into openly declared war, a fundamental divergence in strategy was already apparent. For a time, this divergence was merely annoying to Escobar and his principal rival, the Cali cartel. By the early 1990s, the inexorable logic of paramilitarism would lead the Cali leaders and the Castaño brothers (original members of MAS) to ally with state against Escobar, as MAS once had against the M-19.

Foray Into Electoral Politics

Before any of that could happen, however, Escobar reached the high-water mark in his quest for power and social legitimacy. Starting in the early 1980s, he had become engaged in social causes in the low-income neighborhoods and squatter settlements of Medellín. These involved not only massive public goods and infrastructure provision—including football stadiums and, in one case, an entire neighborhood—but also a deep and personal engagement, organizing dozens of neighborhood committees, attending community events, and constructing a populist discourse in the pages of a local newspaper owned by his union-organizer uncle Hernando Gaviria (Salazar, 2001:78).⁴ His flagship project, Medellín Sin Tugurios ('Medellín Without Slums'), built an entire neighborhood for a community living in precarious conditions atop a city dump. To this day the neighborhood is informally known as 'Barrio Pablo Escobar'.

In early 1982, Jairo Ortega, a candidate for Congress, invited Escobar to join his list as a *suplente* (alternate). Ortega had founded the Movimiento de Renovación (Movement for Renovation), which was then allied with the Nuevo Liberalismo offshoot of the Liberal party. Nuevo Liberalismo (New Liberalism) was headed by the charismatic leaders Luis Carlos Galán and Rodrigo Lara Bonilla, and was founded on the promise of rejuvenating and cleaning up both the Liberal party and Colombia's electoral system in general. As such, they were adamant about avoiding "hot money" and other improprieties, which soon led them to expel Escobar and Ortega from the movement mid-campaign. Ortega switched to the camp of Alberto Santofimio, an important, traditional Liberal who had almost won the party's presidential nomination that year. Ortega was elected with Escobar as his *suplente* (alternate), while Galán's break with the larger Liberal party led to the presidential victory of Belisario Betancur, a

⁴Among the issues that Escobar wrote about in his regular column were: housing and sanitation for the poor, environmental education and conservation, keeping Colombia's youth off drugs (!) and, of course, revoking the extradition treaty.

Conservative. The now infamous positive profile of Escobar in Colombia's top news magazine (*Semana*, 1983), "A Homegrown Robin Hood"⁵—published shortly after Escobar won his seat—captures the rather innocent nature of both electoral politics and attitudes toward traffickers at the time:

Even if at the provincial level [Escobar] is no more than Jaime Ortega's substitute in the House of Representatives, at the national level he is the principal backer of *santofimismo*. Santofimio's charisma, bolstered by Escobar's money, are transforming the political customs of the country. Campaign tours that used to be slow and uncomfortable...today are done quickly and comfortably in his planes and helicopters. At rallies, speakers stand on daises of wood specially constructed for the occasion...On important occasions, speeches are transmitted to the country via paid radio time slots.⁶

Escobar's career as a politician, however, quickly collapsed. Betancur, obliged to make some appointments from the opposition parties, named Rodrigo Lara Bonilla his justice minister. Lara announced his intention to investigate and crack down on "hot money," and a confrontation ensued between him and Ortega on the floor of the House. Ortega presented evidence—arranged for by Escobar—that Lara himself had accepted campaign contributions from a trafficker. Lara's response was to double down on his anti-corruption crusade, publicly denouncing Escobar as a trafficker, and in October 1983 managing to have him expelled from Congress.

Crackdown and Response

Lara Bonilla's investigation of and public clashes with Escobar were part of a larger crackdown against the drug trade as a whole. He obtained warrants for the arrest and extradition of Carlos Lehder (Salazar, 2001:119) and other traffickers, as well as investigating wider money-laundering rings involving soccer teams and other shadow businesses. These efforts were to some extent hobbled by Betancur himself, who had declared himself opposed to extradition and who was probably not eager to have too much dirt dug up on questionable campaign contributions. More successful was Lara's partnering with US intelligence sources operating out of the embassy. In March 1984, Colombian police celebrated several major busts, including the seizure of *Tranquilandia*, a cocaine-processing factory town that a consortium of traffickers had built in the heart of the Amazonian jungle. At the time, it was the largest cocaine bust—14 metric tons—in world history.⁷

Escobar responded by taking a drastic step: Lara Bonilla was murdered by assassins on April 30, 1984. President Betancur immediately declared a state of emergency, and at Lara Bonilla's funeral announced that he would restore the policy of extradition, and shortly thereafter signed an extradition order for kingpin Carlos Lehder. Many of the top traffickers in the country, including Escobar, Lehder, and the Ochoas, fled to Panama, where they enjoyed connections with rising strongman Manuel Noriega.

⁵Un Robin Hood Paisa, literally "A Robin Hood from Antioquia". Antioquia is the department of which Medellín is the capital.

⁶Author's translation.

⁷A telling aside: DEA agent

Galán's Campaign and Murder

Luis Carlos Galán's New Liberalism faction had broken off from the Liberal party and he had run as a third candidate in 1982, which had contributed to the victory of the Conservative Betancur. Sitting out the 1986 election permitted the Liberal party candidate Barco to retake the presidency. As the 1990 elections approached, Galán enjoyed strong personal popularity, but stood little chance of winning the presidency as an independent. He thus sought reconciliation with the Liberals. His proposal was simple: he would re-join the mother party on condition that the presidential nominee be selected in a primary, as opposed to the traditional selection by party elders. In late 1988, the party leadership agreed, and Galán was restored.

To Escobar, Galán was both a personal enemy (he was responsible for throwing Escobar out of the New Liberalism movement in 1982) and a very real threat. Galán was, like his murdered fellow traveler Lara Bonilla, an vocal proponent of extradition and a fierce anti-corruption crusader. He was also a skilled campaigner and a magnetic personality. Over the course of 1989, it became clear that he would not only win his party's nomination, but that he was the clear frontrunner in the presidential race. On August 19, 1989, while delivering a campaign speech, Galán was assassinated.

The event was, even more than the death of Lara Bonilla, a watershed. Like the Kennedy assassination, the event shocked and silenced a nation, and cut down a transformative political figure in his prime. Unlike the Kennedy case, however, there was little mystery as to who had killed Galán, or why. President Barco immediately declared 'war' on the Medellín cartel and announced that he would conduct extraditions via executive order. Although the legal basis for such action was dubious, the Supreme Court had previously signaled that it would not interfere, and indeed numerous extraditions occurred during this period.

Incredibly, the electoral violence of the 1990 election was only just beginning. The candidates of two left-wing parties, the Union Patriótica (UP, associated with the FARC rebels) and the M-19 (a guerrilla group which had demobilized and transformed itself into a party) were murdered in early 1990, most likely by right-wing paramilitary leaders. Galán's successor, César Gaviria, narrowly escaped the bombing of an Avianca airliner that he was meant to fly on; the attack, attributed to Escobar, killed 110 others. Gaviria went on to win the 1990 election.

Elite Kidnappings and Negotiating Surrender

In July 1990, just prior to Gaviria's inauguration, Los Extraditables declared a unilateral truce (Pardo Rueda, 1996:263). This gave Gaviria some room to maneuver politically, and in his presidential acceptance speech he not only spoke of alternatives to extradition, but also insisted on prioritizing the reduction of narco-violence over the much larger and more intractable problem of the drug trade as a whole. This rhetorical move was meant to facilitate a shift toward a more conditional repressive policy (and would be echoed decades later by Rio de Janeiro's security chief as justification of the UPPs' conditional approach)—one in which the state would deliberately go easy on traffickers if they would eschew violence. The government began formulating a policy of what it called *sometimiento*, voluntary submission to justice, in which traffickers who turned themselves in would receive concessions. What had initially seemed like a simple idea quickly got complicated—issues arose over whether the state should make

a one-time or a standing offer, how to deal with suspected traffickers for whom insufficient judicially valid evidence existed to get a conviction, and what promises to make around the possibility of future extradition for other crimes. The next few months saw a flurry of executive orders that fleshed out and adjusted the *sometimiento* policy.

Meanwhile, shortly after Gaviria took office, Escobar, acting in the name of Los Extraditables, took hostage a group of journalists including Diana Turbay, daughter of a former president. Shortly thereafter he kidnapped a number of other high-profile targets, including the editor of *El Tiempo*, the country's leading daily, and two cousins of the president. Although the timing of the Turbay kidnapping suggests that Escobar probably was not specifically responding to the *sometimiento* policy when he began his campaign (Pardo Rueda, 1996:272), the hostages proved to be very powerful bargaining chips in Escobar's negotiations with the government. By focusing on targets who were both well-known journalists and members of Bogotá's tight-knit elite, Escobar induced a media frenzy that captured the attention of the nation (García Márquez, 1997). A self-appointed commission of relatives and friends of the captives, known as 'Los Notables' (The Notables) and including two ex-presidents, formed and began a kind of shuttle diplomacy, urging Gaviria to offer Escobar the same amnesty that Barco had conceded to the M-19.

The government not only refused to consider a political amnesty, it repeatedly insisted that there was nothing to negotiate, only a possibility of leniency in exchange for submission. However, this was little more than posturing (Leal Buitrago, 2006). In reality, the nearly nine months between the first kidnappings and the captives' release in late May 1991 saw intense negotiation over countless details related to the terms of surrender, the confession of crimes (for lack of evidence, the state had no outstanding indictments against Escobar), guarantees against future extradition, and perhaps most significantly, the physical conditions of Escobar's imprisonment (García Márquez, 1997).

5.3 Discussion

Violent Lobbying and Violent Corruption: Not Either/Or

History loves an outlaw and Escobar's exploits are, true to type, both terrifying and engaging. The prolonged frontal battle with the Colombian state he waged over the course of three presidencies is by far the longest and most brazen episode of violent lobbying by a criminal organization on record. It also makes, with its limited number of protagonists, a coherent and compelling narrative that has spawned a cottage industry of popular but well-researched accounts (e.g. Bowden, 2001; Cañón, 1994; García Márquez, 1997; Morales and La Rotta, 2009; Salamanca and Garzon, 2003; Salazar, 2001).⁸ As a result, this aspect of the narco-violence period has received the most attention, and in many ways come to stand for the drug war as a whole. The idea that a mafioso could go, as DEA chief Jay Bergman puts it, "toe-to-toe with the state" is indeed chilling, so it is perhaps understandable that much of the analytic focus has been on explaining why Escobar fought his war and whether it was an ex-ante mistake.

⁸The compelling nature of the narrative comes clear in the title of Bowden (2001), *Killing Pablo: The Hunt for the Richest, Most Powerful Criminal in History*, as well as a blurb from the back cover: "10 times better than any fictional crime story."

I will have my say about this issue below. But the crucial point this study has to contribute is this: it is almost certainly a mistake to interpret the larger story of cartel-state conflict in Colombia as strictly or even primarily driven by the logic of violent lobbying. First and foremost, violent corruption—the *plata o plomo* strategy that Escobar made infamous—predates violent lobbying and narco-terrorism by at least half a decade. To cite just the most prominent example, in 1976, Escobar was arrested during a relatively small cocaine bust, back in the day when he personally transported the drug. He used the *plata o plomo* approach to bribe judges in the case, and when it looked like it might come to court, had the DAS police officers who arrested him murdered (Bowden, 2001:32-33).⁹

Former minister of defense Rafael Pardo Rueda argues that a great deal of violence occurred in the period from 1986-1989, precisely when extradition was inoperative, and that extradition was imposed in the wake of violence—in particular, the assassinations of Lara Bonilla in 1984 and Galán in 1989—not the other way around (Pardo Rueda, 1996:188-189). Pardo's argument may be overextended: it is rich to count the assassination of Galán as occurring when extradition was off the table, since Escobar is widely reported to have specifically killed Galán because the latter explicitly campaigned on a platform of re-instituting extradition, and was all but certain to win the election. But Pardo is correct that there is a kind of paradox here: violence seems to set off state response, not other way round. And violence continued after extradition was outlawed in constitution and even while Escobar was safely ensconced in his personal prison.

This theory developed in this study sheds light on this apparent paradox debate. The key is to recognize that Escobar was engaged in both violent lobbying and violent corruption, and that each activity obeyed similar but at times divergent logics. At the end of the day, Escobar was a fugitive from justice, whose overriding concern was to avoid being arrested or killed. At times, he found it worthwhile to put pressure directly on leaders to affect the formulation of *de jure* policy—in particular, to knock down extradition and to win some form of amnesty or pardon.

But at other times there was little or nothing to be gained from additional leader-directed violence—such as once he was ensconced in La Catedral. This did not mean that he had no use for violence in general: the logic of violent corruption was still operative. Escobar continued to devote significant resources to maintaining an enormous network of corrupt officials and informants, as well as a private army of *sicarios* (assassins) culled from the mean streets of Medellín. Moreover, and crucially, the violence followed the pattern predicted by the theory of violent corruption modeled in this study: state crackdowns led to an increase in violence against enforcers.

Thus in the wake of the 'war' declared by Barco in 1989, Escobar began killing hundreds of low-level enforcers, street-level police officers in Medellín. At the same time, the increase in repressive capacity in the judicial sector, through the appointment of new *fiscales* and the advent of *jueces sin rostro* (anonymous judges), may have disrupted a "coerced peace" among judges hitherto too frightened to take on Escobar, thus contributing to the dozens of assassinations of judicial officials in the period.

Even the murder of Lara Bonilla himself can be seen more as an act of violent corruption than lobbying. At the time, recall, Escobar was a member of Congress, and extradition, as Pardo reminds

⁹This incident later proved to be Escobar's political undoing: though long forgotten by the time he was elected to Congress, the *El Espectador* newspaper republished a note from 1976 mentioning his arrest, putting the lie to his claims that he had no tie to the drug trade. Escobar later had the editor of *El Espectador*, Guillermo Cano, assassinated, and bombed the paper's headquarters.

us, was not in effect. He was largely in agreement with the *de jure* policies of the day. Lara Bonilla's actions amounted to an increase (from zero, essentially) in the enforcement of a policy against "hot money," and it was this enforcement which Escobar sought to influence, first through bribes, and when no agreement could be reached (Lara Bonilla refused to be bought), through violence.¹⁰

This leads back to the two persistent questions for scholars of the narco-violence period in Colombia are: Why did Escobar launch his war on the state, and was it, in the final analysis, a strategic error? The theory developed in this dissertation can shed some light on these questions case, and the 'toy' model of violent corruption in particular highlights how expectations about the conditionality of repression played into Escobar's calculations and decisions.

Consider the situation in 1982, as Escobar attempted to take his seat in Congress. The leadership and the political elite more broadly was clearly divided in its attitude toward repressive policy. Betancur had a highly conciliatory approach to the guerrillas, and Escobar believed (correctly) that the president was not interested in taking on the rising trafficker class. However, Lara Bonilla and the political movement he headed had starkly different policy preferences, and resisted attempts at cooptation. Escobar's entrance into electoral politics may have been driven in part by a desire for personal recognition and respectability that clouded his strategic judgment, but it was surely more than a glamour project. It amounted to an attempt to directly influence the formation of state policy in a way that was not only non-violent but overt and essentially licit.

For a brief period it seemed as though Escobar could outmaneuver Bonilla and steer state policy toward tolerance of the drug trade. When the political gambit to tar Lara Bonilla proved ineffective, everything indicated that the political pendulum was swinging toward increased repression. Moreover, Lara Bonilla both expelled Escobar from Congress, cutting off hopes of influencing policy licitly, and begun a crusade against "hot money," making a non-violent but illicit approach to buying influence more difficult. So from 1983 onward, the question "why try violent lobbying instead of a non-violent approach?" was, from Escobar's perspective, moot: violence was the only avenue to influencing the formation of *de jure* policy still open to him.

Meanwhile, the question "Why violent lobbying instead of violent corruption?" is mis-formulated, since neither Escobar nor any other cartels have to choose. Escobar did both. The relevant question is "Why violent lobbying at all (as opposed to no lobbying)?" And here the "scope conditions" for the logic of lobbying as analyzed in chapter 3 come into play. At the outset of violent lobbying, Escobar led a more or less pacted group of powerful traffickers, united by the MAS incident, and willing to submit to his leadership (and taxation). As I have argued, violent lobbying, like all lobbying, is subject to the free-rider problem, but the traffickers, at this stage, had solved the collective action problem (or rather, the M-19 had solved it for them). A second critical factor was the conditionality of repression that Escobar faced, a thornier question to which I now turn.

¹⁰The model as presented in this study does not fully capture this particular situation, but it is easy to imagine a model in which enforcers vary in their subjective, psychological cost of bribe-taking. Lara Bonilla revealed himself as a very high-cost type (i.e. incorruptible), and so Escobar eliminated him, probably believing that the expected corruptibility of whoever replaced him would be lower.

Was Repression Conditional?

Colombia's drug war is particular. The outsize role played by a single actor, Pablo Escobar, is different from even the 'market leader' role of the CV in Brazil or the Sinaloa cartel in Mexico. Escobar, and to some extent his rival the Cali cartel, were protagonists, following more or less consistent strategies over the course of a decade. The state, meanwhile, experimented, backtracked, and floundered (Leal Buitrago, 2006). Its component institutions were shuffled and reshaped. Leaders mostly responded to imminent crises, rather than articulate and implement a sustained policy. This makes it somewhat difficult to characterize the conditionality of repression in a binary way.

Thus on one level, it seems clear that Lara Bonilla's initial crackdown was at least somewhat conditional, since Escobar's resort to violence triggered an immediate ramping up of the state's repressive efforts: President Betancur, reversing his position, vowed to extradite the perpetrators at Lara Bonilla's funeral. The fact that many of the top traffickers at the time fled to Panama in the wake of the murder is further evidence that they faced a real increase in repression because of the violence. Similarly, the assassination of Galán in 1989 clearly led to a real backlash by the state: Barco's declaration of war not only ushered in a period of extradition, it also saw the founding of elite police forces that would begin to finally cut into Escobar's criminal empire and, in the end, do him in. Thus it seems straightforward that repression was, in fact, conditional.

However, taking a broader view, the situation is less clear. A more sophisticated reading of how the Colombian state could be expected to react to violence—based on its actual dealings with insurgent guerrilla groups—could have led Escobar to very different conclusions. Andrés López Restrepo points out that cartel-state conflict began in a period in which the president, Betancur, was making incredibly generous offers to violent guerrilla groups in hopes of a settlement. The government justified its negotiations by claiming that the guerrillas' violence had been political, ultimately in the service of the nation, and hence pardonable. Yet only a few earlier the state had been actively trying to destroy these groups at all costs. To Escobar and his colleagues, the lesson was simple: "If the government had defeated the guerrillas, it would not have had to recognize them as a political cause. The traffickers saw the possibility to take advantage of the situation: if the state could not defeat them, then it would recognize them as a political cause and negotiate their incorporation into legality" (López Restrepo, 2006:203).

In Chapter 3, I characterized this as *inverse conditionality*, the level of repression depends on cartel behavior, but runs *in the wrong direction*: once the state has cracked down, only by fighting can the cartel pressure the state into reducing the repression it faces. A virtually identical strategic situation seems to have arisen after the assassination of Galán: although Barco cracked down hard in the immediate aftermath, Escobar bet that he could win the war of attrition and continued to escalate, in the hopes of winning concessions such as non-extradition, amnesty, and the right to keep his property. Given the cushy terms of his voluntary submission, he seems to have been right.

Chapter 6

Mexico

6.1 Introduction

Since Mexican president Felipe Calderón called in the army to battle drug cartels in December 2006, some 50,000 lives have been lost in a maelstrom of armed violence. The conflict has not only deepened, it has expanded geographically, first spreading within Mexico and now threatening to overrun neighboring Central American countries. Yet it must be borne in mind that the drug war did not begin in 2006. Calderón's declaration of war was made in response to violence that was already making headlines, and included anti-state violence by cartels and even fighting among different police corps. The massive deployment of the armed forces was intended to quickly and decisively curtail the violence; instead, it tragically exacerbated the conflict. In 2011, there were an astonishing 16,400 drug-related homicides, roughly ten times as many as 2005. The *sexenio*¹ has seen a never-ending stream of headlines and shocking scenes, each more grisly than the next, and an accelerating escalation in the intensity, lethality, and brazenness of cartel attacks. The situation is so dire that the 11% increase in homicides from 2010 to 2011 is proclaimed as a major breakthrough, since it represents a deceleration compared to the previous year.

The Calderón administration's original strategy in taking on the cartels was to break them up into small organizations too weak to threaten the state or society. This was apparently based in part on the received wisdom about the Colombian case: with the shattering of the Medellín and Cali cartels into much smaller pieces in the early 1990s, overt cartel-state violence in Colombia came to an end, and traffickers reverted to 'hide and bribe' strategies of corruption and state capture. In Mexico, the crackdown that began in 2006 has certainly succeeded in fragmenting a once-oligopolistic drug market into at least sixteen smaller organizations (Guerrero, 2011a). But these organizations have not reverted to non-violent strategies. On the contrary, they have increased their level of investment in armament, building training camps and assembling standing armies with state-of-the-art military equipment.

By some measure, Mexico's drug war is now the most violent sub-national conflict of the century, even compared with civil wars (see Figure 1.1).² To many observers, the violence in Mexico is unsurpris-

¹In Mexico, presidents serve single six year terms known as *sexenios*.

²The most violent armed conflict of this century has been the Eritrea-Ethiopia border war, with 70,000 and 100,000

ing given the underlying conditions: enormous profit margins, organized cartels angling for primacy, a ready supply of weapons from the United States, widespread police corruption, weak institutions (especially in border areas), and few legitimate economic opportunities that might keep youths from entering the drug trade. While these ingredients do seem like a natural recipe for violence, they have all been characteristics of Mexico for years, if not decades. The increase in violence, on the other hand, has been remarkably precipitous. As Figure 1.1 shows, the explosion of violence in Mexico has been just that: an abrupt break with the past.

As with the sharp change in the dynamics of cartel-state conflict in Rio de Janeiro over the past 3 years, the severity of the increase of violence in Mexico offers points to explanatory variables that underwent important and large shifts just prior. Factors often cited as drivers of drug violence in Mexico—such as socioeconomic and demographic conditions, institutional weakness, culture, and geographic location—are simply too static or slow-moving to explain the pace of the violence epidemic, though they may have contributed as intensifying factors. What did change abruptly in 2006 was the Mexican government’s antinarcotics policy: a public and personal declaration of war by the president—difficult if impossible to walk back—in the form of a massive militarized crackdown on the drug trade. The timing of this policy shift with respect to a totally unprecedented increase in violence with respect to baseline makes Calderón’s crackdown a prime causal suspect.

The claim that Calderón’s policy played a causal role in the intensification of violence in Mexico is not new. Moreover, we now have sophisticated and compelling empirical evidence of the causal relationship between level of repression and drug violence (Dell, 2011). However, many casual observers attribute a causal role to the crackdown without saying how exactly increased state repression of the drug trade produces more violence. Many academic studies similarly fail to specify a clear theoretical model or mechanism, which can make it difficult to interpret empirical results or draw policy conclusions. This study contributes to the debate by offering clear theoretical mechanism by which crackdowns may exacerbate the use of violence by cartels; identifying the characteristics of crackdowns which make blowback more or less likely; and fitting those theoretical predictions into a comparative framework. To recapitulate the general argument: crackdowns generate incentives for cartels to use additional anti-state violence to the extent that they are unconditional, i.e. to the extent that they do not hinge on cartels’ decisions about violence. A conditional crackdown, on the other hand, generates incentives for cartels to eschew violence. In terms of the Mexican case, this provides firmer ground for the claim that Calderón’s crackdown—which I argue was highly unconditional—is the primary cause of the increase in violence since 2006.

My analysis also points to a clear policy recommendation: move to a more conditional approach. Many observers of Mexican politics believe that the next president, likely to be from the once-hegemonic Partido Revolucionario Institucional (Institutional Revolution Party, PRI) will move in precisely such a direction, re-instituting the implicit pact among traffickers that existed through much of the 20th century. Some analysts have even argued that the Calderón administration is already moving to a conditional approach, but will not publicly admit it for fear of having to admit it was wrong. In either case, a shift toward conditionality would provide a limited “hoop” test³ of the theory presented in this

battle deaths from May 1998 to May 2000.

³In a hoop test, “The hypothesis must ‘jump through the hoop’ to remain under consideration, but passing the test

study: if violence continued to worsen, it would strongly undermine my theory. If violence diminishes, on the other hand, it would not definitively confirm my theory; however, it would add to the evidence already presented in this study, in particular the Rio de Janeiro case, in favour of the theory presented here.

6.2 Background

Drug trafficking in Mexico is not new. Marijuana and opium production in the state of Sinaloa began in the 19th century (Osorno, 2009), while the army's participation in anti-narcotics efforts dates back to the 1940s (CNNMéxico, 2011)(CNN México, 2011; Astorga1999UDPN39). Until the late 1980s, though, the Mexican drug trade was largely limited to production and export of marijuana and, less prominently, opiates to the United States. The army, for its part, intermittently engaged in eradication of plantations in areas of difficult access, but was not frontally engaged.

In the 1990s, two key changes took place. First, US law enforcement managed to largely shut down the Caribbean trafficking routes used by Colombian cartels. This led the Colombians to rely increasingly on Mexican trafficking organizations that could transport shipments overland at US border crossings such as Juárez, Laredo, and Tijuana (Meiner, 2009). These routes, as well as the contacts between Colombian and Mexican cartels, had been established for some time. However, as an increased share of the cocaine trade shifted to Mexico in the 1990s, the value of these border crossings increased, as did the size and firepower of the Mexican cartels that controlled them.

A second critical factor was the sea change that occurred in Mexico's political system. The 1990s saw the slow collapse of the PRI. The once utterly hegemonic PRI (Diaz-Cayeros, Magaloni, and Weingast, 2003) began to lose local and state elections, then control of Congress, and, finally, in 2000, the presidency, for the first time in 70 years (Magaloni, 2005).

Both of these changes have been put forth as explanatory factors of the slowly intensifying inter-cartel turf war that began in the late 1990s. The economic argument emphasizes increased competition among cartels for increasingly valuable turf, and the availability of excess profits with which to hire private armies and amass arsenals. A more political argument emphasizes how the PRI's penetration into and managing of most aspects of Mexican social and economic life—often called the *pax priista*—extended to the drug trade as well. The critical institution was the Federal Security Directorate (Dirección Federal de Seguridad, DFS), established in 1947 as the political police of the president. Astorga argues that:

With the establishment of the DFS, a structural linkage was instituted between the ruling political class and the drug traffickers. Its work was to be twofold: on the one hand, it ensured that part of the profits was levied in exchange for protection; on the other, it served as a mechanism for containing the violence and any political temptations on the part of the traffickers. (Astorga, 2001:428)

The DFS's extinction in the wake of corruption scandals in 1985 (Grayson, 2010:138) presaged the end of the *pax priista*, which could not function without smooth, centralized control over municipal

does not by itself affirm the hypothesis. [...] Hoop tests do not confirm a hypothesis, but they can eliminate it." (Collier, 2011:826)

and state-level enforcers. Thus, in this view, democratization inadvertently brought with it the end of what have been called “mechanisms for the reduction of violence” (Astorga, 2001) and “state-sponsored protection rackets” (Snyder and Durán Martínez, 2009) that supposedly had been keeping an otherwise inevitable turf war from erupting.

A third factor was the increasing, though limited by today’s standards, militarization of anti-narcotics efforts. During the last PRI presidency, that of Ernesto Zedillo (1994-2000), military officers took over important positions within the *Procuraduría General de República* (PGR), the principle anti-narcotics investigative agency, and the share of drug seizures carried out by the army rose, though was still small compared to the PGR (Borjón Nieto, 2010:4). The perils of this approach were already becoming apparent: several high-profile corruption cases involving military officers erupted, and the Gulf cartel managed to recruit deserters from an elite US-trained anti-narcotics unit, the *Grupo Aeromóvil de Fuerzas Especiales* (GAFES), as the cartel’s private militia. The group came to be known as *Los Zetas* and would eventually break with the Gulf cartel in 2010 to become an autonomous, extremely violent cartel of its own and overshadow its former boss.

The rising violence, though it appears mild from the perspective of 2011, was an issue as Mexico’s first non-PRI president, Vicente Fox (2000–06) of the National Action Party (PAN), took office. Fox saw part of the problem as arising from the increasing militarization of anti-narcotics work over the previous decade, which he associated with the authoritarian tendencies of the PRI, and was troubled by potential corruption of military officers. He proposed a number of measures intended to reverse this trend, and specifically called for the withdrawal of the army from the fight against the drug trade; however, strong opposition from US drug czar Barry McCaffrey led Fox to abandon this course (Astorga, 2004:98).

The turf war among Mexico’s cartels that had begun to simmer under Zedillo continued to intensify during the Fox administration. Cartels continued to invest in armament and build private armies. This led to some of the first major armed clashes for territory, such as the 2004 “war” between the Gulf cartel, backed up by *Los Zetas*, and the Sinaloa cartel, which had by then acquired an armed wing of its own, known as *Los Negros* (Thompson, 2005). Although drug-related violence in the Fox period is dwarfed by recent figures, the number of drug-related homicides per year doubled over the course of the Fox administration, from about one to two thousand. Perhaps more importantly, cartel-state conflict had already begun: the fighting in Nuevo Laredo saw numerous clashes between traffickers and police forces, as well as conflict between municipal police (thought to be in the employ of cartels) and the federal troops that Fox deployed (Grillo, 2011:103-104). Ominously, the March 2005 deployment of federal police did not quell, and may have exacerbated, the violence.

6.3 Calderon’s War

Felipe Calderón, Fox’s successor in the PAN, won the July 2006 election by the slimmest of margins (.58%, just 240,000 votes) over leftist Party of the Democratic Revolution (PRD) candidate and mayor of Mexico City Andres Manuel López Obrador. López Obrador, invoking the scandalous election-night fraud that had prevented leftist hero and eventual founder of the PRD Cuauhtémoc Cárdenas from winning the presidency in 1988, declared the result invalid and mobilized a mass of supporters in an

on-going protest that stretched on for months. A few days before Calderón took office, López Obrador was proclaimed “Legitimate President” in a mass rally in Mexico City’s *zocalo*; in his “acceptance” speech, he laid out a shadow agenda and called for a parallel cabinet to serve in protest. Calderón’s actual inauguration was marred by a brawl on the floor of Congress, and a hasty exit.

The details are colorful, but Calderón’s position was truly precarious. He clearly needed to establish the legitimacy of his presidency quickly and decisively. This would soon lead him to make the most important single decision of his presidency, publicly declaring war on the drug trade, and ordering the Mexican army to crack down on cartels in urban areas and along major land routes. Why did Calderón take on the cartels? Economic issues far outweighed crime and security in terms of political salience, but perhaps Calderón saw little hope of outmaneuvering López Obrador’s economic populism, and instead sought to shift public debate away from the elections to terrain that would be more favorable to him. And why did Calderón think that a crackdown on the drug trade would yield political benefits? In a word, Colombia.

The experience of Colombia had two related and ultimately tragic effects on Calderón’s thinking. First, at the time, Colombian president Alvaro Uribe had an over 80% approval rating. That was roughly as high as that of Brazil’s once-in-a-lifetime leftist hero Luis Inácio Lula da Silva, and probably about as popular as any right-wing president has ever been in Latin America. The key to Uribe’s unprecedented level of support was straightforward: he had made Colombians feel safer, after decades of seemingly unending civil war. In so doing, he proved by example that public security could be one, and perhaps the only, path to mass popularity for the right. Within weeks of taking office, Calderón sent a delegation of top security officials, including Attorney General Medina Mora and Public Security Secretary Genaro García Luna to Colombia, to meet with Uribe and his cabinet “to learn from the Colombian experience” in Medina Mora’s words (Bailey, 2009; Pérez-Plá, 2007).

Colombia’s experience influenced Calderón in a tactical sense as well. Uribe had improved security by striking hard and unrelentingly at the leftist guerrillas of the Fuerzas Armadas Revolucionarias de Colombia (FARC) while simultaneously demobilizing the most violent paramilitary groups. In short, he had shown that a centralized crackdown can be successful both militarily and politically. More subtly but equally important, though, was a kind of conventional wisdom that had solidified around the narco-violence period analyzed in this study (1984-1993). In this line of thought, the end of ‘pure’ narco-violence (that is, committed by drug cartels as opposed to guerrillas or paramilitaries involved in the drug trade) was the result of having shattered the giant cartels of the 1980s, Medellín and Cali. What were left behind were smaller organizations that lacked the firepower to “go toe-to-toe with the nation-state.”⁴ To prominent drug warriors like former DEA chief Robert Bonner, Colombia’s narco-violence period was essentially a success story, ending in “victory,” and one which Mexico would be able to learn from and ultimately repeat (Bonner, 2010).

Thus Calderón, only a month into his presidency, publicly declared war on the drug trade and launched a major militarized crackdown. He thoroughly and personally identified himself with the policy, making it in many ways the centrepiece of his presidency. This simultaneously served both a political and a strategic end. By tying his political fate to the persecution of his war, such that any reversal of course would signify political suicide, Calderón effectively tied his own hands through audience costs

⁴Interview, DEA Bogotá station chief, October 3, 2011.

(Fearon, 1994). This may be one reason that there has been little violent lobbying in Mexico: there has never been any real possibility that Calderón would call off his war. On the other hand, it has led to an utter refusal to change course in the face of setbacks and unintended consequences. When the cartels reacted with increased levels of armed violence, including attacks on state forces, the government essentially doubled down, arguing that by capturing and killing cartel leaders it would eventually break up the organizations into fragments too small to fight the state (Guerrero, 2011b). Now, as the Calderón administration draws to a close, and there is widespread speculation that the PRI candidate Enrique Peña Nieto will win the presidency and change course, the president has sought to “lock in” his strategy and portrayed any potential future deviation from it as a kind of surrender (Archibold, Cave, and Malkin, 2011).

6.4 “No Truce and No Quarter”: the Unconditional Crackdown

Another critical aspect of Calderón’s crackdown was its unconditional nature. From the very beginning, he used martial language to describe his stance, perhaps most memorably in the phrase “no truce and no quarter,” used first in 2007 and repeatedly since. While part of the intended meaning is the tying of hands mentioned above, another important message is that the government would go after all cartels with equal and maximum force, “with no distinction” (Guerrero, 2011b:89).

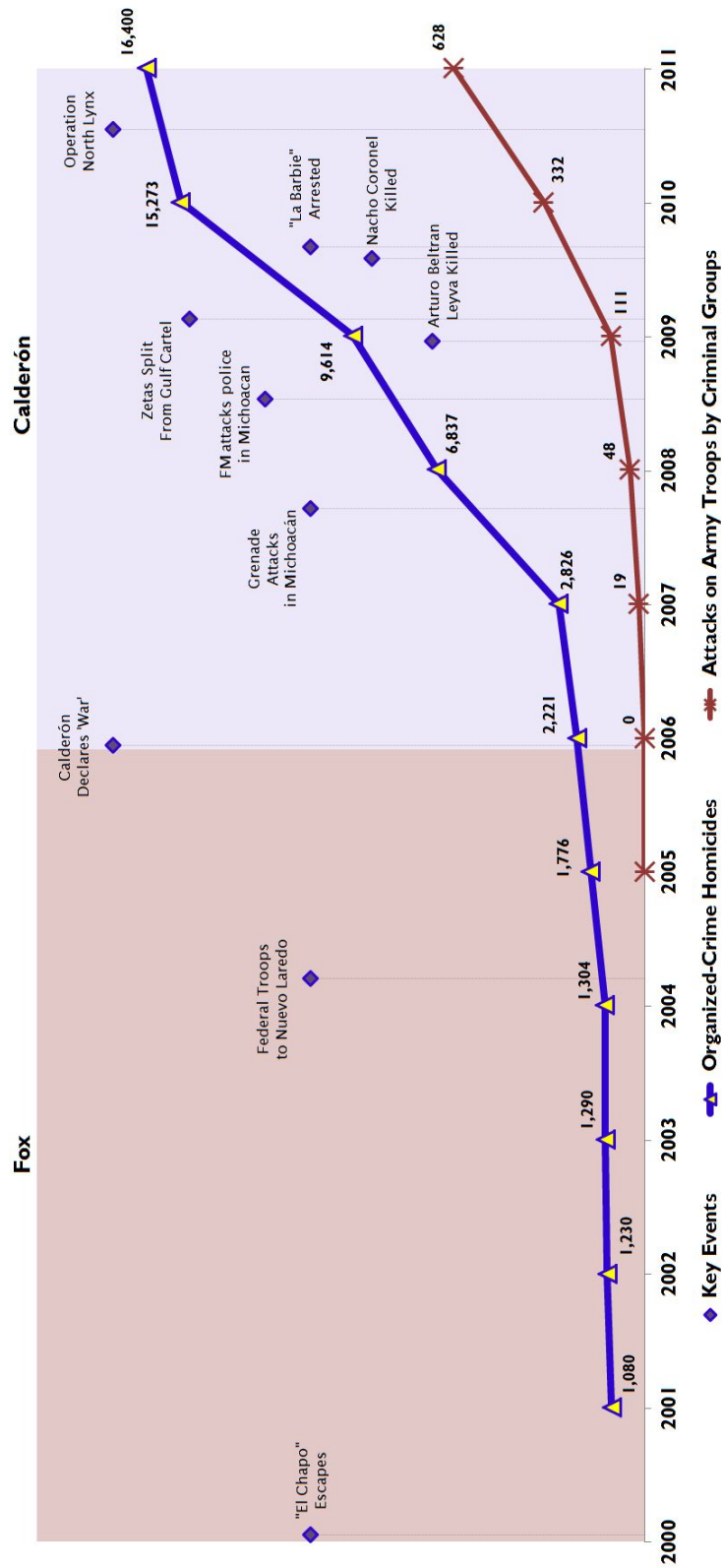
Calderón had strong reasons to adopt a blanket crackdown. One may have simply been the unavoidable fact that in the midst of a turf war, any blow against one cartel necessarily aids a rival. But a more pertinent reason had to do with Mexico’s long history of state corruption and collusion with traffickers, at the highest levels. Busts, arrests, extraditions and killings of drug traffickers had often been pre-negotiated between rivals and state officials. The prior assumption of many observers, including cartel leaders, was that state crackdowns were inherently part of a corrupt deal to aid one cartel at the expense of another. This dynamic had played out during the Fox administration. Rumors long plagued Fox that he had facilitated the escape of Sinaloa cartel boss “El Chapo” Guzmán from prison at the outset of his presidency, and his deployment of troops to Nuevo Laredo was interpreted by many, including the Gulf cartel, as a corrupt attempt to hand the territory to El Chapo.

Calderón thus set out from the beginning to combat the suggestion that he, as PAN successor to Fox, favors the Sinaloa cartel. His has continued to be dogged by such accusations, not only in the form of narco-banners hung by cartels, but also journalistic investigations, including a prominent one by National Public Radio (Burnett, Peñaloza, and Benincasa, 2010). The Calderón government vehemently denied the reports’ conclusion, and insisted that cartels were being “attacked in a manner proportional to their size” (Burnett, Peñaloza, and Benincasa, 2010).

Clearly, while the rhetoric of Calderón’s crackdown was designed to make it sound fair, it also, perhaps inadvertently, sent a message to traffickers that repression would not be conditional on their behavior. In practice, Calderón’s crackdown has hit all the major cartels and the states in which they operate (Guerrero, 2011b:89). Moreover, targets have been distributed among the numerous security agencies participating in Calderón’s war (the army, the navy, the federal police, etc.), who take operational decisions autonomously from the presidency.⁵ Thus for most of the past six years, cartels have

⁵Interview, CISEN intelligence officer, September 28, 2010.

Figure 6.1 Mexico's Drug War: Homicides and Attacks on Army, by Sexenio, 2001-2011



Sources: Homicides: Shirk and Ríos (2011); Attacks on army: SEDENA data cited in Aranda (2011).

had no reason to believe that by eschewing violence they could reduce the amount of state repression they are exposed to.

Interestingly, this may be changing. There are some signs of a move toward a more conditional approach (89-90). US officials consulted by NPR attributed the study's finding—that the plurality of arrests from 2006 to 2010 were of members of the Gulf and Zeta cartels (then only recently split)—to Los Zetas' more brazen behaviour (Burnett, Peñaloza, and Benincasa, 2010). In 2011, the apparent focus on Los Zetas intensified, with a dedicated military operation ('Lince Norte,' or 'Northern Lynx') and several high-level arrests and busts (Corchado, 2011; Gómora, 2011), including the imprisonment of one of the Zetas' founders. The government, however, continues to publicly reject any departure from a blanket approach, equating proportional response with corrupt pacting, and collusion with the Sinaloa cartel in particular. In the words of then national security spokesman Alejandro Poiré:

The federal government does not favour any criminal organization; it weakens them all systematically without distinction. To benefit any criminal group [...] is to validate the outdated argument that crime can be 'managed' (Poiré Romero, 2011).⁶

6.5 Some Empirics

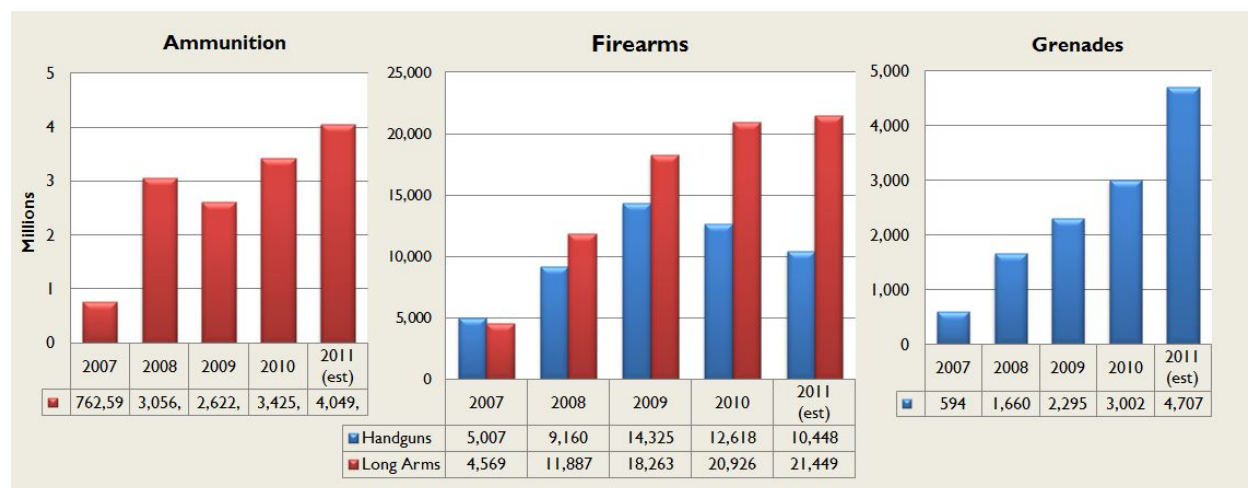
By any measure, cartel violence has simply exploded since the beginning of Calderón's term. The commonest overall measure is drug-related homicides, the large majority of which consist of gang-land style executions (Dell, 2011). However, the trend is not limited to inter-cartel violence; a similar rate of increase can be seen in attacks on army soldiers. Between December 2006 and September 2011, 174 non-police public officials were killed, including more than 30 mayors (Guerrero, 2011b:45).

Escalation is also reflected in the rising number of seizures of small arms; particularly troubling is what appears to be an increasing cartel preference for military-style firearms and hand grenades over handguns (US Embassy in Mexico, 2009), seen clearly in Mexican government official seizure statistics (Figure 6.2). Such a preference for military-type weapons—which are costly to acquire, both in monetary and logistical terms—is an indication of the strong incentives cartels face to engage in brazen forms of armed violence, including anti-state violence.

Violence has also dispersed geographically, from the border and hot-spots in drug-trafficking regions such as Sinaloa and Michoacán to other areas including Acapulco, Cuernavaca, and Monterrey. Moreover, Los Zetas, now an autonomous cartel, along with other armed criminal groups with limited or unclear ties to the principal drug cartels, have expanded heavily into other criminal activities such as mass extortion, human trafficking, kidnapping, and theft of petroleum from the state-owned oil monopoly PEMEX (Guerrero, 2011b:32-34).

By some measures, the government has succeeded in at least one of its goals: the fragmentation of the cartels. It has clearly pursued a "kingpin" strategy, arresting dozens of high-ranking cartel members since 2007, far more than previous administrations. Extraditions have also taken place at a far higher rate. This seems to have had the desired effect of fracturing cartels into smaller pieces: by some counts, the number of major cartels more than doubled between 2006 and 2011, from 6 to 16. As the number

⁶Author's translation.

Figure 6.2 Yearly Seizures by State Forces, 2007-2011

Source: PGR (2011:278). 2011 figures are estimates based on data for January--June 2011.

of cartels has grown, so has their variety. Eduardo Guerrero (2011b:31-37) has produced a useful four-way typology of cartel types: National (Sinaloa, Zetas, Gulf), 'Toll-collector' (Tijuana, Juárez), Regional (Knights Templar, Pacifico Sur) and Local (e.g. La Federación, Nuevo Milenio). Yet if the rising rate of attacks on the army as well as other indicators are any sign, there seems to be no negative and perhaps a positive relationship between kingpin arrests and anti-state violence.

6.6 Discussion

Historically, Mexico has been a place where the drug trade functions through extremely thorough-going corruption (Andreas, 1998). Indeed, corruption was so central to the way the PRI governed, and not only in the realm of drugs, that there was little room for lobbying—i.e. attempts to directly affect policy formulation. In general, part of how the *pax priista* worked was to dole out corrupt rents and patronage of all sorts in return for submission to the political hegemony of the PRI,⁷ and the drug trade was no exception. Traffickers were permitted to operate mostly free of interference, so long as they played by the rules laid down by the political elite: pay your "taxes" (i.e. bribes) and stay out of politics (Astorga, 2001:428). Like the rent-extraction system of Rio de Janeiro, drug traffickers occupied a subordinate position with respect to state enforcers, with little bargaining leverage. However, for most of the 20th century, this only rarely led to anti-state violence.

⁷In most contexts, corruption can be fruitfully conceived of as a principle-agent problem, whereby enforcers fail to carry out the policy specified by leaders. In such a world, leaders must tolerate, work around, or try to minimize corruption. But to the extent that rents from corruption form the principal glue that binds lower echelons of a pyramidal state party to the central leaders, then it is no longer quite right to think of it as merely a form of state weakness.

Today, corruption continues to play a central role in the drug trade in Mexico. Whole municipal police forces have been fired, high-level assassinations have occurred that clearly involved inside participation, and . Moreover, the long-standing accusation, made not only by rival cartels as well as journalists and researchers, that Calderón is secretly protecting Chapo Guzmán and the Sinaloa cartel, even if probably false, is plausible enough to directly affect the administration's actions and rhetoric, . What has changed, beginning in the Fox era, and sharply intensifying in the Calderón era, is that corruption has become violent. Why that is so, and why cartels eschewed violence in their negotiation of bribes in previous periods, is not entirely clear.

Turf war seems to be a proximate cause: some police in Nuevo Laredo in the 2004-05 episode were probably targeted by cartels for being in the employ of rivals (Grillo, 2011:102-105). But the causes of the outbreak of turf war itself are not well understood. For some, the breakdown of the PRI led to a weakening of state enforcers, leading to increased freedom of movement among cartels and removing the violence-reduction mechanism that supposedly prevented an otherwise inevitable turf war (Astorga, 2001; Snyder and Durán Martínez, 2009). There is certainly some truth to this. Mexico's coercive apparatus has always been highly fragmented, both vertically, at the federal, state and local levels, and horizontally, with overlapping and competing jurisdictions across agencies. This fragmentation was attenuated by the PRI's hegemony, and has come to the fore since its collapse. With nothing coordinating the country's thousands of police corps, it makes sense that the state can no longer exert control over the drug trade via corruption.

On the other hand, if local enforcers are so weak, why bother fighting them? The oft-invoked mechanism that cartels kill cops because they are working for rival cartels suggests that turf war has in some ways given local police more leverage: they can now sell themselves to the highest bidder. This, in turn, could plausibly be triggering cartel-state violence through the *plato o plomo* mechanism modeled in Chapter 3, since it raises enforcers bribe-extracting leverage over cartels.

What is clear is that since cartel-state violence got started in the Fox administration, crackdowns have failed to curtail the violence, and may have exacerbated it. The smaller interventions undertaken by Fox and the relatively slow increases in the amount of violence observed are consistent with the theory of violent corruption, but the real evidence for the argument comes from Calderón's crackdown, which was large and explicitly unconditional, and led to a massive increase in the overall level of drug violence and in specifically anti-state violence.

Chapter 7

Conditionality as Dependent Variable

This study has argued that conditionality of repression is a key explanatory variable in accounting for cartel-state conflict in response to state crackdowns. In particular, the more conditional a crackdown is, the more likely to lead to a move away from confrontation by cartels, whereas unconditional crackdowns can increase cartels' incentives to fight. Moreover, the model of bribe negotiations analyzed herein produced a stark result: by increasing conditionality sufficiently, leaders can not only guarantee that in equilibrium there will be no fighting, but that there will be no bribery either.

The natural next step in the analysis is to turn attention back to the state and ask "why don't leaders always opt for conditional repressive policies?" In the formal model, I deliberately avoided endogenizing conditionality of repression by *not* including state leaders as strategic actors. As discussed there, to do so would have required a host of assumptions about leaders' preferences and choice sets that would have been both somewhat arbitrary and a major distraction from the central point of the model, the effect of crackdowns on bribe negotiations. I now take the opportunity to address this issue in a more informal and conjectural fashion, and offer a preliminary analytic framework for thinking about conditionality of repression as an outcome.

Even here I am leery of making assumptions about leader's preferences: it is simply not clear what relative weight they put on goals like minimizing violence, arresting capos, pleasing US benefactors, getting reelected, and so on. That said, there is some evidence that at least some leaders some of the time would like to implement a conditional policy, but cannot. First, prominent drug-warrior presidents César Gaviria of Colombia and Ernesto Zedillo of Mexico have, in retrospect, essentially said as much about their choices when in power (Cardoso, Gaviria, and Zedillo, 2009). Second, fine-grained evidence from the cases suggests that leaders have at times attempted to implement conditional policies, but met with limited success.

Assuming that leaders *want* to implement conditional approaches, they face two important types of constraints on their ability to implement such policies: first, *logistical constraints*, limits on leader's physical ability to implement conditionality, i.e. to arising principally from the institutional structure of the state security sector. Second, *acceptability constraints*, the broad collection of political and diplomatic costs that moving to a conditional approach would bring. These are specific, if not unique, to drug policy, where any retreat from a promise to eradicate the drug trade can be politically toxic. Below, I explore some examples of each from my cases.

7.1 Logistical constraints

Fragmented police and security institutions make it difficult to put conditional repression into practice, since there may be no clear line of authority, or overlapping jurisdictions. In such a case, once state agencies have been brought on board in the war on drugs, their actions cannot be sufficiently coordinated by a central authority to the extent necessary to truly make repression conditional on cartel behavior. In Calderón's Mexico, for example, targets were distributed among different agencies, who then competed for limelight by trying to take out their assigned targets.¹ One high-level security official explained that the navy's lethal attack on Arturo Beltrán Leyva left the army contemptuous and anxious to have a trophy *golpe*² of its own, and that this motivated the army attack that killed Sinaloa cartel kingpin Ignacio "Nacho" Coronel Villarreal seven months later. When, a few months after that, the federal police arrested Edgar "La Barbie" Valdez Villarreal, their reaction was characterized as "We got one too, and we didn't kill ours."³ While this inter-agency competition may be a good way to motivate enforcers to work, it essentially rules out a truly conditional formula, because any agency with actionable intelligence will strike, regardless of a target's behavior.

It is important to note that the presence of powerful political coalitions or centralized political control can mitigate logistical constraints. Thus the PRI political hegemony in Mexico was so strong that the formal institutional fragmentation of the coercive apparatus was largely irrelevant. The state did not 'feel' fragmented because police at every level the system were under the control of a central, hierarchical system. In the wake of the collapse of the PRI, cooperation and coordination among agencies occurs more sporadically. For example, Mexico City's attorney general told me that relations between his agency (the Procuraduría General de Justicia, PGJ) and the state Secretary of Public Security (SSP) had long been uncooperative, but that this had recently improved. When I asked why, he said "I have a good relationship with the director of the SSP. We went to school together." The attorney general is a rising political star in the PRD and, a year after I interviewed, left the post to run for mayor of Mexico City,⁴ leaving one to speculate that PGJ-SSP cooperation has probably reverted to mean. The larger point is that when cooperation amongst pieces of the state's coercive apparatus depends largely on personal relationship among career bureaucrats, the state cannot credibly commit to a policy that requires sustained coordination.

In comparative terms, Mexico has by far the most fragmented security institutions, not only vertically, with literally thousands of police corps spread across three levels of government, but horizontally: at the federal level, at least four main agencies—the federal SSP, the army, the navy and the Attorney General's Office (Procuraduría General de la República, PGR)—are involved in major anti-cartel operations. Brazil's institutional structure is more moderately fragmented: the split between Civil (in-

¹Interview, Director of the Federal Ministerial Police (Policía Federal Ministerial, PFM), previously known as the Federal Investigations Agency (Agencia Federal de Investigación, AFI), October 20, 2010; Interview with member of the Technical Secretariat of the National Security Council (Secretaría Técnica del Consejo de Seguridad Nacional), October 22, 2010.

²Literally "blow" or "coup"; a successful operation against a cartel.

³Interview with member of the Technical Secretariat of the National Security Council (Secretaría Técnica del Consejo de Seguridad Nacional), October 22, 2010.

⁴The official title is Jefe del Gobierno del Distrito Federal.

vestigative) and Military (ostensive) Police is severe and at times crippling (Bicudo, 2000), but both are under the control of state governors. There are no municipal police, and the federal police have a limited, though at times important role. The armed forces have played a critical supporting role in many crackdowns; however, they rarely act autonomously from governors. Colombia, meanwhile, enjoys a single national police force under control of the federal government. Although there are police designated as municipal, mayors do not exercise operational control over them.⁵

Still, even in Colombia logistical constraints existed. Immediately after being inaugurated president of Colombia in August 1990, César Gaviria put in motion a major shift in repressive policy toward increased conditionality. Known as *sometimiento*, or voluntary submission, the idea was to allow traffickers to turn themselves in in exchange for reduced sentences and other important concessions, such as keeping their illicit profits. Acceptability constraints played a decisive role in delaying and complicating the ensuing negotiations, as I discuss below. However, logistical constraints contributed to delays as well. Before the *sometimiento* policy could actually be put into action, hundreds of details had to be worked out. For example, the legal basis for the policy was weak, and had to be cobbled together in a series of executive orders (Pardo Rueda, 1996:259-309). Another issue was how to incarcerate Escobar and other capos when there were no outstanding cases against them due to lack of evidence. An absolutely critical point of negotiations concerned the physical locale of Escobar's confinement. Notwithstanding Escobar's chutzpah in providing his own lush prison resort on land he purchased for the purpose, he was probably correct that the Colombian state did not possess a facility that could keep him safe from his enemies in the Cali cartel. Finally, vocal dissatisfaction with the *sometimiento* policy from prominent state enforcers at having to halt their efforts (Salazar, 2001:273) raised the spectre of insubordination and the inability to credibly promise less repression in exchange for submission.⁶ A similar problem haunted efforts in Rio to implement less violent policing in the early 2000s.

7.2 Acceptability Constraints

Acceptability constraints derive from both strong normative concerns (the venality of mafias compared with, say, revolutionaries) and material incentives (such as the economic and diplomatic consequences of US decertification), and seem to have real constraining power. To paraphrase a Calderón official who was asked to publicly comment on a draft of this study, "The proposed policy is unrealistic. Of course we could end the violence, but it would be impossible politically." The fundamental problem arises from the fact that conditionality requires, as a matter of logical necessity, "going easier" on cartels that opt for non-violent strategies than one does on cartels that opt for violence. Even the slightest adjustment of policy can easily seem like a policy of tolerance, or worse, an implicit pact with the drug

⁵Interview with former mayor of Bogotá, Enrique Peñalosa, October 4, 2008

⁶It is easy to understand why a true, uncorrupt drug warrior would not want leaders cutting deals; it is worth noting that the model of violent corruption presented in this study predicts that a corrupt police officer intent on extorting traffickers for bribes would also oppose a move to conditionality, as it would undercut his bargaining leverage. Perhaps it should thus be less surprising that General Maza Márquez, one of the most vocal critics of *sometimiento* and perhaps the prime public antagonist of Escobar, was later accused of having worked for Escobar.

trade or advocacy of drug use. Relatedly, anything that smacks of negotiations with traffickers is often seen as beyond the political pale.

had moments of hopefulness and despair, but were always complicated by the government's official refusal to negotiate with "narco-terrorists".

The negotiations between Pablo Escobar and the Colombian government over the terms of his voluntary surrender are a case in point. A historical quirk of this period (roughly 1987-1991) offers evidence of acceptability constraints binding on leaders' choices and actions: these were the same years in which the M-19 guerrilla movement successfully reached a peace accord with the government, demobilizing, disarming, and transforming itself into a successful political party. The M-19 was a politically savvy but violent organization: its storming of the Palace of Justice in 1985 remains the most brazen single anti-state attack in the country's history. Escobar, in close communication with M-19 leaders throughout this period,⁷ believed that if the government was willing to negotiate with this group, then it would negotiate with him (Salazar, 2001). He was wrong. As Rafael Pardo, who personally negotiated the M-19 peace deal during the Barco administration and served as Minister of Defense under Gaviria, put it: "For the government, it was absolutely critical to separate negotiation with the insurgency from non-negotiation with narco-terrorists."⁸ By early 1990, the results of this "separation" were glaring: Carlos Pizarro, former commander of the M-19, was a respectable political figure and a leading contender in that year's presidential election, while Escobar had just bombed the headquarters of DAS, the Colombian intelligence agency, in Bogotá.⁹

The Gaviria government did in fact negotiate with Escobar, albeit secretly and in contradiction of its officially policy of non-negotiation (Leal Buitrago, 2006:112). Although the administration never wavered in its public stance, Escobar's lawyers clearly understood the importance of acceptability constraints, as they repeatedly made involved and public arguments to the effect that the legal status of the crime of drug trafficking was juridically and politically invalid (Pardo Rueda, 1996:278). In the end, the secrecy surrounding the negotiation not only delayed Escobar's surrender, but probably contributed to inter-agency confusion about and public ignorance of the extent of Escobar's freedom of action within La Catedral.¹⁰ This in turn led directly to the rushed and disastrous attempt to transfer Escobar to a more secure facility, which ended with a vice-minister and army general held hostage at gunpoint by Escobar's men while he escaped into the hills above Medellín (Salamanca and Garzon, 2003). This humiliating episode led Gaviria to definitively reject Escobar's numerous subsequent offers to negotiate a second voluntary surrender. There followed more than a year of escalating terrorist violence before a government manhunt, aided by the illegal activities of Escobar's personal rivals and enemies, finally eliminated the capo in December 1993. By that time, the M-19, a feared insurgent group only a few years earlier, had become a docile and not terribly effective political party.

⁷Interview, former M-19 regional commander, Medellín, January 12, 2011.

⁸Interview, Raphael Pardo Rueda, Bogotá, December 16, 2010.

⁹It might be argued in response that the M-19 was less radical than Colombia's other guerrilla groups like the FARC and the ELN, with which the state has abjectly failed to reach a negotiated agreement even today. While the point is valid, it must be borne in mind that previous governments had openly sought peace accords with the FARC and ELN as well, and that Escobar's violent lobbying of the Colombian state began precisely amidst a unilateral government cease-fire aimed at reaching an accord with the guerrillas by then President Betancur (López Restrepo, 2006)

¹⁰Interview, former Attorney General Gustavo de Greiff, December 13, 2010.

Why was it legitimate for the Colombian state to openly negotiate with one violent armed group and not another? In qualitative interviews, top officials from the Gaviria administration all spoke of a moral distinction between fighting for social change and using violence in pursuit of illicit profits. In the words Gaviria's Vice Attorney General, "The guerrillas had, originally, an altruistic purpose. [...] The drug trade is just a business."¹¹ Whatever the merits of this position from a normative point of view, it is clear that in strategic terms, the Colombian state had vastly more room to maneuver in its dealings with the M-19 than with the drug cartels, leading to very different outcomes.

A final, rather depressing consideration is the problem of war-weariness. It seems clear that, if only on the margins, acceptability constraints are reduced over time as the public becomes increasingly frightened and fed up with the collateral effects of cartel-state conflict. This is often precisely the intended effect of the kind of terror tactics frequently associated with violent lobbying: by the time Gaviria took office in 1991, the public was more than willing to see Escobar "get off easy" if it meant an end to the car-bombs and the kidnappings, and this undoubtedly influenced his decision to pursue the *sometimiento* policy. But the accumulation of killings due to violent corruption and turf war in Mexico has had a similar effect, recently crystalized by mass protests led by poet Javier Sicilia, who has publicly called for legalization of drugs and an official pact with the cartels.

War-weariness by itself is perfectly comprehensible, but it creates a pernicious dynamic with respect to cartels strategic choices. If acceptability constraints on leaders can be eroded over time by fighting long and hard enough, it can contribute to a situation of *inverse conditionality*, as discussed in Chapter 3: the eventual response by the state to violence will be to back off. This is precisely the thought process that López Restrepo (2006:203) attributes to Colombia's traffickers at the outset of violent lobbying: they reasoned that leaders only considered the guerrillas' cause to be legitimate because the state could not defeat them, and so if the traffickers could similarly not be beaten, the state would eventually legitimate them as well. This proved to be mostly false, as discussed above. But it was perhaps true enough: Escobar did manage to negotiate his way into La Catedral.

7.3 Getting to Conditionality the Carioca Way: The Case of Rio

If the central claims of this study are correct, Rio's pacification strategy has, by applying a conditional crackdown, induced a general shift in cartel strategy from fighting to hiding. This raises the question of how the government was able to move to a conditional repressive policy in the first place. The case is illustrative of the ways in which political circumstances can overcome the logistical and acceptability constraints discussed above.

The question is particularly relevant if we consider that an earlier incarnation of the pacification strategy foundered due to political attacks, in spite of a dramatic reduction in armed violence in the communities in which it was deployed. In 2001, the innovative community policing program known as GPAE¹² was installed on a pilot basis in a group of favelas (Huguet, 2009). As discussed in Chapter 4, the guiding idea of GPAE was to shift the focus of policing from eradication of the drug trade per se to the suppression of its armed presence. Although the program was successful in reducing homicides

¹¹Interview, former Vice Attorney General Francisco José Sintura, Bogotá, December 17, 2010.

¹²Grupamento de Policiamento em Áreas Especiais, or Policing in Special Areas Unit.

to zero in its first year, it came under attack as a pact with the drug trade from Rio's mayor and other political rivals of the governor at the time (Fernandes, 2003:98). This put the program's advocates on the defensive; while the 'pact' charge was not true, reducing the amount of repression directed against non-violent traffickers—a principal point of criticism—was, in some sense, the whole point.¹³ Eventually, the program's creator and original commander was replaced with a hardliner, cartel-state violence soon erupted again, and the project was canceled. The GPAE and related episodes are illustrative of the difficulties that states face in making repressive policy conditional. In particular, it illustrates the way in which acceptability constraints bite: by giving critics the chance to paint reformers as 'soft' on traffickers, and potentially even in collusion with them.

In operational terms, the UPP program is little more than a large-scale version of GPAE. Why has it succeeded (thus far) where GPAE failed? I argue that two key factors explain the success of the UPPs. First, an alignment of political forces has meant that Rio de Janeiro state's governor is a political ally of both the mayor and the President of the Republic. Such a coalition is not strictly necessary in administrative terms: in Brazil, control over policing and public (as opposed to national) security is overwhelmingly held by state governments. However, the alliance with the federal government has facilitated both increased funding for the new UPP police battalions and the participation of the armed forces during occupations (a crucial factor in the taking of Alemão and Vila Cruzeiro), while mayoral support has helped avoid the kind of public controversy and feet-dragging seen in the GPAE case.

This political coalition, by signaling a higher likelihood of success, has in turn attracted support from other key sectors, including the media and business elites. Eike Batista, a Rio entrepreneur and billionaire who is donating \$12 million per year to the project, explicitly points to the political coalition as a factor:

When I felt the force of [Governor] Cabral together with the mayor... and his connection to the federal government, [I said] 'ah...now this is a team.' Without that, nothing ever works. If it hadn't been all three engaged, I wouldn't have contributed.¹⁴

The powerful Globo media empire has been a major backer of the UPP project as well, guaranteeing (mostly) positive press coverage.

The second key factor has been a felicitous rhetorical innovation: rather than skirt around the issue of tolerating drug trafficking in areas under UPP control, the high command now openly admits it. In particular, Rio Public Security Secretary José Beltrame, perhaps the public official most closely associated with the program, has, in his explanations to the press, simply abandoned any rhetorical commitment to complete eradication:

We can't guarantee that we'll put an end to the drug trade, nor do we have the intention of doing so. Our objective is breaking the paradigm of territory controlled by traffickers with military-grade weapons.¹⁵

This is precisely where acceptability constraints so often bind. There are, I would argue, three key factors that have attenuated such constraints in this case. First, there is a "It takes a Nixon to go to

¹³Interview, Major Antonio Carballo Blanco, June 2003.

¹⁴Roda Viva (television program), TV Cultura, August 30, 2010. Available online at: <http://www.youtube.com/watch?v=Qix2DMDqKw&feature=relmfu>. The quote above appears at 17'50"-18'30".

¹⁵"Rio de Janeiro police occupy slums as city fights back against drug gangs," The Guardian (London), April 4, 2010.

China” effect: Cabral began his first term with a massive if traditional crackdown and winning, if anything, opprobrium as a brutal hardliner. Beltrame, as a former Federal Police officer with a history of anti-corruption work and a non-native of Rio de Janeiro, has great credibility as a law-and-order type. This makes it difficult for critics to outflank the duo as “soft on crime” when they pivoted to the pacification strategy in 2008. Second, and relatedly, the prominence of Beltrame as the public face of the program, and the operational terms in which he presents it—as a purely tactical decision driven by security concerns—changes the political optics of conditional policy considerably. Another key example is the decision of US marines in Marjah, Afghanistan, to back off a policy of poppy eradication, realizing that destroying the fields would push economically desperate locals into the hands of the Taliban.¹⁶ Framing this decision as key to primary mission goals helped overcome the objections of the pro-eradication State Department.¹⁷ We might call this ‘operational decriminalization,’ a shift toward conditional repression that becomes politically feasible in part because it is made by “men in boots”. Operational decriminalization depoliticizes the issue, vastly relaxing the ‘acceptability constraint’ on *de jure* policy.

Acceptability constraints prevented the Colombian state from openly negotiating with Escobar’s Medellín cartel, tragically prolonging a bloody standoff—even as it successfully negotiated the demobilization of the M19 guerrilla insurgency. Yet Colombia enjoyed centralized security forces capable of conditioning repression, such that upon Escobar’s demise and the fall of the rival Cali cartel, small successor cartels acted on strong incentives to eschew anti-state violence. In Brazil, in addition to the aforementioned, centralizing political coalition, a rhetorical innovation has made conditional repression more acceptable: hard-line police chiefs declaring the goal of securing territory to have operational primacy over drug eradication. Together, these permitted a move to a highly conditional policy, resulting in what appears to be a systematic shift by cartels away from violent strategies. In Mexico, extreme vertical and horizontal fragmentation of security institutions—once mitigated by a unifying, quasi-authoritarian political system—has become more salient with the end of PRI¹⁸ dominance (Davis, 2006). This combines with severe acceptability constraints, due both to proximity to the US and Calderón’s own rhetorical approach, to produce a highly unconditional crackdown that has left even the splintered cartels that remain with strong incentives to adopt violent strategies.

¹⁶“Afghan poppy harvest is next challenge for U.S. Marines,” McClatchy Newspapers, 21 March, 2010.

¹⁷Interview, US Government official, October 4, 2011.

¹⁸Partido Revolucionario Institucional (Institutional Revolutionary Party), Mexico’s ruling party from 1929-2000. Astorga (2007) argues that the PRI maintained an implicit corrupt pact with Mexico’s cartels, and that its fall from hegemony is a major cause of the explosion in violence.

Chapter 8

Conclusion

In much of the world, human development and democratic consolidation are threatened by the presence of armed, non-state groups. Important progress has been made in the last twenty years in the study of armed conflict, especially civil war, but as our understanding has advanced, the phenomenon itself has receded (Blattman and Miguel, 2010:18). The end of the cold war thankfully brought a sharp decline in the prevalence of civil war (Kalyvas and Balcells, 2006), but it also saw the rise of a new threat to international security: prolonged armed conflict between states and criminal groups, particularly drug cartels. In the last twenty years, cartel-state conflict has ravaged Latin America's three largest countries, and now threatens to overrun Central America and potentially spill into the United States. Yet our understanding of its dynamics remains primitive at best.

This study represents a first analytic cut at the problem, an attempt to think systematically about drug wars as a class of conflict. It suffers from many of the weaknesses endemic to the study of violence in general: poor and overly aggregated data, too few cases, and too many critical factors—like the prevalence of corruption or the extent of successful extortion—that are difficult or impossible to observe.¹ In addition, two of the cases are ongoing affairs, with major development of critical analytic importance happening over the course of this study. Conclusions and conjectures based on extrapolation of trends at mid-conflict can prove wildly off-base: Francis Fukuyama has warned that trying to predict what will happen in Mexico would be like trying to analyze the future of Europe from the vantage point of 1943.²

By the same token, however, the sheer magnitude of the violence—and in Mexico, its almost exponential growth—compels us to at least try to understand its causes. When the stakes are so high, even small and tentative steps forward are worth taking. This is particularly so in the case of cartel-state violence, since, as I have argued, the timing and degree of shifts in intensity strongly suggest a causal role for state policy. This suggests that cartel-state violence is in some sense avoidable, or at least subject to better management by the state. True, in general one wants to start from the assumption that the actors involved in an interaction understand it at least as well as we do. However, the fact that leaders in all three cases studied here have been genuinely surprised, both pleasantly and tragically, by cartel

¹We generally only observe bribes and blackmail when they are unsuccessful.

²Comments at the Violence, Drugs and Governance: Mexican Security in Comparative Perspective Conference, Stanford University, Palo Alto, 4 October, 2011.

responses to crackdowns suggest that in this case, leaders may have understood the logic of cartel-state violence as poorly as we do.

Of course, there is another possibility: leaders know exactly what they are doing, but there is some mismatch between what their stated objectives (ending the drug trade or minimizing drug flows) and what they are actually doing. I return to the opacity of state motives in the final section of this chapter, after briefly summing up the main findings of the study and considering a few potential avenues for further research.

8.1 Summary of Findings

This study has argued that cartel-state conflict is fundamentally different from insurgency. Cartels turn to brazen, anti-state violence, not, as in civil war, in hopes of conquering mutually prized territory or resources, but to influence state policy outcomes. In some respects, cartels can be seen as simply interest groups, employing resources to influence policy; following a distinction made by Scott (1969), we can say that they may seek to influence policy enforcement, through what I term *corruption*, or at the level of policy formation, through *lobbying*, or both. Yet other licit groups are not targeted for destruction by the state, and generally possess no means of physical coercion. These factors can make violence an attractive pathway to policy influence for criminal groups; when they turn to violent forms of corruption and lobbying, the result is cartel-state conflict.

This study first distinguishes the ‘logics’ of violent corruption and violent lobbying, as well as logics deriving from turf war among cartels, then identifies the conditions that make each logic operative. Violent corruption—epitomized by drug lord Pablo Escobar’s infamous phrase “*plata o plomo*” (the bribe or the bullet)—is observed in all three cases, preceding violent lobbying even in Colombia. The key finding of the formal analysis herein is that crackdowns can actually increase criminal violence when they 1) occur in a context of widespread corruption, and 2) are not *conditional*, i.e. do not specifically target cartels that opt for violence with additional or differential repression. This mechanism undergirds the larger claim that conditional crackdowns, in which repressive force is applied in proportion to the amount of violence used by cartels, have successfully curtailed cartel-state conflict in Colombia and Rio de Janeiro, while Mexico’s unconditional approach, by contrast, has led to sharp increases in cartel-state violence.

The other logics of violence are operative under only more restrictive conditions, and have come into play less consistently over time and across cases; this helps explain some of the cross-case variation in the modalities of cartel violence. Violent lobbying, in the form of narco-terrorism, is the most dramatic and chilling form of cartel-state violence. However, it only makes sense as a strategy when there is an open *de jure* policy question that cartels can realistically hope to influence. Moreover, to the extent that the benefits of lobbying are public while the benefits of corruption are particular, violent lobbying is subject to the free-rider problem, and is thus unlikely to occur unless cartels can cooperate. For this reason, violent lobbying has been intense in Colombia, where cartels were initially united and extradition remained an open policy question for a decade; occasional in Brazil where a dominant cartel uses it to influence carceral policy; and relatively rare in Mexico, where the president’s personal identification with his crackdown created overwhelming audience costs for any potential backtrack.

In Mexico, inter-cartel turf war has been far more intense than elsewhere, and is a critical driver of cartel-state violence in its own right. This brings dynamics of reputation-building and false-flag attacks into play, contributing to the prominence of ‘propagandistic’ violence, including mutilation and the use of ‘narco-messages’. These dynamics are reinforced by the government’s kingpin strategy, which has deliberately fragmented the cartels and created regular leadership vacuums which new actors rush to fill. Moreover, cartel fragmentation has a general-equilibrium effect on the maximum pressure the state can apply to any one cartel (given its “no distinctions” approach). This further reduces the sanction cartels face for using violence, and drives the escalatory spiral gripping Mexico at present.

8.2 Avenues for Further Research

Quantitative Analysis with NRI/OBIVAN data

While countless scholars, journalists and observers have drawn parallels between Mexico’s current crisis and the narco-violence period, this study has sought to put the comparative study of criminal war in general and cartel-state conflict in particular on a firmer comparative basis. Much of the present study has focused on laying the groundwork for a comprehensive theory of cartel-state conflict. On the empirical side, much of the comparative analysis is based on qualitative evidence. However, the data being generated by the NRI/OBIVAN project should provide a more systematic empirical basis for comparison, and will permit fine-grained quantitative, econometric analysis within cases.

Additional Cases

Wars and revolutions are classically small-*n* phenomena, which makes them both fascinating and difficult to study. All-out cartel-state conflict is even rarer still. If the cases I have studied here do not exhaust the universe of cartel-state conflict, they are certainly the most salient. At this point, the most promising next step might be to examine *negative* cases, places with large, profitable production and transshipment markets and, perhaps, corrupt enforcers, and ask what has kept cartel-state violence from erupting. Peru, Bolivia, Afghanistan, and Burma are all possibilities.

That said, one of the contributions of this study is to show how violent corruption can fester at low levels before exploding in response to sudden, unconditional crackdowns. Part of its lesson is thus that cartel-state violence can be latent, off the equilibrium path, or at low, hard to detect levels. This suggests that there may be more positive cases than is immediately apparent. An important avenue for further research would be to get a better handle on how cartel-state violence begins; and in particular, to test my conjecture that violent lobbying is often the gateway.

In this respect, Central America seems like a very important site for further research. In some sense, the region speaks to both these concerns: the Northern Triangle—El Salvador, Honduras and Guatemala—is now the most violent region in the world (World Bank, 2011), and seems poised to be overrun by Mexican cartels and homegrown *mara* gangs whose prison-based structure mirrors that of Rio’s syndicates. At the same time, the southern countries have remained strangely peaceful, particularly Nicaragua, which has suffered many of the same historical setbacks as its Northern Triangle neighbors.

Do Drug Wars Build States?

Since Tilly's seminal work (1985, 1990), a host of scholars have explored the relationship of war-making to state formation and consolidation; it seems only natural to ask whether drug wars make states. The answer is a qualified yes: state capacity generally grows over the course of protracted drug wars, especially in terms of the coercive apparatus and the judiciary. However, drug wars can also push cartels toward cooptative strategies or clear the way for paramilitary groups that seek to weaken the state from within. Even where corruption diminishes, drug wars can also lead to 'over-strengthening' of certain state actors, creating entrenched stakeholders with excessive authority and discretion, who are resistant to necessary adjustments of policy once drug violence has abated. Documenting and analyzing this aspect of drug wars is an important contribution both to the 'bellicist' literature as well as the dynamics of drug violence itself.

8.3 Final Thoughts

Drug wars are, above all, wars of constraint, in which cartels fight not to win a protracted struggle against the state but to increase their flow of illicit profits. While it is in a sense "no surprise" that cartels would fight back when governments try to interfere with those rent-generating activities, I have argued that it is also not a foregone conclusion: cartels opt for violence when the benefits of doing so outweigh the hefty costs. Corruption increases the benefits to violence, and unconditional repression lowers the costs.

The real mystery is why *states* fight drug wars, since they could bring them to an end through a move to more conditional repression. Of course, the conventional answer is that they must fight cartels, lest the nation, hemisphere, or world be overrun with dangerous drugs. This view speaks to our sense of all war as a zero-sum game, and it is indeed tempting to think that cartels' gain is the state's loss and vice versa. But such a frame of analysis deeply distorts the underlying problem, which, I have argued, is not really zero-sum at all.

One way to see this is to take a broad view of the relationship between criminal war and drug markets. Figure 8.1 shows US street prices and world cocaine production, with Colombia's contribution highlighted, over the past three decades. What the figure reveals is that periods of intense cartel-state violence in Colombia and Mexico, through which a huge proportion of the US cocaine supply flows, seem to have done little more than introduce noise into the relentless downward trend of prices over the past thirty years.

One can't help but notice an upward blip in prices toward the end of this time series. Figure 8.2 offers a closer look, and includes Mexican cartel-related homicide data from both government and media sources. During the period from 2007 to 2009, the correlation between armed violence in Mexico and cocaine prices in the US seems undeniably strong. In some ways, such a result is a drug warrior's dream, at least if the arrow of causality runs from violence to higher prices. After all, the whole point of battling the cartels is said to be supply-reduction, which we assume will cause prices to rise, which we also assume will reduce consumption.

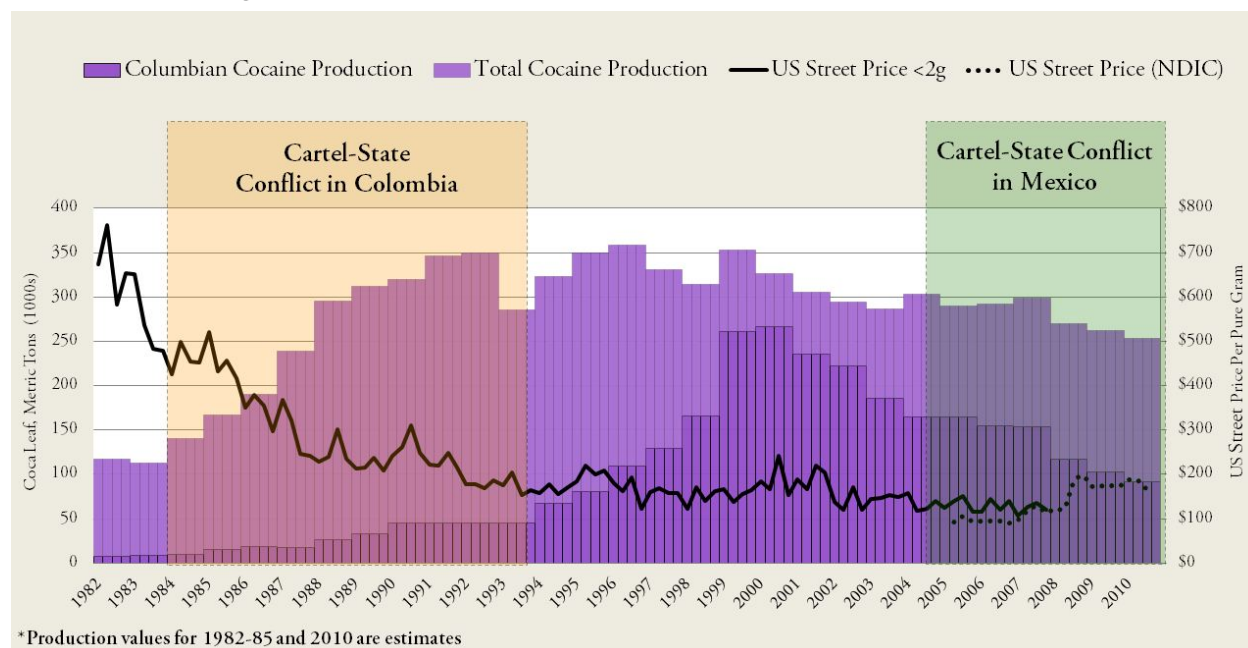
However, from 2009 onward this correlation all but disappears. One plausible explanation for this

stark shift is that in the short run, the Mexican crackdown and attendant violence created uncertainty, shortages, and perhaps even hoarding or speculation in US retail drug markets, but that as traffickers adapted by building more fluid and redundant supply chains, prices leveled off. Whatever the case, the fact remains that 25,000 homicides between 2009 and 2010 seem to have had virtually no effect on the US street price, suggesting that drug violence is a horrifically inefficient way to address a consumption problem in the United States.

The truth is that the global war on drugs has been about as effective in eradicating the illicit drug trade as violent religious persecution was in eradicating religion. If leaders' payoffs to fighting drug wars truly centered on reducing drug use, the minimal impact of crackdowns would imply that they amount to an enormous deadweight loss. Yet both leaders and enforcers remain deeply committed to the abstract goals of eradication and prohibition after decades of abject and expensive failure to make concrete steps toward those goals. Cynical careerism and even outright corruption are compelling explanations up to a point; but the global war on drugs seems like too complex, coordinated, and sustained an undertaking to be entirely due to such motives. Perhaps the best explanation is that states *also* increase their flow payoffs by fighting, by generating 'victories' in the form of arrests and seizures, by attracting foreign aid and winning diplomatic favor, and by gaining a pretext for state-building exercises that range from democracy-enhancing to quasi-authoritarian.

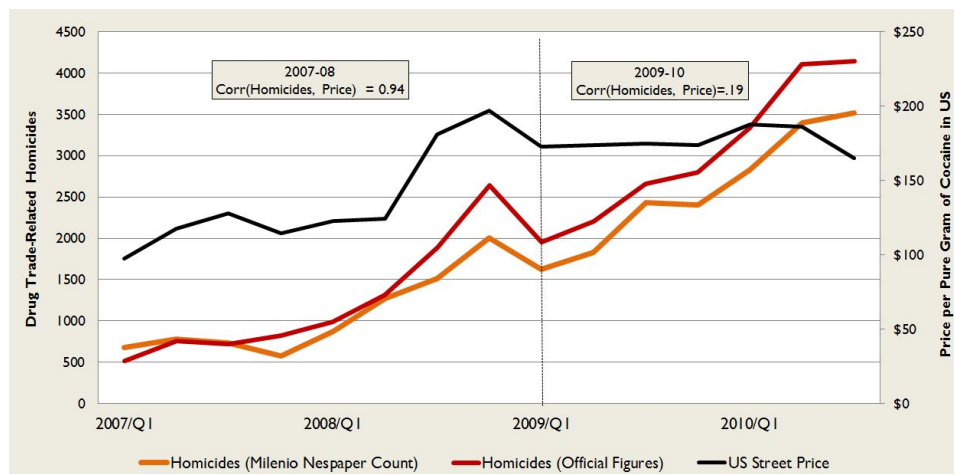
Whatever the true calculus of leaders, though, it is beyond dispute that cartel-state conflict creates

Figure 8.1 Production and Street Price of Cocaine, 1982-2011



Sources: Prices: Fries et al. (2008); NDIC (2009, 2010, 2011), Production: UNODC (2003, 2010), ODCPP (1999, 2000a,b)

Figure 8.2 US Cocaine Street Prices vs. Cartel-Related Homicides in Mexico, 2007-2010



Sources: Prices: NDIC (2011), Homicides: *Milenio* (2010a,b, 2011); Shirk and Ríos (2011)

tragic losses for entire populations unlucky enough to get caught in the crossfire, such as favela residents, Andean coca growers, and Mexican residents of the border region. It also is of dubious value to the soldiers and officers who fight it (beyond any bribe money the corrupt among them might collect) and to the taxpayers who foot the bill. It is hard to imagine any calculus in which society is better off having such conflict. If true, then the path forward involves changing *leaders'* incentives. At present, a president like Calderón may actually 'rationally' prefer to leave office with 50,000 deaths on his watch than to have been perceived as going easy on cartels. Unfortunately, as long as *that* calculus holds, we have probably not seen the last episode of criminal war.

Appendix A

Proofs of Formal Propositions

For convenience, I recapitulate the lemmata, corollaries and propositions from Chapter 3, then provide proofs of each.

Lemma 1 *In equilibrium, D never plays $a \in (0, \tilde{a})$.*

Proof. Assume, toward contradiction, that in some equilibrium, D plays $a^0 \in (0, \tilde{a})$. Since $a < \tilde{a}$, in the last round, D must either hide or bribe. In the preceding round, P chooses b . But a does affect P 's payoffs unless D fights, so whatever P 's equilibrium b^* is (even if it is a mixed strategy), that strategy would also be a best response to any $a \in [0, \tilde{a})$. But D 's equilibrium payoffs are strictly decreasing in a over this range, so that a could profitably deviate from a^0 by playing $a = 0$. ■

Lemma 2 *If $b_h^* > b_h^M$, P is weakly better off playing b_h^M than any other b , and strictly better off than for any $b < b_h^M$.*

Proof. D is sure never to pay any bribe $b \geq b_h^M$, so P is indifferent among all such b . Algebra reveals that $E[U_b^P(b)]'$ is left-differentiable at b_h^M , and is equal to $\frac{d}{\mu} \frac{s_h + \eta}{s_h} - \frac{3}{2}$ which is positive since $b \geq b_h^M \implies d > \frac{s_h}{s_h + \eta} \frac{3}{2} \mu$. Thus P is strictly worse off demanding $b < b_h^M$. Similar analysis applies in the case of b_f^m, b_f^* , and b_f^M . ■

Proposition 3 *If C_d holds, the equilibrium probability of hiding (conditional on $a = 0$) is $\frac{1}{4} + \frac{1}{2} \frac{s(1-c)+\eta}{s(1-c)} \frac{d}{\mu}$. The probability of bribe-taking ($1 - \Pr_H$) is thus increasing in μ and s , and decreasing in d and c .*

Proof. Revealed by algebra. ■

Corollary 4 *For any set of parameter values, $\exists c^{NB} \in (0, 1) : c > c^{NB} \implies b_h^* \geq b_h^M$, such that Inequality C_d does not hold, and if $a = 0$, no bribes are paid.*

Proof. $\lim_{c \rightarrow 1} b_h^* = \frac{d}{2} > \lim_{c \rightarrow 1} b_h^M = 0$. ■

Proposition 5 *Given an interior solution for a fighting strategy, crackdowns increase the probability of fighting whenever the cost of corruption is low ($d < \phi$), but decrease fighting when corruption is rare ($d > \phi$).*

Proof. By assumption, a_f^* is positive, so $\frac{\sqrt{(8s\mu-(d-\phi)^2)(23\mu^2+12\mu\phi-4\phi^2)}}{2(8s\mu-(d-\phi)^2)} > 1$. Thus the sign of $\frac{\partial \text{Pr}_F}{\partial s}$ depends on the sign of $(\phi - d)$. ■

Lemma 6 $\lim_{c \rightarrow 1} E[U_b^D] = \mu$

Proof. From Corollary 4, we know that for $c > c^{NB}$, there is no bribe that P would accept that D would be willing to pay, so $E[U_b^D] \Big|_{c \in (c^{NB}, 1)} = \mu \frac{\eta}{\eta + (1-c)}$; the limit as $c \rightarrow 1$ is μ . ■

Proposition 7 $\exists \tilde{c} \in (0, 1)$ such that if $c > \tilde{c}$, D plays $a = 0$, P plays $b \geq b_b^M$, and D always hides.

Proof. $E[U_f^D] = p_F(\mu \frac{a}{a+s}) + (1-p_F)(\mu - b) - a$ which is strictly less than μ for $a > 0$. Since the payoff to fighting is not a function of c , by continuity there must be some $\tilde{c}$ such that $c > \tilde{c} \implies E[U_b^D] > E[U_f^D]$. ■

Bibliography

- Ahnen, Ronald E. 2007. "The politics of police violence in democratic Brazil". *Latin American Politics and Society* 49.1, pp. 141–164.
- Alston, Philip. 2007. *Press Statement by the Special Rapporteur of the UN Human Rights Council on extrajudicial, summary or arbitrary executions*. Press Statement. Brasilia: United Nations Human Rights Council.
- Amnesty International. 2005. *Brazil: "They come in shooting": Policing socially excluded communities*. Tech. rep.
- Amorim, Carlos. 1993. *Comando Vermelho: a História Secreta do Crime Organizado*. Rio de Janeiro: Editora Record.
- . 2003. *CV-PCC: a irmandade do crime*. São Paulo: Record.
- Andreas, Peter. 1998. "The Political Economy of Narco-corruption in Mexico". *Current History* 97, pp. 160–165.
- Araújo, Vera. 2010. "Feira de drogas resiste à UPP da Cidade de Deus". *O Globo* July 02.
- Aranda, Jesús. 2011. "Ataques al Ejército cobran la vida de 253 soldados desde 2006". *La Jornada*.
- Archibold, Randal C., Damien Cave, and Elisabeth Malkin. 2011. "Mexico's President Works to Lock In Drug War Tactics". *New York Times* October 15.
- Arias, Enrique Desmond. 2006. "The Dynamics of Criminal Governance: Networks and Social Order in Rio de Janeiro". *Journal of Latin American Studies* 38.02, pp. 293–325.
- Astorga, Luis Alejandro. 2001. "The Limits of Anti-Drug Policy in Mexico". *International Social Science Journal* 53.169, pp. 427–434.
- . 2004. "Mexico: Drugs and Politics". In: *The Political Economy of the Drug Industry*. Ed. by Menno Vellinga. Gainesville: University Press of Florida, pp. 85–102.
- . 2005. *El siglo de las drogas: el narcotráfico, del Porfiriato al nuevo milenio*. Mexico City: Plaza & Janés.
- . 2007. *Seguridad, traficantes y militares: el poder y la sombra*. 1a. Tiempo de memoria. México, D. F.: Tusquets.
- Bailey, John. 2009. *Prepared Statement for the House Committee on Homeland Security, Subcommittee on Oversight, Investigations, and Management*. Tech. rep.
- Barbosa, Antonio Rafael. 1998. *Um Abraço para Todos os Amigos: algumas considerações sobre o tráfico de drogas no Rio de Janeiro*. Niterói: EDUFF.
- Barcellos, Caco. 2003. *Abusado: o Dono do Morro Dona Marta*. Rio de Janeiro: Livraria Tempo Real Inform.

- Bastos, Marcelo. 2011. "Secretário de Segurança admite temer que policiais das UPPs atuem como milicianos". *R7*.
- Batista, Vera Malaguti. 2003. *Difíceis ganhos fáceis: drogas e juventude pobre no Rio de Janeiro*. Vol. 2. Instituto Carioca de Criminologia.
- Bicudo, Hélio. 2000. "A Unificação das Polícias no Brasil". *Estudos Avançados* 14, pp. 91–106.
- Blattman, Chris and Edward Miguel. 2010. "Civil war". *Journal of Economic Literature* 48.1, pp. 3–57.
- Bonner, Robert C. 2010. "The New Cocaine Cowboys: How to Defeat Mexico's Drug Cartels". *Foreign Affairs* July/August 2010.
- Borjón Nieto, José J. 2010. "Lucha contra el crimen organizado: fracaso de la militarización". *Letras Jurídicas* 21.
- Bottari, Elenice and Sérgio Ramalho. 2006. "Milícias avançam pelo corredor do Pan 2007". *O Globo* December 12.
- Bowden, Mark. 2001. *Killing Pablo*. New York: Atlantic Monthly Press.
- Bradford Hill, Austin. 1965. "The Environment and Disease: Association or Causation?" *Proceedings of the Royal Society of Medicine* 58.5, p. 295.
- Burgoyne, Michael L. 2012. "The Right Tool for the Right Job: An Evaluation of the Effectiveness of Counterinsurgency Principles Against Criminal Insurgency". *Small Wars Journal* February.
- Burnett, John, Marisa Peñaloza, and Robert Benincasa. 2010. "Mexico Seems To Favor Sinaloa Cartel In Drug War". *NPR*.
- Caldeira, Teresa P.R. 2002. "The paradox of police violence in democratic Brazil". *Ethnography* 3.3, pp. 235–263.
- Cañón, Luis M. 1994. *El patrón: vida y muerte de Pablo Escobar*. Bogotá: Planeta.
- Cano, Ignacio. 1997. *Letalidade da Ação Policial no Rio de Janeiro*. Rio de Janeiro: ISER.
- . 2010. "Racial bias in police use of lethal force in Brazil". *Police Practice and Research: An International Journal* 11.1, pp. 31–43.
- Cano, Ignácio. 2008. "Seis por Meia Dúzia? Um Estudo Exploratório do Fenômeno das Chamadas 'Milícias' no Rio De Janeiro". In: *Segurança, Tráfico e Milícias no Rio de Janeiro*. Rio de Janeiro: Justiça Global.
- Carballo Blanco, Antônio Carlos. 2003. "GPAE, uma experiência de Policiamento Comunitária: Sobre a experiência prática". *Comunicações do ISER* 22.58, pp. 101–110.
- Cardoso, Fernando Henrique, César Gaviria, and Ernesto Zedillo. 2009. *Drugs and Democracy: Toward a Paradigm Shift*. Tech. rep. Latin American Commission on Drugs and Democracy.
- Carneiro, Júlia Dias. 2010. "Operação acaba com crença em 'invencibilidade' do Alemão, diz Beltrame". *BBC Brasil*.
- Castillo, Fabio. 1987. *Los jinetes de la cocaína*. Bogota: Documentos Periodísticos.
- Cerqueira, Carlos Magno Nazareth. 1996. "Remilitarização da Segurança Pública: a Operação Rio". *Discursos Sediciosos: Crime, Direito e Sociedade* 1.1.
- Cerqueira, Daniel. 2011. *Mortes Violentas Não Esclarecidas e Impunidade no Rio de Janeiro*. Instituto de Pesquisa Econômica Aplicada.
- Chepesiuk, R. 2003. *The bullet or the bribe: taking down Colombia's Cali drug cartel*. Praeger Publishers.
- Câmara, Breno P. 2009. *Segurança Pública carioca: conflitos urbanos revelam violências desiguais*.
- CNNMéxico. 2011. "El 'Triángulo Dorado', resguarda la droga entre el frío clima y la pobreza".

- Coelho, Edmundo Campos. 1988. "Da Falange Vermelha a Escadinha: o poder nas prisões". *Presença* 11.
- Coimbra, Cecilia M. B. 2001. *Operação Rio: o mito das classes perigosas: um estudo sobre a violência urbana, a mídia impressa e os discursos de segurança pública*. Rio de Janeiro: Oficina do Autor.
- Collier, David. 2011. "Understanding Process Tracing". *PS Political Science and Politics* 44.4, p. 823.
- Collier, David and Steven Levitsky. 1997. "Democracy with adjectives: conceptual innovation in comparative research". *World Politics* 49.03, pp. 430–451.
- Collier, Ruth Berins. 1993. "Combining Alternative Perspectives: Internal Trajectories versus External Influences as Explanations of Latin American Politics in the 1940s". *Comparative Politics* 26.1, pp. 1–29.
- Collier, Ruth Berins and David Collier. 1991. *Shaping the Political Arena*. Princeton: Princeton University Press.
- Corchado, Alfredo. 2011. "Arrest Signals Targeting of Zetas". *Dallas Morning News*.
- Costa, Ana Cláudia, Athos Moura, and Rogério Daflon. 2011. "Polícia ocupa Complexo de São Carlos para instalação de Unidades de Polícia Pacificadora (UPPs)". *O Globo* February 6.
- Costa, Ana Cláudia et al. 2007. "Megaoperação no Alemão deixa 19 mortos". *O Globo* June 27.
- Dal Bó, Ernesto, Pedro Dal Bó, and Raphael Di Tella. 2006. "'Plata o Plomo?': Bribe and Punishment in a Theory of Political Influence". *American Political Science Review* 100.01, pp. 41–53.
- Dal Bó, Ernesto and Rob Powell. 2009. "A model of spoils politics". *American Journal of Political Science* 53.1, pp. 207–222.
- Davis, D.E. 2006. "Undermining the rule of law: Democratization and the dark side of police reform in Mexico". *Latin American Politics and Society* 48.1, pp. 55–86.
- de Aquino, Ruth. 2011. "José Mariano Beltrame: 'A milícia hoje me preocupa mais que o tráfico'". *Epoca* October 16.
- de Carvalho, Olavo. 1994. "As Esquerdas e o Crime Organizado". In: *A Nova Era e a Revolução Cultural: Fritjof Capra & Antonio Gramsci*. Instituto de Artes Liberais & Stella Caymmi Editora.
- Dell, Melissa. 2011. *Trafficking Networks and the Mexican Drug War*. Unpublished manuscript.
- Diaz-Cayeros, Alberto, Beatriz Magaloni, and Barry R. Weingast. 2003. *Tragic Brilliance: Equilibrium Hegemony and Democratization in Mexico*. Tech. rep. Stanford University.
- Dorn, Nicholas, Karim Murji, and Nigel South. 1992. *Traffickers: drug markets and law enforcement*. New York: Routledge.
- Dowdney, Luke. 2003. *Children of the Drug Trade*. Rio de Janeiro: 7 Letras.
- . 2006. *Neither War nor Peace: International comparisons of children and youth in organised armed violence*. Rio de Janeiro: 7 Letras.
- Dugas, John. 2001. "Drugs, Lies, and Audiotape: The Samper Crisis in Colombia". *Latin American Research Review* 36.2, pp. 157–174.
- Eaton, Kent. 2006. "The downside of decentralization: Armed clientelism in Colombia". *Security Studies* 15.4.
- El Tiempo*. 1990. "Libre Camarógrafo Orlando Acevedo". December 18.
- English, Richard. 2005. *Armed Struggle: the History of the IRA*. New York: Oxford University Press.
- Escobar Gaviria, Roberto. 2000. *Mi Hermano Pablo*. Bogota: Quintero Editores.

- Farrell, G. and J. Thorne. 2005. "Where have all the flowers gone?: evaluation of the Taliban crackdown against opium poppy cultivation in Afghanistan". *International Journal of Drug Policy* 16.2, pp. 81–91.
- Fearon, James D. 1994. "Domestic political audiences and the escalation of international disputes". *American Political Science Review*, pp. 577–592.
- . 1995. "Rationalist Explanations for War". *International Organization* 49.3, pp. 379–414.
- Fearon, James D. and David D. Laitin. 2003. "Ethnicity, Insurgency, and Civil War". *The American Political Science Review* 97.1, pp. 75–90.
- . 2005. "Civil War Narratives". *Center for Advanced Studies Working Paper* 218, p. 1.
- . 2007. "Civil war termination". In: *Annual Meeting of the American Political Science Association*. Chicago, Illinois.
- Fernandes, Rubem César. 2003. "GPAE, uma experiência de Policiamento Comunitária: Polícia sozinha não produz segurança". *Comunicações do ISER* 22.58, pp. 93–101.
- Fiorentini, Gianluca and Sam Peltzman. 1997. *The Economics of Organised Crime*. New York: Cambridge University Press.
- Fisman, Ray and Edward Miguel. 2007. "Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets". *Journal of Political Economy* 115.6, pp. 1020–1048.
- Freixo, Marcelo et. al. 2008. *C.P.I. das Milícias*. Rio de Janeiro: Assembleia Legislativa do Estado do Rio de Janeiro (ALERJ).
- Fries, Arthur et al. 2008. *The Price and Purity of Illicit Drugs: 1981-2007*. Tech. rep. Alexandria: Institute for Defense Analysis.
- García Márquez, Gabriel. 1997. *News of a Kidnapping*. New York: Knopf.
- Garotinho, Anthony and Luiz Eduardo Soares. 1998. *Violência e criminalidade no Estado do Rio de Janeiro: diagnóstico e propostas para uma política democrática de segurança pública*. Rio de Janeiro: Hama.
- Gay, Robert. 1990. "Neighborhood Associations and Political Change in Rio de Janeiro". *Latin American Research Review* 25.1, pp. 102–118.
- Glasziou, Paul et al. 2007. "When are randomised trials unnecessary? Picking signal from noise". *BMJ* 334.7589, pp. 349–351.
- Gleditsch, Nils Petter et al. 2002. *Armed Conflict 1946-2001: A New Dataset*.
- Gloudemans, Mathijs J. 2010. "A community's devil's deal: The dynamics of the struggle for hearts and minds in Rio de Janeiro's favelas". PhD thesis. Utrecht University.
- Gómora, Doris. 2011. "'Lince Norte' daña estructura 'zeta'". *El Universal* August 5.
- Grayson, George W. 2010. *Mexico: Narco-violence and a Failed State?* New Brunswick: Transaction Publishers.
- Grillo, Ioan. 2011. *El Narco: Inside Mexico's Criminal Insurgency*. New York: Bloomsbury Press.
- Guerrero, Eduardo. 2011a. "La Raiz de la Violencia". *Nexos* June.
- . 2011b. *Security, Drugs, and Violence in Mexico: A Survey*. Tech. rep. Mexico City: Lantia Consultores.
- Hagedorn, John M. 1994. "Neighborhoods, Markets, and Gang Drug Organization". *Journal of Research in Crime and Delinquency* 31.3, pp. 264–294.

- Hidalgo, F. Daniel and Benjamin Lessing. 2011. *Endogenous State Weakness: Paramilitaries and Electoral Politics*. Unpublished manuscript.
- Huguet, Clarissa. 2009. "Drug Trafficking, Militias, Police Violence and State Absence".
- ISP-RJ. 2012. *Dados Oficiais*. Tech. rep. Instituto de Segurança Pública do Rio de Janeiro.
- Kalyvas, Stathis N. 2006. *The Logic of Violence in Civil War*. Cambridge: Cambridge University Press.
- Kalyvas, Stathis N. and L. Balcells. 2006. "International System and Technologies of Rebellion: How the End of the Cold War Shaped Internal Conflict". *American Political Science Review* 1.-1, pp. 1–15.
- Killebrew, Robert. 2011. "Criminal Insurgency in the Americas and Beyond". *Prism* 2.3, pp. 33–52.
- Kirk, Robin. 2003. *More Terrible than Death: Massacres, Drugs, and America's War in Colombia*. New York: PublicAffairs.
- Labrousse, Alain. 2005. "The FARC and the Taliban's Connection to Drugs". *Journal of Drug Issues* 35 1, pp. 169–184.
- Lacey, Marc. 2008. "Grenade Attack in Mexico Breaks From Deadly Script". *New York Times* September 24.
- Leal Buitrago, Francisco. 2006. *La inseguridad de la seguridad: Colombia 1958-2005*. Bogotá: Planeta.
- Lee, Rensselaer W. 1995. "Global reach: The threat of international drug trafficking". *Current history: A journal of contemporary world affairs* 592, pp. 207–211.
- Leeds, Elizabeth. 1996. "Cocaine and Parallel Politics in the Brazilian Urban Periphery: Constraints on Local-Level Democratization". *Latin American Research Review* 31.3, pp. 47–83.
- Lessing, Benjamin. 2008. "As Facções Cariocas em Perspectiva Comparativa [Rio's Drug Syndicates in Comparative Perspective]". *Novos Estudos - CEBRAP* 80.March, pp. 43–62.
- . 2012. "A Hole at the Center of the State: Prison Gangs and the Limits to Punitive Power". In: *Annual Meeting, America Latina Crime and Policy Network (AL CAPONE)*. UC Berkeley, May 4.
- Lima, William da Silva. 1991. *Quatrocentos Contra Um : Uma História do Comando Vermelho*. Rio de Janeiro: ISER.
- Lins, Paulo. 1997. *Cidade de Deus*. Rio de Janeiro: Companhia das Letras.
- López Restrepo, Andrés. 2006. "Narcotráfico, ilegalidad y conflicto en Colombia". In: *Nuestra guerra sin nombre: transformaciones del conflicto en Colombia*. Ed. by W. Gutiérrez and S. Gómez. Bogotá: IEPRI.
- MacCoun, Rob, Beau Kilmer, and Peter Reuter. 2003. "Research on drugs-crime linkages: The next generation". In: *Toward a drugs and crime research agenda for the 21st century*. Ed. by Henry Brownstein and Christine Crossland. Washington, DC: National Institute of Justice, 65–95.
- Magaloni, Beatriz. 2005. "The Demise of Mexico's One-Party Dominant Regime". In: *The Third Wave of Democratization in Latin America: Advances and Setbacks*. Ed. by Frances Hagopian and Scott P. Mainwaring. New York: Cambridge University Press, 121–148.
- Mahoney, James. 2001. *The legacies of liberalism: Path dependence and political regimes in Central America*. Baltimore: Johns Hopkins University Press.
- Manwaring, M.G. 2005. *Street gangs: the new urban insurgency*. Strategic Studies Institute.
- Meiner, Stephen. 2009. *Central America: An Emerging Role in the Drug Trade*. Stratfor.
- Metz, Steven. 2007. *Rethinking insurgency*. Strategic Studies Institute, US Army War College.
- Milenio*. 2010a. "Noviembre, el mes con menos muertes diarias". December 1.

- Milenio*. 2010b. "Un ejecutado cada hora durante 2009". January 2.
- . 2011. "Declina en agosto número de ejecuciones ligadas al 'narco'". September 1.
- Misse, Michel. 1997. "As ligações perigosas: mercado informal ilegal, narcotráfico e violência criminal no Rio". *Educação e Contemporaneidade* 2.1.
- . 2003. "O Movimento: A constituição e reprodução das redes do mercado informal ilegal de drogas a varejo no Rio de Janeiro e seus efeitos de violência". In: *Drogas e Pós-modernidade*. Ed. by Marcos Baptista. Rio de Janeiro: EdUERJ.
- Morales, Natalia and Santiago La Rotta. 2009. *Los Pepes: Desde Pablo Escobar hasta Don Berna, Macaco, y Don Mario*. Bogotá: Planeta.
- Myerson, Roger B. 2004. "Justice, Institutions, and Multiple Equilibria". *Chicago Journal of International Law* 5, p. 91.
- NDIC. 2009. *National Drug Threat Assessment 2009*. Washington DC: US Department of Justice.
- . 2010. *National Drug Threat Assessment 2010*. Washington DC: US Department of Justice.
- . 2011. *National Drug Threat Assessment 2011*. Washington DC: US Department of Justice.
- ODCCP. 1999. *Global Illicit Drug Trends 1999*. New York: United Nations Office for Drug Control and Crime Prevention.
- . 2000a. *Global Illicit Drug Trends 2000*. New York: United Nations Office for Drug Control and Crime Prevention.
- . 2000b. *World Drug Report*. New York: United Nations Office for Drug Control and Crime Prevention.
- O'Donnell, Guillermo A. 1993. "On the State, Democratization and Some Conceptual Problems: A Latin American View with Glances at Some Postcommunist Countries". *World Development* 21.8, pp. 1355–1369.
- O Globo*. 2007. "Complexo do Alemão: a fortaleza inexpugnável do tráfico". May 29.
- Olken, B.A. and P. Barron. 2007. *The simple economics of extortion: evidence from trucking in Aceh*. National Bureau of Economic Research Cambridge, Mass., USA.
- Osorno, Diego Enrique. 2009. *El Cartel de Sinaloa: Una historia del uso político del narco*. Mexico City: Random House.
- Pardo Rueda, Rafael. 1996. *De primera mano: Colombia 1986-1994, entre conflictos y esperanzas*. Bogotá: Cerec.
- PGR. 2011. *Quinto Informe de Labores*. Mexico City: Procuraduría General de la República.
- Phillips, Tom. 2010. "Rio de Janeiro police occupy slums as city fights back against drug gangs". *The Guardian* April 4.
- Pinheiro, Paulo S. 1997. "Violência, Crime e Sistemas Policiais em Países de Novas Democracias". *Tempo Social* 9.1, pp. 43–52.
- . 2000. "Democratic governance, violence, and the (un) rule of law". *Daedalus* 129.2, pp. 119–143.
- Poiré Romero, Alejandro. 2011. "El quinto mito: El Gobierno Federal favorece a Joaquín 'El Chapo' Guzmán y al grupo criminal del Pacífico". *Blog de la Presidencia*.
- Powell, Robert. 2004. "The Inefficient Use of Power: Costly Conflict with Complete Information". *American Political Science Review* 98.02, pp. 231–241.
- . 2006. "War as a Commitment Problem". *International Organization* 60.01, pp. 169–203.

- Pérez-Plá, María. 2007. "México usará experiencia de Colombia en lucha antinarco". *El Universal*.
- Reuter, Peter. 2009. "Systemic violence in drug markets". *Crime, Law and Social Change* 52.3, pp. 275–284.
- Ribeiro, Camila, Rafael Dias, and Sandra S. Carvalho. 2008. *Discursos e práticas na construção de uma política de segurança: o caso do governo Sérgio Cabral Filho (2007-2008)*. Segurança, Tráfico e Milícia no Rio de Janeiro. Rio de Janeiro: Justiça Global/Fundação Heinrich Böll.
- Romero, Simon. 2011. "Rio Slum Is 'Pacified' in Advance of Games". *New York Times* November 13.
- Salamanca, Alejandra Balcazar and Fernando Gomez Garzon. 2003. *La Horrible Noche: La Fuga de Pablo Escobar*. Bogota: Ediciones B.
- Salazar, Alfonso. 2001. *La parábola de Pablo: auge y caída de un gran capo del narcotráfico*. Bogotá: Planeta Colombiana.
- Sanín, F.G. and R. Stoller. 2001. "The Courtroom and the Bivouac: Reflections on Law and Violence in Colombia". *Latin American Perspectives* 28.1, pp. 56–72.
- Sartori, Giovanni. 1970. "Concept misformation in comparative politics". *The American Political Science Review* 64.4, pp. 1033–1053.
- Schelling, Thomas C. 1960. *The Strategy of Conflict*. Cambridge: Harvard University Press.
- . 1967. "Economic Analysis of Organized Crime". In: *Task Force Report: Organized Crime*. Washington, D.C.: President's Commission on Law Enforcement and Administration of Justice.
- Scott, James C. 1969. "Corruption, Machine Politics, and Political Change". *The American Political Science Review* 63.4, pp. 1142–1158.
- Semana. 1983. "Un Robin Hood Paisa". May 16.
- Serrano Cadena, Rosso José. 1999. *Jaque mate: de cómo la policía le ganó la partida a "El Ajedrecista" ya los carteles del narcotráfico*. Bogotá: Grupo Editorial Norma.
- Shirk, David and Viridiana Ríos. 2011. *Drug Violence in Mexico*. Tech. rep. San Diego: Trans-Border Institute.
- Silva, J.S. et al. 2004. *Caminhada de crianças, adolescentes e jovens na rede do tráfico de drogas no varejo do Rio de Janeiro, 2004-2006*. Observatório das Favelas.
- Silva, Luiz Antonio Machado da, Márcia Pereira Leite, and Luis Carlos Fridman. 2005. *Matar, morrer, "civilizar": o "problema da segurança pública"*. Rio de Janeiro: IBASE, Action Aid, Ford Foundation.
- Snyder, Richard and Angelica Durán Martínez. 2009. "Does illegality breed violence? Drug trafficking and state-sponsored protection rackets". *Crime, Law and Social Change*, pp. 253–273.
- Soares, Luiz Eduardo. 2000. *Meu casaco de general : 500 dias no front da segurança pública do Rio de Janeiro*. Rio de Janeiro: Companhia das Letras.
- Soares, Luiz Eduardo, M. V. Bill, and Celso Athayde. 2005. *Cabeça de porco*. Rio de Janeiro: Objetiva.
- Soares, Luiz Eduardo and João Trajano Sento-Sé. 2000. *Estado e segurança pública no Rio de Janeiro: dilemas de um aprendizado difícil*. Tech. rep. Rio de Janeiro: UFRJ.
- Souza, Taiguara Libano Soares e. 2010. "Constituição, Segurança Pública e Estado de Exceção Permanente: A Biopolítica dos Autos de Resistência". PhD thesis. Rio de Janeiro: Pontífica Universidade Católica do Rio de Janeiro.
- Souza Pinheiro, A. 2009. *Irregular Warfare: Brazil's Fight Against Criminal Urban Guerrillas*. Tech. rep. DTIC Document.

- Spence, Michael. 2002. "Signaling in retrospect and the informational structure of markets". *The American Economic Review* 92.3, pp. 434–459.
- SSP-RJ. 2003. *Anuário Estatístico do Núcleo de Pesquisa e Análise Criminal*. Tech. rep. Secretaria de Segurança Pública do Rio de Janeiro.
- Stahlberg, Stephanie Gimenez. 2011. *The Pacification of Favelas in Rio de Janeiro*. Stanford University.
- Sullivan, John P. 2000. "Urban Gangs Evolving as Criminal Netwar Actors". *Small Wars & Insurgencies* 11.1, pp. 82–96.
- . 2012. *From Drug Wars to Criminal Insurgency: Mexican Cartels, Criminal Enclaves and Criminal Insurgency in Mexico and Central America, and their Implications for Global Security*. Tech. rep. Bogotá: Scientific Vortex Foundation.
- Sullivan, John P. and A. Elkus. 2008. "State of Siege: Mexico's Criminal Insurgency". *Small Wars Journal* 12.
- Themnér, L. and P. Wallensteen. 2011. "Armed conflict, 1946–2010". *Journal of Peace Research* 48.4, pp. 525–536.
- Thompson, Ginger. 2005. "Rival Drug Gangs Turn the Streets of Nuevo Laredo Into a War Zone". *New York Times*.
- Tilly, Charles. 1985. "War Making and State Making as Organized Crime." In: *Bringing the State Back In*. Ed. by Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol. New York: Cambridge University Press, pp. x, 390.
- . 1990. *Coercion, capital, and European states, AD 990-1990*. Basil Blackwell.
- Tirole, Jean. 1996. "A theory of collective reputations (with applications to the persistence of corruption and to firm quality)". *The Review of Economic Studies* 63.1, pp. 1–22.
- UCDP. 2011. *Battle-related Deaths Dataset Version 5.0*. Uppsala Conflict Data Program.
- UNODC. 2003. *Global Illicit Drug Trends 2003*. New York: United Nations Office on Drugs and Crime.
- . 2010. *World Drug Report 2010*. New York: United Nations Office on Drugs and Crime.
- US Consulate in Rio de Janeiro. 2009. *Counter-Insurgency Doctrine Comes to Rio's Favelas*. September 30. <http://wikileaks.org/cable/2009/09/09RIODEJANEIRO329.html>.
- US Embassy in Mexico. 2009. *Scenesetter for the Firearms-Trafficking Conference, April 1-2*. March 25. <http://wikileaks.org/cable/2009/03/09MEXICO880.html>.
- Verani, S. 1996. *Assassinatos em Nome da Lei: Uma Prática Ideológica do Direito Penal*. Rio de Janeiro: Aldebarã.
- Wacquant, Loic. 2003. "Toward a dictatorship over the poor? Notes on the penalization of poverty in Brazil". *Punishment & Society* 5.2, pp. 197–205.
- Weinstein, J. M. 2006. *Inside Rebellion: The Politics of Insurgent Violence*. Cambridge University Press.
- Werneck, Antônio. 2011. "Traficante Nem diz que metade do seu faturamento ia para policiais". *O Globo* November 11.
- Wood, Elizabeth J. 2001. "An Insurgent Path to Democracy: Popular Mobilization, Economic Interests, and Regime Transition in South Africa and El Salvador". *Comparative Political Studies* 34.8, p. 862.
- World Bank. 2011. *Crime and Violence in Central America: A Development Challenge*. Tech. rep. Washington, DC: The World Bank.

Zaluar, Alba. 1985. *A Máquina e a Revolta: as Organizações Populares e o Significado da Pobreza*. São Paulo: Brasiliense.