

The Logic of Violence in Criminal War

Dissertation Abstract

Why do drug cartels fight states? As Mexico's recent history shows, 'drug wars'—episodes of armed conflict between states and drug cartels—can be just as lethal, disruptive, and prolonged as civil wars. Yet they are different enough to be excluded from civil-war datasets and studies, since cartels do not seek to topple or secede from states. Such 'criminal wars' are under-studied: they are substantively important in their own right, seem to be increasingly prevalent (while civil wars are growing rarer), and can shed light on mixed cases of once-ideological insurgencies 'contaminated' by illicit rents. This dissertation develops a theory of cartel-state conflict based on case studies of Colombia (1984-1993), Mexico (2006—) and Brazil (1985—), and drawing on fieldwork, formal modeling, and a dataset I have built of over 35,000 reports of cartel-related violence.

Cartel-state violence is puzzling because traffickers would seem to gain little by fighting: where civil wars frequently end in formal concessions or outright rebel victory, drug wars virtually never do. Cartels always face *some* level of state repression, but fighting back usually provokes even greater repression, so in most situations (including Mexico until recently) they 'hide' rather than 'fight', using anonymity and bribes to minimize confrontation and maximize profits. I argue that cartels turn to brazen, anti-state violence not—as in civil war—in hopes of winning control over mutually prized territory or resources, but to increase the flow of profits from ongoing criminal activity.

I identify multiple 'logics' that can make fighting advantageous relative to hiding in this respect, and show how repressive policy and background conditions strengthen or weaken each. Modeling the most universal of these—the use of violence to intimidate enforcers and reduce the price of bribes—I find that state crackdowns provoke (additional) cartel-state violence when they occur in a context of widespread police corruption, and when they are *unconditional*, i.e. do not target violent cartels for additional or differential repression. States, in turn, are constrained from making repression conditional by 1) political and institutional fragmentation in the security sector and 2) their rhetorical commitments to the complete eradication of the drug trade.

While corruption contributed to the onset of cartel-state violence in all three cases, variation and changes in conditionality have led to divergent trajectories. Rhetorical factors prevented the Colombian state from negotiating openly with Pablo Escobar, tragically prolonging a bloody standoff; yet it enjoyed centralized security forces capable of conditioning repression, such that upon Escobar's demise, small successor cartels faced incentives to eschew anti-state violence. In Brazil, both constraining factors have recently been mitigated, the first by a political coalition that spans municipal, state, and federal governments, the second by a rhetorical innovation: police chiefs declaring the goal of securing territory to have operational primacy over drug eradication. Together, these permitted a major change to a repressive policy that was both intense and highly conditional, resulting in what appears to be a systematic shift by cartels away from violent strategies. Finally, Mexico's security institutions—fragmented both vertically and horizontally and no longer united by the one-party rule of the PRI—combine with severe rhetorical constraints to produce a highly unconditional crackdown that leaves even the splintered cartels that remain with strong incentives to adopt violent strategies.

The other logics of violence help explain variation in tactics across cases. In Colombia, an open question of *de jure* policy—extradition—led Escobar to try to force the state itself into public negotiations; to this end he engaged in terror attacks and kidnapping. The absence of such open questions makes terror less prevalent elsewhere. In Mexico, the multiplicity and volatility of cartel structure activates the logic of signal-sending and reputation-building, driving widespread mutilation, torture and "narco-messages". In addition, positive interaction between cartel-state conflict and inter-cartel turf war drives an escalatory spiral: with the state effectively 'maxed out', the expected cost to any one cartel of fighting is decreasing in the overall level of violence. For an ever-widening set of actors, not all of them drug cartels, armed violence becomes a profitable strategy.

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Chapter 1: Introduction to the Cases and an Overview of the Argument

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Table of Contents:

1. Introduction
2. Descriptive Case Summaries
3. Conceptual Framework
4. A Theory of Cartel-State Violence
5. Explanatory Findings from Case Studies and Quantitative Datasets
6. Conclusion and Dissertation Chapter Outline

1. Introduction

Since 2006, when President Felipe Calderón brought in the Mexican army to combat drug trafficking, more than 40,000 people have died in a spiral of armed violence that has only intensified even as dozens of top drug bosses have been captured or killed. Beyond the sheer brutality, the violence has impacted Mexico's economy, driven shifts in national and international migration, and pushed security to the top of the political agenda. And while much of the violence may be among drug traffickers, the most chilling aspect has been cartels' willingness to go on the offensive against the Mexican state—attacking army bases, assassinating mayors and gubernatorial candidates, murdering police chiefs in their homes and offices—coupled with the state's conspicuous inability to rein them in. The genuine surprise of both leaders and scholars at the virulence of this “blowback” in Mexico betrays a critical deficit in our understanding of the dynamics of cartel-related violence and, given the threat to economic development and democratic consolidation, the urgency of further research.

Though great progress has been made in the last twenty years in the study of armed conflict, most research has focused on civil war. As Mexico's surging death toll makes clear, ‘drug wars’—which I define as episodes of sustained armed conflict between states and drug cartels¹—can be just as lethal, disruptive, and long-lived as civil wars. Yet they are different enough to be excluded from civil-war datasets and the study of civil war more generally, along with other conflicts in which belligerents do not seek to overthrow or secede from states. Such ‘criminal wars’ are under-studied: they are substantively important in their own right, seem to be increasingly prevalent (while civil wars are growing rarer), and can shed light on the dynamics of armed conflict in mixed cases, as once-ideologically motivated insurgent groups become “contaminated” by illicit rent-seeking activities. I locate criminal war within a larger typology that distinguishes conflicts by the aims of fighting, contrasting the dynamics of ‘conquest’ (in civil and interstate wars, as well as turf battles among illegal groups) and ‘constraint’ (in armed international sanctions, criminal war, and coercive politics). I then explore the distinct logic of violence

¹ The fight to enforce the proper use of the term ‘cartel’ is a good but failed one. ‘Cartel’ is now nearly universal, both in the names of Colombian and Mexican organizations, and as an analytic term. I use it throughout to refer to any drug trafficking organization with a minimum capacity for violence, with no implication of oligopoly or collusion intended.

in criminal war through a comparative case study of episodes of cartel-state conflict in Colombia (1984-1993), Mexico (2006—) and Brazil (1985—), drawing on fieldwork, formal modeling of key mechanisms, and a new conflict event dataset I have built in partnership with leading security-related non-governmental organizations (NGOs) in Bogotá, Rio de Janeiro, and Mexico City, containing over 35,000 coded reports of cartel-related violence.

Though years of worsening headlines from Mexico have accustomed us to the idea of traffickers as inherently violent, sustained aggression against state forces by drug cartels is, globally speaking, rare. Unlike revolutionary insurgencies and other radical groups, cartels do not seek to supplant the state or stake secessionist claims, and whereas civil wars often end in formal concessions or outright rebel victory, drug wars virtually never do.² Cartels always face *some* level of state repression, but fighting back usually exposes cartels to additional repressive force. Consequently, in most places and at most times (including Mexico until recently), traffickers opt for a combination of bribery and “hiding” strategies (e.g. anonymity, hideouts, and a front line of expendable low-level employees) to minimize confrontations with state forces. strategies of anonymity and bribery to minimize confrontation and maximize illicit profits. Why, then, do cartels sometimes turn to brazen, anti-state violence? When they attack, is it because they are desperate, as President Calderón would have it, or because they are strong, and know they can intimidate state actors? Does corruption make violence less attractive (by facilitating bribes) or more so (since a corrupt state cannot strike back forcefully)?

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-terror’ (1984-1993) 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 anti-state violence in Colombia in the early 1990s, and wildly exacerbate violence in Mexico since 2008? I gain additional comparative leverage by including in the analysis Brazil’s ongoing drug war. In Rio de Janeiro, 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. Though this conflict stands out for its duration and relative stasis over time, a major reorientation of state repressive policy in late 2008 appears to be driving a shift by cartels from fighting to hiding strategies. This abrupt change in conflict dynamics, in the opposite direction from that observed in Mexico, suggests a critical question for any theory of cartel-state conflict: why has a major crackdown involving the armed forces led to less violence in Brazil, but triggered an all-out drug war in Mexico?

I contend that, when cartels do turn to anti-state violence, it is not—as in civil war—in hopes of winning control over mutually prized territory or resources, but to increase the flow of profits from ongoing criminal

² Fearon 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).

activity. Yet the relatively stable supply-and-demand dynamics of the illicit drug markets alone cannot account for the observed sudden onset and sharp variation of cartel-state violence. Intuitively, anti-state violence seems like a reaction to state repressive policy, but crackdowns do not always result in outbreaks of cartel-state violence. Rather, I argue that the way *de jure* policy decisions are filtered through the institutional structure of the state and enforced by an imperfect coercive apparatus—what I call *de facto* policy—determines the ultimate effect on cartels’ incentives to use violence or not.

The analytic strategy of this dissertation is to identify multiple ‘logics’ that can make fighting advantageous relative to hiding, and show how repressive policy and background conditions strengthen or weaken each. The most universal of these—the use of violence to intimidate enforcers and reduce the price of bribes—plays a key role in all my cases, and helps explain violence onset and divergent outcomes across cases. First among them is 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?*” (“Silver or lead?”, i.e. bribe money or assassins’ bullets). This interaction plays a central role in all of my cases, and a supporting one even when drug markets are not violent; modeling it helps explain violence onset and divergent trajectories across cases. By contrast, other logics such as signaling strength or resolve only apply under more restrictive conditions. Since each logic points to different empirical patterns and types of violence, tracing out how their requisite conditions arise or dissipate can thus help explain the variation in modalities of violence, across cases and over time, revealed in the datasets I have produced.

I begin with a model of bribe negotiations in which cartels choose a level of investment in armament and whether to hide, fight or pay a bribe demand. The model shows that state crackdowns provoke (additional) cartel-state violence when they 1) occur in a context of widespread police corruption; and 2) are *unconditional*, 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, as in the cases I study. 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, any cartel can be induced to hide rather than fight *or* bribe. While corruption contributed to the onset of cartel-state violence in all three cases, variation and changes in conditionality has contributed to divergent trajectories across cases.

My qualitative work shows that states are constrained from making repression conditional by 1) fragmentation in the structure of their security institutions and 2) their rhetorical stance on drug policy. Fragmentation can be both vertical (e.g. local, state and federal police forces) and horizontal (e.g. army, navy and federal police forces), and is mitigated (or exacerbated) by political cohesion (or competition) across levels of governance. Rhetorical stance—usually a commitment to the complete eradication of the drug trade, the demonization of cartels, and consequently the inadmissibility of negotiating with them—is not, I claim, epiphenomenal. It derives 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 thus has real constraining power; yet subtle shifts in rhetorical stance can give states increased latitude in setting repressive policy.

Rhetorical factors prevented the Colombian state from negotiating openly 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, both constraining factors have recently been mitigated, the first by a political coalition that spans municipal, state, and federal governments, the second by a rhetorical innovation: 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 PRI³ dominance (Davis 2006). This combines with severe rhetorical 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.

Other, ancillary logics or uses of anti-state violence play important but disparate roles across cases. I focus on three: forcing the state to the bargaining table; signaling strength, resolve, or tactical capacity; and bringing down heat on one’s rivals. Each of these is only operative under specific conditions; for example, bargaining directly with the state (as opposed to corrupt officials) only makes sense if there is some *de jure* policy the state might realistically change. In Colombia, the existence of such an open policy question—extradition—led Escobar to try to force the state into open negotiations; to this end he engaged in public, terroristic violence (mostly car-bombs), a modality rarely seen in the other cases. In Mexico, the multiplicity and volatility of violent actors activates the logic of signal-sending and reputation-building, which requires that there be a persistent source of uncertainty over actors’ relative strength. The activation of this logic is evidenced by widespread use of mutilation, torture and “narco-messages”, modalities essentially unique to the Mexican case.

Finally, the Mexican case illustrates an important, positive interaction between cartel-state conflict and inter-cartel turf war: the presence of one tends to intensify the other. Moreover, unlike in the Colombian case, where only a single, large cartel was engaged in anti-state violence, raising the possibility that a single individual could have ended the war, in Mexico each cartel is too small to alter the larger strategic situation, and has no incentive to be the only non-violent cartel. On the contrary, new criminal groups are getting in on the armed violence game, driving an escalatory spiral: with the state repression effectively ‘maxed out’, as new groups enter, the expected negative repercussions of engaging in violence are decreasing and fighting becomes, for an ever-widening set of actors, a profitable strategy.

2. Descriptive Case Summaries and Selection Issues

³ Partido 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.

In this section, I present short descriptive summaries of my principle case-episodes of cartel-state violence, and address some issues of case selection. In section V. of this chapter, I revisit the cases in light of the concepts and causal theory I develop herein.

Colombia

Perhaps the quintessential example of criminal war is Colombia's drug war, and the history of cartel-state violence in Colombia is largely the history of Pablo Escobar. Escobar brought many of Colombia's principal drug traffickers together in his Medellín cartel, which, together with the Cali cartel under the Orejuela brothers, accounted for a majority of the world's cocaine manufacture and export. Until the mid-1980s, the two cartels were mostly united in a common strategy of non-confrontational state-capture. Escobar, a prominent figure, openly sought political power through the Liberal party and his own direct 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 (Pardo 1996). Thus began ten years of open conflict between Escobar and the state and, increasingly over time, with his competitors.⁴ Along the way, Escobar assassinated leading presidential candidate Carlos Galan 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 Galan's successor (and eventually, president) Cesar 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 'The Extraditables' (*Los 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 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). Immediately 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 both ; then the government, aware that he continued to run his criminal empire from prison, attempted to move him, provoking his escape.

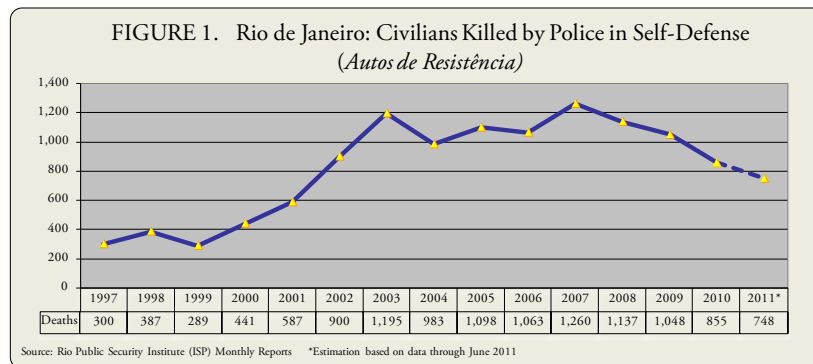
⁴ This switch to a 'fight and bribe' approach set in motion a strategic rift between the Medellín and Cali cartels that ultimately led to their outright war against one another. In Chapter 5, I argue that the eventual cooperation of the Cali cartel and its allies with the state was decisive in bringing down Escobar. 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).

For the next year an intense manhunt ensued, involving significant US assistance, that finally culminated in Escobar’s death in 1993.

This left the Cali Cartel ascendant; its alternative strategy of non-violent corruption had exposed it to far less repression, and won it close connections to newly elected president Ernesto Samper. However, when these ties came to light, they became politically toxic, 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.) 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.

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’), have held territorial control of hundreds of *favelas* (slums) and the retail points of sale they shelter since they first expanded out from the prison system in the early 1980s. These “cartels”⁵ 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 (Zaluar 1985; Misse 2003).



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 is fundamentally altering the dynamic of cartel-state violence. The “pacification model” uses overwhelming state force—including the participation of the Brazilian armed forces—to occupy one *favela* at a time, ridding the community of openly-armed traffickers, then implant a

⁵ I use the term ‘cartel’ here for consistency. In Colombia and Mexico, drug trafficking organizations are actually called, by themselves and by others, ‘cartels’. Rio’s drug trafficking organizations are known as *facções criminosas* (“criminal factions”, or just “factions”), though their names often use the word *comando*, as in Comando Vermelho or Terceiro Comando (‘3rd Command’), its principal rival.

permanent community-policing unit (*Unidade de Policiamento Pacificadora*, UPP) in the community to maintain state control and provide social order.⁶ From late 2008 to 2010, 13 smaller *favelas*, mostly in wealthier areas of the city and almost all under the dominion of the Comando Vermelho, 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 Comando Vermelho 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 Traffickers’ Unassailable Fortress”. But when cartels set off a wave of attacks in late November 2010, the state invaded first Cruzeiro then Alemão, with full support from the armed forces. Again, 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. 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.

Mexico

Drug trafficking in Mexico, and in particular the state of Sinaloa, goes back to the 19th century (Osorno 2009), 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 the 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 seems 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

⁶ As I discuss below, 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.

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 accounting, the number of principal cartels has doubled from six to twelve (Guerrero 2011). 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 Michoacan 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

Two issues of case selection merit brief discussion. First, this is, in a sense, a convenience sample of only positive cases. However, there is within-case variation on the dependent variable (cartel-state violence) over time: Mexico’s cartels suddenly switched to violence in 2006-07, while Colombia’s switched away in the aftermath of Escobar’s death, and Rio’s may be in the process of switching now. More broadly, 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 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.

Second, can Rio de Janeiro’s drug war be validly compared with national-level conflicts like Colombia and Mexico? I argue that it can, for several reasons. First, in Brazil, the primary authority over and responsibility for public security policy lies with the state, not federal or municipal, governments. 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 Sergio Cabral, not President Lula or Mayor Eduardo Paes. Second, the phenomenon of sustained cartel-state violence in Rio is unique within 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. Finally, the scale of the conflict is comparable: although figures for total cartel-related deaths are lacking, we know that police alone have killed more than 10,000 people in armed confrontations since 2003.⁷

⁷ Dowdney (2003) uses firearm mortality statistics to argue that Rio’s drug war has produced more fatalities than many civil wars and armed conflicts.

3. Conceptual Framework

This section lays some conceptual groundwork. First, I present a typology of conflict that differentiates civil war from criminal war (of which drug war is the leading example), and the dynamics of turf wars among cartels from those of cartel-state conflict. Then I characterize ‘hiding’ and ‘fighting’ strategies, noting that bribery and corruption is crucial to *both* approaches. Finally, I conceptualize drug policy, a crucial independent variable in my analysis, as having three components or facets: a *rhetorical* policy that commits states to certain (often unrealistic) goals, and may constrain their choices of formal *de jure* policy, which is in turn transformed into on-the-ground *de facto* policy by an imperfect and often corrupt constellation of state security actors. These concepts are key components of the theory of criminal war to follow.

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

Over the last three decades, the study of war has increasingly consisted in the study of civil war. Moving from inter-state to sub-national conflicts to level 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). 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.

Simply stretching the concept of civil war to include these cases would obscure a fundamental difference in the reasons why rebels as opposed to cartels and other criminal groups attack the state. 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:

“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*⁸, 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, 1991⁹

Conceptualizing the ‘aim of fighting’ as a key dimension along which conflicts vary yields a typology of armed conflict that distinguishes ‘criminal war’¹⁰ of which cartel-state conflict is the leading example, from civil war, and places the two within a larger theoretic framework:

FIGURE 2a. Conquest vs. Constraint: Types of Armed Conflicts			
		Aims of Fighting:	
		Overthrow / Replace Opponent “Conquest”	Change Opponent’s Behavior “Constraint”
Belligerent Dyads	State vs. Non-state Actor(s)	Civil War	Criminal War
	State(s) vs. State(s)	Interstate War	Armed Sanctions

Of principal interest here is the top row: 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 row concerns conflicts between states, distinguishing 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

⁸ An officially anonymous group of drug traffickers understood to correspond roughly to the Medellín Cartel, under the leadership of Pablo Escobar.

⁹ The Colombian case is uniquely clear-cut. More commonly, cartels do not expect significant changes in formal, *de jure* policy, but rather fight to affect how it is enforced in practice, what I call *de facto* policy below.

¹⁰ Both 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 operationalized 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 criminal markets.

the 19th century. In terms of the aims of fighting, then, we can think of civil wars and interstate wars as wars of *conquest*, where the goal is to usurp 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, like those presented in Figure 2b, 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.¹²

FIGURE 2b. Leading Examples of Conflict Types	
Conquest	Constraint
<p><u>Civil War:</u>¹¹</p> <p>Conventional:</p> <ul style="list-style-type: none"> • US Civil War (1860-63) <p>Irregular:</p> <ul style="list-style-type: none"> • Colombia (1964—) <p>Symmetric Nonconventional:</p> <ul style="list-style-type: none"> • Congo-Brazzaville (1997-99) <p>Domestic Military Coup:</p> <ul style="list-style-type: none"> • Chile (1973) 	<p><u>Criminal War:</u></p> <p>Cartel-State Conflict:</p> <ul style="list-style-type: none"> • Mexico (2006—) • Colombia (1984-93) • Rio de Janeiro (1985—) <p>State-Mafia Conflict:</p> <ul style="list-style-type: none"> • Italy (1992-93) • Chicago (1930s) <p>State-Paramilitary Conflict:</p> <ul style="list-style-type: none"> • Colombia (1986-2008)
<p><u>Interstate War:</u></p> <p>Direct:</p> <ul style="list-style-type: none"> • WWII (1939-45) • Yom Kippur War (1973) <p>Colonial/Proxy:</p> <ul style="list-style-type: none"> • Seven Years’ War (1756-63) • Korean War (1950-53) <p>Foreign Intervention / Coup:</p> <ul style="list-style-type: none"> • USSR-Hungary (1956) 	<p><u>Armed Sanctions:</u></p> <p>Anti-WMD Strikes:</p> <ul style="list-style-type: none"> • Israel-Iraq (1985) • US-Sudan (1998) <p>Humanitarian Bombing:</p> <ul style="list-style-type: none"> • Kosovo (1999) <p>Coercive Trade Policy:</p> <ul style="list-style-type: none"> • Opium Wars (1839-42, 56-60) • US-Japan (1853)

Turf Wars vs. Cartel-State Conflict

The conquest / constraint dimension can be extended to disaggregate complex conflicts into component dyads, and distinguish the dynamics governing each. In Figure 2c, I use examples of belligerent pairs from the wider Colombian conflict to populate the resulting cells. The bottom row now shows conflicts between sub-national non-state actors, yielding two new categories: ‘Turf War’, which characterize attempts at conquest between non-state actors, and ‘Coercive Politics’, in which non-state actors use violence to constrain one another’s actions without necessarily eliminating or replacing them.

¹¹ Following Kalyvas and Balcells’ (2006) typology of civil war.

¹² Colombia’s recent history provides an example of both dynamics: the Uribe government, seeking to reverse course after the Pestrana 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. In Figure 2, the arrows next to ‘Guerrilla vs. State’ and ‘Paramilitary vs. State’ indicate the direction in which Uribe sought to ‘move’ these sub-conflicts.

FIGURE 2c. Dyads Within the Colombian Conflict, Mapped by Belligerents’ Aims of Fighting

		Aim of Fighting:	
		Overthrow / Replace Opponent “Conquest”	Change Opponent’s Behavior “Constraint”
Belligerent Dyads	State vs. Non-state Actor(s)	<u>Civil War</u> Guerrilla vs. State -->	<u>Criminal War</u> Cartel vs. State <-- Paramilitary vs. State
	Non-state Actor(s) vs. Non-state Actor(s)	<u>Turf War</u> Cartel vs. Cartel Paramilitary vs. Guerrilla	<u>Coercive Politics</u> Paramilitary vs. Union Cartel vs. Residents’ Group

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 will argue that (1) turf wars become far more fierce and intractable once cartel-state violence has commenced, and conversely, (2), ongoing turf wars can contribute to the conditions that make anti-state violence cartels’ best response to a government crackdown. But the distinction remains important: cartel-state violence is rare compared with cartel turf battles, and obeys a logic of its own.

Hiding vs. Fighting Strategies: When does state-capture become violent?

Of course, non-state actors do not always or only rely 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 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 “fight and bribe” strategies in which criminal groups use violence to intimidate state actors and overcome resistance to bribe-taking. 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 Medellin 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.¹³ 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, making them mutually exclusive in practice.

¹³ I 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.

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. In the next section, I present a theory of multiple ‘logics’ of violence that lead cartels to switch from “hide and bribe^a to “fight and bribe” strategies. 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.¹⁴ 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.

Three Facets of Drug Policy

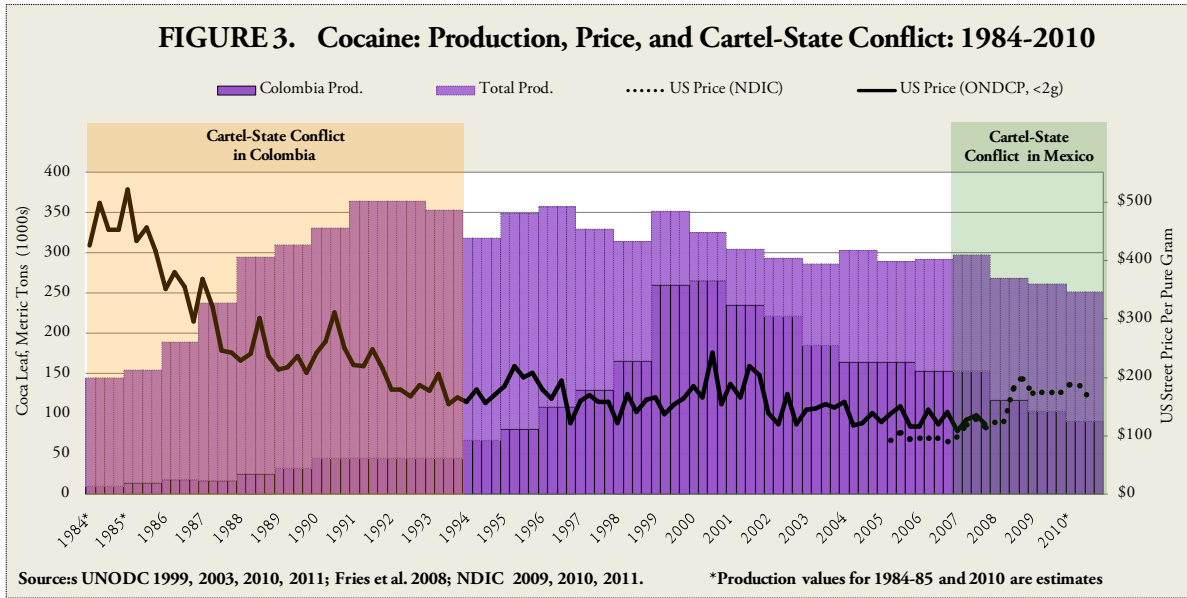
Drug policy profoundly shapes the environment in which cartels act, and is thus a potentially crucial explanatory factor of cartel-state conflict (the problem of mutual causation notwithstanding). It is useful to conceptually disaggregate drug policy into three interrelated ‘facets’ or dimensions that jointly characterize what the state—*qua* aggregation of a multitude of state actors—actually does. Cartels fight to change that aggregate behavior, but only rarely expect a change in a specific *de jure* policy on drugs, (e.g. legalization of certain substances or quantities, deployment of armed forces, extradition, or spending on anti-narcotics initiatives). Rather, cartels know that in a context of corruption, the intensity and incidence of enforcement carried out on the ground, what I call ‘*de facto* policy’, is malleable, even when *de jure* policy is not. Finally, the level of *rhetorical policy* characterizes states’ general stance toward the drug trade; in most cases it consists of a commitment to eradicate the drug trade and construct a “drug-free world”. While generally silent on how exactly these goals are to be realized, rhetorical policy sharply constrains states’ choices of *de jure* policy and even *de facto* policy by characterizing drug dealers as illegitimate actors not fit to negotiate with, and by casting conditionality—which necessarily requires applying less than the full brunt of repressive force to eradication efforts—as ‘surrender’ to, tolerance of, or pacting with cartels. For the most part, I am agnostic as to whether this constraining power derives more from deeply held norms and values or more practical concerns such as fear of US sanctions. The key points are that states may have narrower options when fighting cartels than other armed groups, and that rhetorical ‘innovation’, or re-framing of the issue, can loosen these constraints.

4. A Theory of Cartel-State Conflict

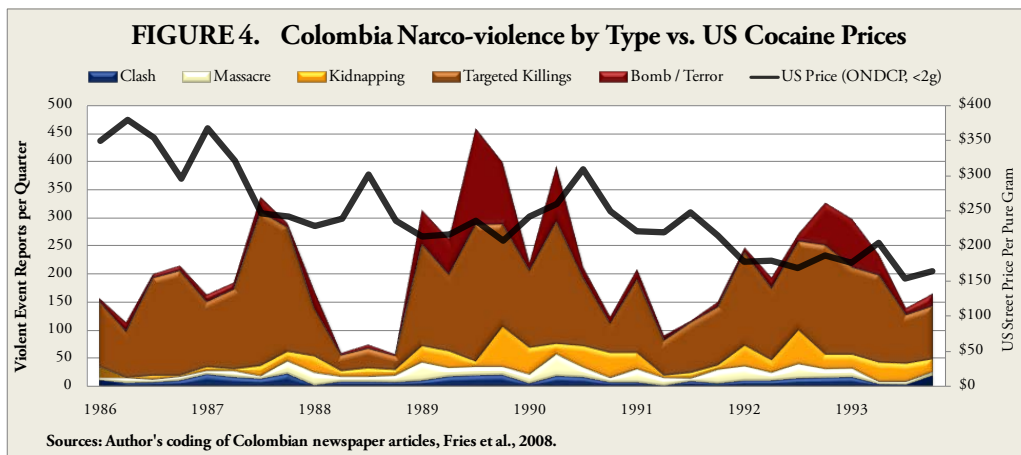
A common and profoundly mistaken impression is that there is something inherently violent about the drug trade. A more specific and tractable form of such a claim might be that the combination of vast illicit rents and weak state institutions in producer and transshipment countries (along with, perhaps, socioeconomic inequality, access to US firearms markets, geographic conditions, and so on) inevitably lead to armed violence. Yet observed levels of violence, especially cartel-state violence, are quite variable, and are not strongly correlated with the

¹⁴ The 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).

relatively stable dynamics of drug markets, much less the slow-moving or permanent factors mentioned above. The long view of the cocaine trade over the last thirty years (Figure 3) suggests a relatively straightforward story of steadily expanding supply and falling prices (probably in response to growing demand) from the mid-1980s throughout the 1990s, followed by a long period of relatively stable prices and production levels (despite massive eradication efforts throughout the Andean region).



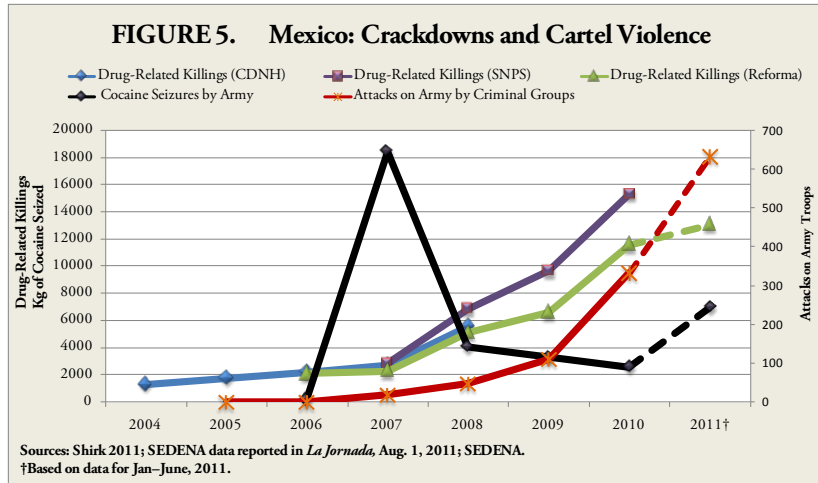
This seems almost eerily unrelated to the drama of narco-violence in Colombia, which played out between 1984 and Pabo Escobar’s death in November 1993 (Figure 4). Since then, cartel-state violence in Colombia has been virtually unknown¹⁵, while the country has produced an increasing share of a stable global production.



Likewise, violence in Mexico has abruptly exploded since 2006. While US drug prices did increase in 2007 and the first half of 2008, they have since leveled out, while cartel-related homicides in Mexico continue to rise,

¹⁵ To be sure, in the 1990s drug trafficking took on an increasingly important role in financing the guerrilla-paramilitary conflict. However, after the death of Escobar, anti-state violence by what I am calling ‘cartels’—criminal organizations primarily dedicated to obtaining illicit rents from drug trafficking—came to an end.

essentially doubling in number every year. The Calderón administration has long argued that the majority of these killings are due to inter-cartel violence, and involve neither civilians nor state forces. But the army’s own data on attacks by criminal groups on soldiers shows a similarly sharp upward trend, while the big upswing in anti-narcotics repression happened at the beginning of Calderón’s campaign, when he first ordered the army into the fray in December 2006:



The lack of a facile correlation between violence and the level of state repression can be seen in Brazil as well, where two massive operations, both involving the armed forces, and both *in the same complex of favelas*, had nearly opposite dénouements. The first, in 2007, led to a bloody, protracted, and ultimately unsuccessful siege, while the second, three years later, saw cartels essentially withdraw peacefully from their territory. So, while the state’s decisions about anti-drug policy are clearly of central importance, there is more to the story.

To build a more compelling, general theory of cartel-state violence, it is helpful to consider the world from cartels’ perspective, and ask under what conditions it would make sense to switch from a “hiding” strategy to a “fighting” strategy. To put it another way, what are the potential benefits to anti-state violence, and how does state policy, both *de jure* and *de facto*, intensify or erode those benefits? Building on Kalyvas’ (2006) argument that different forms of violence serve different purposes in civil war, I identify four distinct ‘logics’ of anti-state violence in criminal war, corresponding to four tactical cartel objectives that violence can accomplish:

- 1) Intimidate enforcers / Lower the price of bribes;
- 2) Force the state to the bargaining table;
- 3) Signal strength, resolve, or leadership;
- 4) “*Calentar la plaza*”¹⁶ i.e. bring down repressive force on rivals.

The first is central to all three cases; indeed, this logic lurks in the background—off the equilibrium path—even in drug markets that do not actually turn violent. Drawing on a formal model of this mechanism (developed explicitly in Chapter 4), I derive hypotheses relating corruption, crackdowns, and other factors to the onset and intensity of cartel-state violence, forming the core of a general theory of drug war. Mechanisms 2) - 4), on the

¹⁶ Literally, “Heat up the plaza”. In Mexico, ‘*plaza*’ refers to the drug trade and sometimes the entire illicit economy of a town or region, as in “The Zetas and the Cartel del Golfo are fighting for control of the *plaza* in Juarez”.

other hand, only make sense under specific conditions, which hold to different extents across cases and periods. Furthermore, these distinct logics of violence point to different patterns in the modality and temporal clustering of violence. Thus whereas the bribery channel helps explain similarities across cases in the onset and intensity of anti-state violence, bringing the other mechanisms in helps explain the variation across cases in type and timing of violence actually employed. The datasets I am building were specifically designed to detect such variation, and the preliminary results show just that, not only across cases, but also within case over time within cases, as Figure 4 reveals.

These mechanisms are the building blocks—together with potential interactions among them, and the positive feedback / general equilibrium effects of a rising overall level of violence—out of which this dissertation builds its analysis of cartel-state conflict. The remainder of this section summarizes the principal findings.

Silver *and* Lead: Using Violence to Intimidate and Lower the Price of Bribes

The illicit profits of drug traffickers, like most criminal groups, are decreasing in the level of *de facto* state enforcement. They thus have an incentive to offer part of those illicit rents as bribes in return for non-enforcement; however, corrupt enforcers (usually police) know something about those incentives, and will demand as large a bribe as possible. Where enforcers have strong leverage over cartels, the latter may have an incentive to resort to violence to avoid paying excessively high bribes. As a senior manager in a Rio drug operation put it:

There's no way to pay [the police] everything they demand, because if we did we'd end up just working for them. [...] So when there's not enough money to pay them with, well then, it'll be with bullets.¹⁷

The same logic, albeit under a different balance of power, is epitomized in Pablo Escobar's infamous propositions to judges and officials, "*Plata o plomo?*" ('silver or lead?'): if the alternative to accepting a bribe is death, almost any offer is "one you can't refuse". Indeed, Dal Bó et al.'s (2006) formal analysis of threats in bribe negotiations borrows the phrase for its title and motivation, and elegantly demonstrates how the ability to threaten a bribe-taker with punishment (should no deal be struck) leads to smaller bribes. Ultimately, though, their model does not fit their motivating example well, first because no fighting occurs in equilibrium, and second because unlike their interest groups, cartels are illegal organizations that face potential repression at the hands of the very people they are trying to bribe.¹⁸

To build a richer theory of this interaction, consider the relative benefits to hiding and fighting, and the effects that key factors have on the relative importance of each.¹⁹

¹⁷ Author's interview, Rio de Janeiro, March 29, 2011.

¹⁸ To be fair, the authors' goal is not to explain cartel-state violence *per se*, but rather to model more generally how the threat of violence affects bribe negotiations and interest-group politics. Dal Bó and Powell (2009) offer a similar model with fighting on the equilibrium path generated by information asymmetries over the size of the pie. My model relies on a similar asymmetry, but allows for a 'hiding' action, in addition to fighting and reaching a bribe agreement.

¹⁹ One strategy's advantage is another's disadvantage, so Figure 6 could be redrawn any number of ways; the specific layout was chosen for expositional clarity.

FIGURE 6. Relative Benefits of Hiding vs. Fighting				
Adopting strategy:	Hide		Fight	
has the benefit of:	Avoid differential repression	Lower armament costs	Lower bribe price	Retain territory / market share
Which is intensified (+) or eroded (-) by:	Unconditional crackdowns (-)	Turf battles (-)	Corruption (+)	Territorial drug trade (+)

The main benefit of hiding is to reduce groups’ exposure to differential repression: criminals avoid killing cops because doing so would vastly increase their expected punishment. Yet the relative size of this benefit is eroded when crackdowns are unconditional, such that cartels engaging in anti-state violence are not systematically prioritized over those that do not. Hiding strategies can also be less expensive, simply because they require less expenditure on arms and soldiers; this benefit is eroded when turf battles among cartels are severe, such that some level of armament is already acquired. The main benefit of fighting is to intimidate state forces into accepting cheaper bribes (or simply enforcing less on the margin, which we can interpret as accepting a bribe of zero). Where corruption is thoroughgoing and bribery common, the larger the relative benefits of fighting due to this bribe-lowering effect. Additionally, in some cases fighting allows cartels to physically retain territory or routes that are crucial to the flow of illicit rents; by definition, the more territorial the drug trade, the more important is this benefit.

I formalize the situation as an asymmetric-information bargaining game²⁰, and give the cartel a three-way choice between paying the bribe demanded by police, hiding, and fighting. The model innovates in balancing the bribe-reducing benefit of fighting against the cost of armament and the amount of “extra” repression the cartel will face if it engages in anti-state violence. Two results hold across specifications: first, in equilibrium, the cartel will pay the bribe when profits are large enough; if not, the cartel either fights or hides, but not both. For the cartel to credibly threaten violence, it must have invested sufficiently in arms at the outset. So either it sets arms above this threshold, and there is a ‘fight and bribe’ equilibrium, or it will not at arm at all, yielding a ‘hide and bribe’ equilibrium.²¹ This mirrors the observed divide between cartels willing to confront state forces and those who systematically eschew it. These are not multiple equilibria: parameter values determine whether the cartel is better off with a fighting or hiding strategy. The second general result says that higher conditionality strictly raises the equilibrium payoff from hiding relative to fighting. In other words, *ceteris paribus*, if repression is sufficiently conditional, cartels will never fight.

²⁰ Qualitative evidence like the quote above suggests that one key driver of actual fighting is the fact that bribe-demanders do not know exactly how much cartels would be willing to pay, and cartels have no way to credibly communicate their bottom line, since “rich” types would always claim to be “poor”. A different approach would have uncertainty over police officers’ relative cost of fighting vs. bribe-taking; in this setting an incorruptible officer corresponds to a ‘crazy type’ with infinite disutility to accepting a bribe.

²¹ This “knife-edge” result is smoothed somewhat when we allow for inter-cartel turf wars (which lead even ‘hiding’ cartels to maintain some stock of arms).

By specifying functional forms, the model can test the effect of crackdowns, i.e. increases in the level of state repressive force, and changes in other parameter values. Crackdowns actually give corrupt police additional leverage over cartels, putting upward pressure on the equilibrium bribe price. In a hiding equilibrium, the cartel has no choice but to pay this higher price or suffer the brunt of enforcement under the crackdown. But in a fighting equilibrium, the cartel can avoid paying this higher price in full by spending more on armament; although this leads to more frequent fighting, it also reduces the equilibrium bribe price when paid. The model pins down the conditions under which this holds: roughly speaking, a crackdown will increase the probability of fighting if the expected cost to police of bribe-taking (likely to be low when corruption is widespread since the probability of any one bribe-taker getting caught is tiny) is small relative to 1) the pain that fighting inflicts on them and 2) the total size of the drug market. These conditions seem highly plausible in the cases at hand.

The model can also speak, in a reduced-form way, to the interaction of inter-cartel turf war and cartel-state conflict. Assume that there is some level of arms the cartel would buy simply on the basis of its situation vis á vis rivals, and that this level is higher in the presence of an inter-cartel turf war (as opposed to say, a pact). Then the relative cost to the cartel of confronting the state goes down, since it already owns a stock of arms. Roughly speaking, an increase in the intensity of turf war should move hiding cartels closer to a strategy of fighting, and lead fighting cartels to fight more frequently.

Overall, the model tells us that crackdowns are more likely to lead to anti-state violence when there is widespread corruption, when turf wars are or could become more intense, and above all, when repression is unconditional. Conversely, making repression more conditional has the effect of increasing cartels' payoff to hiding relative to fighting. This has three key effects, two strategic, and one political. First, it moves cartels in the direction of a zero-armament, hiding strategy in which fighting does not occur. Second, given a hide and bribe equilibrium, conditionality lowers the probability of a bribe occurring, because it reduces police leverage over 'hiding' cartels.²² To the extent that armed violence and police corruption are to be minimized, these are 'good' results. However, conditionality necessarily requires states to 'go easy' on cartels that do not engage in violence, essentially allowing them to keep a larger portion of their drug profits. This may contradict a rhetorical policy of total eradication and demonization of cartels, and can be politically toxic. Similarly, the fact that conditionality necessarily implies going after some cartels (i.e. the violent ones) more than others can be perceived as favoritism or even evidence of a corrupt pact.

Logics of Anti-state Violence and Empirical Footprints

The bribe-price mechanism described here not only helps untangle the effects of state policy and other factors on cartels' incentives to opt for violence, but predicts certain patterns and types of violence: intermittent (occurring only when a bribe agreement cannot be made) and targeted at enforcers. Where territoriality is high, fighting likely takes the form of an open clash as cartels stand their ground in the face of police enforcement; where enforcement is more juridical than territorial, as with Escobar, assassination is the logical modality.

²² Interestingly, conditionality lowers the probability of bribery occurring without changing the expected punishment to bribe-taking. This suggests that governments can reduce police corruption not only through increased spending on anti-corruption, Internal Affairs-type operations, but simply by reducing officers' operational discretion.

Each of the other channels of anti-state violence enumerated above has such an internal logic, ‘comparative statics’, and predicted empirical footprint; I discuss each in turn.

Driving the State to the Bargaining Table. This objective is really only worth pursuing when 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 rhetorical commitments to prohibition and eradication, this is a restrictive condition. Historical examples include extradition of traffickers in Colombia, the deployment of the army to Michoacán, Mexico to fight the cartels, and isolation of imprisoned gang leaders in Rio de Janeiro; of these, only extradition remained an open political question for long enough to produce a sustained campaign of violence. The underlying logic of that violence is similar to the bribe-price mechanism: the idea is to make a lack of agreement a costly proposition. The predicted empirical footprint, however, is different: state decision-makers are less likely to care about the physical pain of fighting than the political consequences of social disruption. This channel thus frequently involves “terror” tactics like car-bombs, massacres, and prominent kidnappings, as well as protests and open (if unilateral) communication with leaders, with violence clustered in time to foment a sense of crisis. Crackdowns can provoke this type of violence when they involve “negotiable” *de jure* policy decisions that could conceivably be reversed.

Signaling. Violence, and particularly cartel-state violence, can convey important information about a group: its operational capacity, its internal cohesion, its willingness to engage the state, and so on. These signals can be intended for high-level state officials, local police, other cartels, or even an organizations’ own members (if, say, a new leader needs to prove that he is in charge). 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*²³). 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.

Calentar la Plaza: Using 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 and ultimately weaken them. By its nature, this channel is somewhat difficult to distinguish empirically: the idea is to get authorities to believe that a *different* cartel is responsible for some act of violence. This may involve false-credit claiming, and public disputes about the true authorship of violent events. Clearly, this logic is driven by the presence of turf wars among cartels. While this may not be a substantively 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.

Interactions and General Equilibrium Effects

²³ “Narco-messages” from cartels, commonly painted on sheets and left at crime scenes or placed in prominent locations, often taking responsibility for an act of violence or delivering a threat.

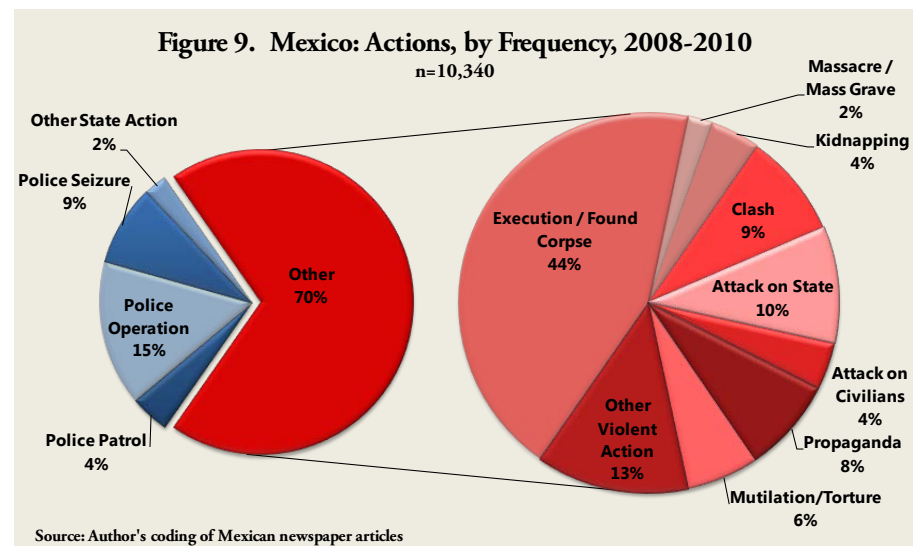
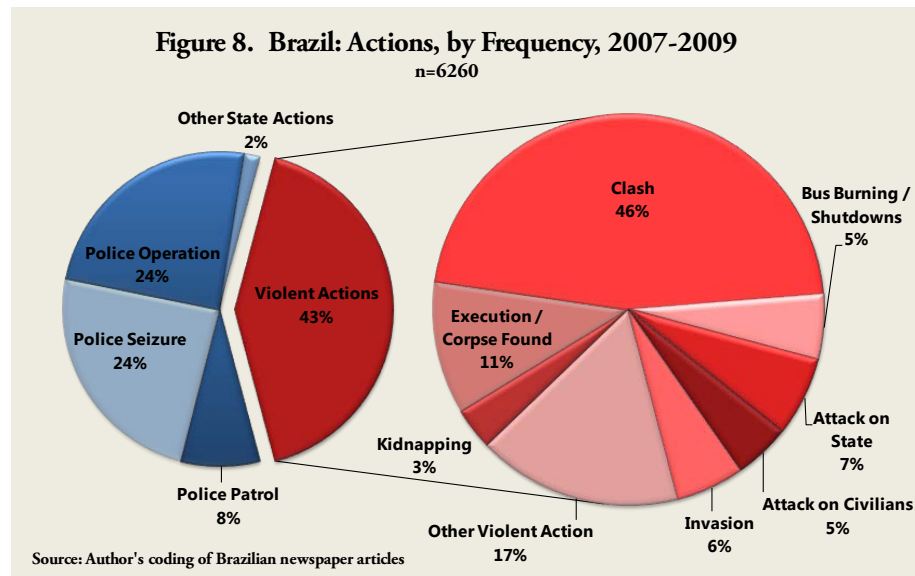
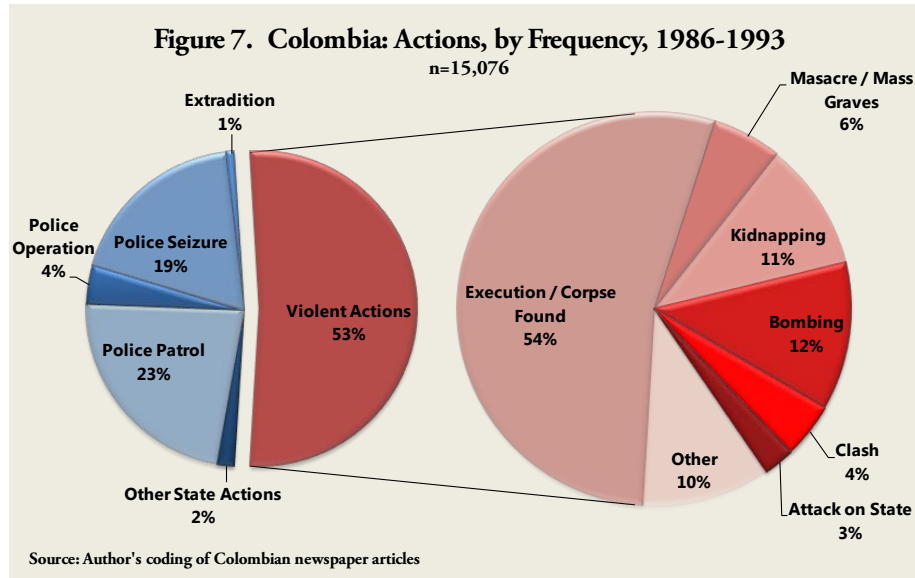
There can be important interactions among these mechanisms. For example, the onset of cartel-state violence can exacerbate turf battles through a kind of “punching the ref” demonstration effect: whether killing cops brings down additional heat or not, once one has done it, there is little reason not to “take off the gloves” vis à vis one’s cartel rivals. In Colombia, for example, Escobar’s escalating war against the state not only gave the Orejuela’s Cali cartel—committed to a non-violent state capture strategy that was threatened by Escobar’s violence—an incentive to attack Escobar but the assurance that doing so would not make them the primary target of state repression. In Mexico, the proliferation of incredibly gruesome and public killings among traffickers, virtually none of them investigated or prosecuted, illustrates this channel all too well.

In all these cases, the conditionality of crackdowns determines the amount of additional repression a cartel faces if it opts for a violent strategy. But this ‘partial equilibrium’ approach—considering only the interaction between one cartel and the state—ignores the potential for general equilibrium effects: when violence is widespread, repressive force may have to be “spread around” among multiple cartels, reducing the amount of repression that any one faces. This in turn makes fighting relatively less costly, leading marginal groups to opt for (additional) violence, further reducing the per-group effective level of repression the state can mete out. 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 obvious; yet whereas precisely such a tipping point phenomenon seems to underlie the explosion of violence in Mexico, in Colombia, Escobar seems to have maintained some degree of control over the intensity of violence. This underscores the important role that fragmentation of the drug market has had in the Mexican case.

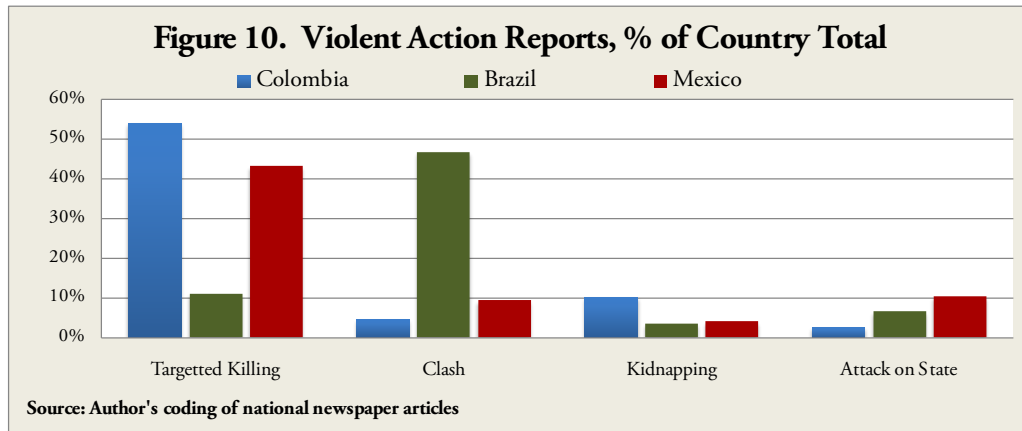
5. Findings from Case Studies and Quantitative Datasets

I now turn to the empirical details of my three case episodes, Colombia (1984-1993), Mexico (2006-Present) and Rio de Janeiro, Brazil (1985-Present), beginning with some comparative descriptive statistics generated by a large-scale coding and dataset construction project undertaken as part of my fieldwork. In each country, the entire universe of media reports of cartel-related violent events from the selected sources was coded according to a common methodology designed to distinguish modalities of violence. Key categories include: open clashes (any situation in which two or more actors use force against one another), unilateral attacks on state forces or civilians, targeted killings (assassinations, executions, massacres), terror actions (car bombs, bus burnings, forced shutdowns of businesses), propaganda actions (use of *narcomantas* or other messages), and torture. The density of coded event reports (as many as 12 a day in Mexico) should allow for time-series analysis once the results are fully processed and validated. Yet even the following preliminary cross-sectional findings highlight important differences in the dominant modality of violence used in each of these conflicts.²⁴

²⁴ The data has not been consolidated yet, so multiple reports of a single event show up as multiple observations. The unit of observation in these charts is thus *unique reports of violent actions*, not necessarily unique actions. High-impact events are likely to be over-weighted; this bias, however, extends across all three cases.



Looking at Colombia (Figure 7), what stands out is the preponderance of executions and targeted killings, the prevalence of bombings and kidnappings, and the relative lack of open clashes. Brazil (Figure 8), on the other hand, is characterized by a far higher proportion of clashes and direct attacks, less executions, and very little kidnapping and use of bombs. In this light, Mexico, often said to be going through “Colombianization”, shows itself to be more of a mixed case: While the violence of Mexico’s drug war, like Colombia’s, is dominated by executions²⁵, there is also a high share of clashes and direct attacks, as in Brazil, as well as torture, mutilation and propaganda (*narcomantas*), modalities unique to the Mexican case. In addition, Mexico has seen the largest proportion of unilateral attacks on state forces by cartels:



Colombia

While the bribe-negotiation mechanism was certainly at play in Colombia (manifested in the murder of dozens of judges and hundreds of police officers), the varying fortunes of Escobar’s attempts to negotiate with the state had an outsized importance in determining the level and type of violence practiced. The existence of several real *de jure* policy issues (e.g. extradition, voluntary submission) and a potential commitment device for the state (the hovering possibility of a new or amended constitution), combined with the destructive reach of Escobar’s organization, led him to use targeted and terroristic violence to create a nationwide social and political crisis and gain leverage over decision-makers. The principal tactics employed were car-bombs and kidnapping of journalists, and members of the political elite (García Márquez 1997). In open letters between 1986 and 1991, Escobar’s shadow organization *Los Extraditables* repeatedly promised the end of the attacks and the release of hostages in exchange for demands that varied but always included a definitive end to extradition.

²⁵ In the Mexican case, there were a large number of reports of executions that lacked sufficient information to determine whether the deaths were part of a single event or constituted separate events, according to our coding criteria. To deal with this problem, we created a special event category, “Execution N/I” (no information) and decided to create a separate event for each death. This can easily inflate the number of events, so it is important to be able to separate out these events and run analyses both with and without them. In the graphs presented here, I have divided the total number of these events by the average death toll for “Executions” (i.e. execution reports in which there *is* sufficient information to determine how many died in a single event), approximately 2.2.

The ensuing negotiations had moments of hopefulness and despair, but were always complicated by the government's official refusal to negotiate with "narco-terrorists". A historical quirk of this period (roughly 1987-1991) offers strong evidence that the rhetorical aspect of drug policy is more than epiphenomenal, and has a real constraining effect on states: 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 1983 remains the most brazen single anti-state attack in the country's history. Escobar, in close communication with M-19 leaders throughout this period,²⁶ clearly believed that if the government was willing to negotiate with this group, which had kidnapped and murdered officials, destroyed public buildings, and publicly declared its intentions to topple the state, 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."²⁷

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. Although the government never wavered in its official stance of non-negotiation, Escobar's lawyers managed to work out surrender terms under which Escobar would essentially construct his own prison (known as *La Catedral*) and provide his own inner security detail. In the end, the secrecy surrounding the negotiation not only delayed Escobar's surrender, but may have contributed to official and public ignorance of the extent of Escobar's freedom of action within *La Catedral*.²⁸ This in turn led directly to the humiliating 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).

The M-19 and the Medellín cartel used similar violent and illegal tactics in campaigns against the Colombian state. 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 the former Vice Attorney General, "The guerrillas had, originally, an altruistic purpose. [...] The drug trade is just a business."²⁹ Whatever the merits of this position from an ethical 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. Moreover, the constraining factor in the case of the cartels was not one of relative tactical or military strength, or even the lack of a commitment device. Rather, the state's rhetorical commitment to drug prohibition and eradication made any kind of concession, or even simply acknowledgement

²⁶ Author's interview with former M-19 regional commander, Medellín, January 12, 2011.

²⁷ Author's interview, Bogotá, December 16, 2010.

²⁸ Author's interview with former Attorney General Gustavo de Grieff, December 13, 2010.

²⁹ Author's interview, Bogotá, December 17, 2010.

of the cartels as a legitimate actor to be negotiated with, prohibitively “costly”. Whether the victims of Escobar’s car-bombs would agree with such a cost assessment is a question for another day.

Rio de Janeiro, Brazil

Rio’s cartels have been engaged in a fight and bribe strategy aimed at lowering equilibrium bribes to corrupt police for decades. As noted above, the Pacification Policing (UPP) program has, for the first time in decades, established a permanent state presence in the *favelas* where it has been rolled out, and seems to be inducing a shift in cartel strategy from fighting to hiding. The proximate cause of the UPP program’s success is its conditionality. By announcing occupations ahead of time, and by putting “troublesome” *favelas* on the short-list to receive UPPs, the state avoids armed conflict with traffickers, who generally prefer to flee, and gives cartels in other *favelas* incentives to minimize violence and avoid being next in line. The real question is, how was the government able to change to a conditional repressive policy in the first place?

The question is particularly relevant if we consider that earlier incarnations of the pacification strategy foundered, in spite of a dramatic reduction in armed violence in the communities in which it was deployed. An early pioneer, the 1999 Mutirão pela Paz (Mobilization for Peace) project, combined police occupation of a target *favela* with community outreach and a raft of new social programs. Though it was popular and effective in the small *favela* where it was implemented, the program fell victim to political infighting and was soon canceled (Soares 2000, 280-4). In 2001, an innovative successor program known as GPAE³⁰ was installed on a pilot basis in a group of *favelas* (Huguet 2009). The guiding idea of GPAE was to establish a permanent police presence in the *favelas*, one which would not attempt to eradicate the drug trade *per se*, but rather its armed presence.³¹ Although the program was successful in reducing homicides to zero in its first year, it came under attack as a “truce with the drug trade” from Rio’s mayor and other political rivals of the governor at the time. This put the program’s advocates on the defensive, forced to deny something that was, in some sense, the whole point.³² Eventually, the program’s creator and original commander was replaced with a traditionalist, violence soon returned to high levels, and the project was canceled.

The GPAE and related episodes are illustrative of the difficulties that states face in making repressive policy conditional. 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

³⁰ *Grupamento de Policiamento em Áreas Especiais*, or Policing in Special Areas Unit.

³¹ The program’s designer and commanding officer described these rules as “don’t walk around openly armed, don’t sell drugs near school, and don’t employ children.” Author’s interview, Major Antonio Carballo Blanco, June 2003.

³² Author’s interview, Major Antonio Carballo Blanco, June 2003.

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.”³³

The second key factor has been an innovation in rhetorical policy: 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, consistently undermined 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.³⁴

Even when confronted by journalists with footage of drugs being sold in a UPP-occupied *favela*, Secretary Beltrame did not feel the need to apologize for the conditionality of his policy:

I can’t guarantee there is no drug dealing going on, in some dark corner, in a place as large as City of God... The basic mission was to disarm the drug dealers and bring peace to the residents. In the footage, the traffickers appeared to be unarmed. [...] That result is worth infinitely more than the sale of a half dozen packets [of cocaine].³⁵

Without putting too much explanatory weight on the role of leadership and individual characteristics, it is undeniable that 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 him as “soft on crime”. Rio de Janeiro’s pacification program is thus an important example of what I call ‘operational decriminalization’, a shift toward conditional repression that becomes politically feasible because it is made by “men in boots”. 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.³⁶ Framing this decision as key to primary mission goals helped overcome the objections of the pro-eradication State Department.³⁷ Operational decriminalization can thus be seen as an innovation at the rhetorical level: treating conditional repression as a purely tactical decision driven by security concerns essentially depoliticizes the issue, vastly relaxing the ‘acceptability constraint’ on *de jure* policy.

³³ *Roda Viva* (television program), TV Cultura, August 30, 2010. Available online at: <http://www.youtube.com/watch?v=Qix2DMDqcKw&feature=relmfu>. The quote above appears at 17’50”-18’30”.

³⁴ “Rio de Janeiro police occupy slums as city fights back against drug gangs”, *The Guardian* (London), April 4, 2010.

³⁵ “Feira de drogas resiste à UPP da Cidade de Deus”, *O Globo* (*Rio de Janeiro*), July 2, 2010.

³⁶ “Afghan poppy harvest is next challenge for U.S. Marines”, *McClatchy Newspapers*, 21 March, 2010.

³⁷ Author’s interview, US Government official, October 4, 2011.

Mexico

Mexico’s violence is markedly different from that of Colombia and Brazil in two key respects. Where the intensity of cartel-state violence in Colombia closely tracked the ebb and flow of Escobar’s ongoing negotiations with the state, and in Rio escalated steadily but slowly over decades, in Mexico it has ratcheted rapidly and continuously upward, with no signs of abatement. Second, as noted above, the modalities of violence employed are more varied. This multiplicity is the mark of multiple and overlapping ‘logics’ of violence: Mexico’s unconditional crackdown in the face of a fractured and corrupt coercive apparatus drives bribe-lowering violence against enforcers, while the state’s “decapitation” strategy has fragmented the drug market and created uncertainty over leadership, driving violent signal-sending. In a few cases, cartels have perceived chances to directly negotiate with the state over *de jure* policies (deployment of army and federal police troops), and engaged in terror activities à la Escobar.

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 more than a dozen smaller organizations (Guerrero 2011). 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.

Why these divergent outcomes? I argue that three factors come together to explain the situation in Mexico: institutional structure, unconditional crackdowns, and positive-feedback, general equilibrium effects. In Colombia, the Cali cartel could viably continue to adopt a non-violent hiding strategy throughout the narco-terror period because the state’s repressive force (centralized in a national police force with exclusive jurisdiction over anti-cartel operations) was effectively focused on Escobar. In Mexico, however, the administration—not without reason, given the nature of Mexican inter-agency politics—distributed cartel targets among the army, navy, and federal police, who compete for ‘trophy’ arrests and seizures.³⁸ The result is a *de facto* policy that is highly unconditional. Whereas in Colombia, the heirs to the Medellín and Cali cartels saw clearly that their best strategy was to keep their head down, in Mexico the opposite is true: with the state’s unconditional approach providing little disincentive to use violence, cartels find violence useful to gain a leg up on competitors. This leads to a “bang-bang” type equilibrium in which everyone fights because everyone else is fighting, and drives a positive-feedback, escalatory spiral. As more actors engage in violence, the chance that any one will be caught falls, driving ever more actors to join the fray. With the annual death toll doubling every year since 2006, it is not clear where this spiral stops.

6. Conclusion and Dissertation Outline

³⁸ Author’s interview, Mexican government officials, September 28, 2011

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 operational decriminalization. It is tempting to think that cartels’ gain is the state’s loss and vice versa, but then drug wars’ minimal impact on drug flows would suggest that for them they are a deadweight loss. Yet states remain deeply committed to the rhetorical goals of eradication and prohibition after decades of abject and expensive failure to make concrete steps toward those goals. The best explanation is that states *also* increase their flow payoffs by fighting, by generating ‘victories’ in the form of arrests and seizures, attracting foreign aid and winning diplomatic favor, and by gaining a pretext for state-building exercises that range from democracy-enhancing to quasi-authoritarian.

Dissertation Outline with Chapter Summaries

Chapter 2: Background, Lit Review, Conceptual Framework

After a review of empirical studies and formal models of civil war, this chapter sets out concepts and distinctions central to the analysis to follow:

- **‘Criminal War’** I introduce a typology that distinguishes conflicts by belligerents’ aim of fighting. In civil and interstate war, as in turf battles, belligerents fight to supplant or replace their opponents within some portion of their territory. In criminal war, as with coercive sanctions at the international level and coercive politics at the sub-national level, belligerents fight to change their opponents’ policies or behaviors.
- **Three levels of anti-drug policy: rhetorical, *de jure*, *de facto*:** cartels fight to change the behavior of state agents, but only rarely actually expect the state to change its *de jure* policy on drugs (e.g. legalize). Rather, cartels know that in the face of corruption, the actual level of enforcement carried out on the ground, what I call ‘*de facto* policy’, is malleable, even when *de jure* policy is not. Finally, an overarching *rhetorical policy*, while potentially devoid of specific policy commitments, sharply constrains states’ choices of *de jure* policy.
- **‘Hide (and bribe)’ vs ‘Fight (and bribe)’ strategies** Among criminal groups in general, and cartels especially, there is a classic divide over how to deal with authorities. Many, if not most, criminal organizations try to minimize direct conflict with the state, buying off authorities when possible and simply relying on anonymity or evasion when not. A different approach is to use violence to intimidate state forces, either into simply going away, or into accepting a smaller bribe. There is a self-reinforcing logic to each of these strategies such that criminal groups generally adopt one or the other, but do not mix.
- **Conditional vs. Unconditional Repression/Crackdowns** Repressive *de jure* policy against cartels can be structured such that differential levels of enforcement/punishment are explicitly conditioned on cartel behavior, thus shaping cartels’ forward-looking incentives. In particular, in a violence-conditional crackdown, the brunt of additional repression falls differentially on the most violent or brazen cartels. Most crackdowns, however, are essentially unconditional: the state simply tries to neutralize as many drug dealers and interdict as much drugs as possible, such that cartels do not face (significant) differential repression by switching from hiding to fighting strategies.

Chapter 3: Logics of violence

Kalyvas argues that within civil war there are multiple types of violence (e.g. targeted, indiscriminate) employed for distinct reasons, depending on the circumstances and constraints fighting groups face. This multiplicity is even more

acute in criminal war, since cartels have more than one overriding objective (e.g. intimidate the state and wrest territory from rivals). Using formal models, this chapter lays out four distinct ‘logics’ of violence, i.e. strategic interactions in which, under the right conditions, cartels find it advantageous to attack the state. In these, anti-state violence serves to (1) Lower the equilibrium price of bribes to corrupt officials; (2) Force the state to the bargaining table; (3) Signal resolve or strength; and (4) ‘*Calientar la plaza*’, i.e. reduce the illicit profits of rival groups. These channels are not at all mutually exclusive, but they generate different empirical footprints, which we can observe in the country datasets I am producing. All four dynamics occur to some extent in each case, but Colombia is predominantly (2) while Rio is predominantly (1); Mexico reveals itself to be a mixed case, with no single predominant form.

Chapter 4: *Plata and Plomo*, a Model of Violence in Bribe Negotiation

A formal model of bribe negotiation between a cartel and corrupt police is presented and analyzed. Asymmetric information and a lack of a credible signaling mechanism generates bargaining breakdown on the equilibrium path. However, ‘breakdown’ can mean that the cartel either hides or fights, but not both, depending on parameter conditions. The model predicts that unconditional crackdowns, ongoing turf wars among cartels, more widespread corruption, and a higher degree of territoriality of the drug trade will all tend to push cartels toward fighting strategies. Moreover, making repression sufficiently conditional can always eliminate both fighting and bribing in equilibrium. However, this result depends on letting cartels keep essentially all their profits from drug trafficking.

Chapter 5: Colombia

Until the mid-1980s, Colombia’s cartels were united in a strategy of non-confrontational state-capture (i.e. hide and bribe); when Escobar felt this strategy had become ineffective and switched to a ‘fight and bribe’ approach, it set in motion a strategic rift between the Medellin and Cali cartels that ultimately led to their outright war against one another. The existence of a real *de jure* policy debate (extradition) and a potential commitment device for the state (a new or amended constitution), combined with the destructive reach of Escobar’s organization, led him to use targeted and terroristic violence to create a nationwide social and political crisis that ultimately forced the state to the bargaining table, albeit in a way more circumscribed by rhetorical policy than Escobar anticipated. While other dynamics were at play (including rampant corruption-related anti-police violence in Medellin), the varying fortunes of Escobar’s attempts to negotiate with state had overriding importance in determining the level of violence.

Chapter 6: Rio de Janeiro (Brazil)

Rio’s cartels have been engaged in a fight and bribe strategy aimed at lowering equilibrium bribes to corrupt police for nearly a quarter-century. 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. As my model of the bribery channel predicts, untargeted state crackdowns tended to exacerbate the violence (without reducing corruption or the total flow of drugs), but a recent shift to a conditional approach that de-linked interdiction from violence-reduction seems to have fundamentally altered cartels incentives, inducing a switch to ‘hide and bribe’ strategies. I argue that a key innovation at the level of rhetorical policy—casting the armed presence of cartels as a public security problem distinct from and with primacy over the drug trade *per se*—made such a shift in *de jure* policy possible.

Chapter 7: Mexico

Mexico’s violence is markedly different from that of Colombia and Brazil in two key respects. Where the intensity of cartel-state violence in Colombia closely tracked the ebb and flow of Escobar’s ongoing negotiations with the state, and in Rio escalated steadily but slowly over decades, in Mexico it has ratcheted rapidly and continuously upward, with no signs of

abatement. Second, the quantitative data I have collected makes clear that the modalities of violence employed are more varied: a large share of the violence is *targeted killings*, as in Colombia, but common too are open clashes, the principal mode of violence in Rio, as well as torture, mutilation and propaganda (*narcomantas*), modalities autochthonous to the Mexican case. I argue that this multiplicity is the mark of multiple and overlapping ‘logics’ of violence: Mexico’s unconditional crackdown in the face of a fractured and corrupt coercive apparatus drives bribe-lowering violence against enforcers, while the state’s “decapitation” strategy has fragmented the drug market and created uncertainty over leadership, driving violent signal-sending. In a few cases, cartels have perceived chances to directly negotiate with the state over *de jure* policies (deployment of army and federal police troops), and engaged in terror activities à la Escobar. Positive feedback between these channels, and in general the falling chances of being punished for engaging in any single violent act as the overall level of violence rises, is inducing an “all-fight” equilibrium among cartels and driving the escalatory spiral.

Chapter 8: Do criminal wars make states?

Since Tilly’s seminal work (1990, 1985), a host of scholars have explored the relationship of war-making to state formation and consolidation (e.g. Centeno 2002; Taylor and Botea 2008; Sørensen 2001; Thies 2005); 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.

Chapter 9: Conclusion

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, this dissertation has shown 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 operational decriminalization. It is tempting to think that cartels gain is the state’s loss and vice versa, but then drug wars’ minimal impact on drug flows would suggest that for they are a deadweight loss. Yet states remain deeply committed to the rhetorical goals of eradication and prohibition after decades of abject and expensive failure to make concrete steps toward those goals. The best explanation is that states *also* increase their flow payoffs by fighting, by generating ‘victories’ in the form of arrests and seizures, attracting foreign aid and winning diplomatic favor, and by gaining a pretext for state-building exercises that range from democracy-enhancing to quasi-authoritarian.

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