Peace now? Mexican security policy after Felipe Calderón

ALEJANDRO HOPE

Since 2006, crime, drugs, and violence have been critical issues in Mexico. Survey after survey shows that public safety is, by far, the top concern of Mexican voters. Yet, during the recent presidential campaign, security was almost an afterthought. All the candidates took care not to stray too far from current policy. The ultimate winner of the contest, the PRI’s Enrique Peña Nieto, was particularly studious about making no clear commitments on security policy. He called not for change, but for “adjustments” to the strategy of the outgoing administration.

The transition period has provided clues as to what “adjustments” are in store. First, there will likely be a change in emphasis. Peña Nieto has stressed repeatedly that reducing criminal violence, as opposed to dismantling criminal gangs, will be his top priority. Second, there will be a change in the administrative structure of the federal security apparatus. At the behest of the president-elect, the PRI recently moved a bill through Congress to centralize federal civilian security forces within the Interior Ministry. There is also talk of a new federal police force, a so-called national gendarmerie, to reestablish order in rural areas and provide support to small municipalities so as to accelerate the withdrawal of military personnel from law enforcement activities.

Still, questions remain. Will the full frontal attack on criminal gangs continue? What specific steps will be taken to reduce the levels of criminal violence? Will there be changes in the relationship with state governments? Can we expect a transformation in the cooperation framework with the United States?

Full answers to those questions may not be forthcoming for several weeks or even months. Most likely, the strategic thinking of the new team has not fully gelled. However, whatever policies the Peña Nieto administration pursues, its choices will likely be framed by two forces:

• The Calderón institutional legacy
• Changes in the security environment

This article addresses those forces in an attempt to divine the potential contours of Mexico’s future security policy.

The Calderón Legacy

However flawed his strategy, Felipe Calderón transformed Mexico’s security policy. His first act as chief of state was to raise the pay rates for military personnel. That financial commitment continued throughout his administration; under his watch, the federal security budget doubled in real terms.2

Much larger security institutions were the end result. In particular, the Federal Police expanded at a rapid pace, tripling in size between 2006 and 2012. Its budget almost quadrupled over the same period, equipment improved significantly and recruitment efforts changed markedly. By the end of the

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1 Alejandro Hope is the director of security policy projects at the Mexican Competitive Institute (IMCO), a Mexico City-based think tank.

FOREWORD

The Inter-American Dialogue is pleased to publish this working paper by Alejandro Hope, one of Mexico’s leading security specialists. Hope currently directs the “Less Crime, Less Punishment” project or MC2, “Menos Crimen, Menos Castigo,” which is a joint public safety initiative between the Instituto Mexicano para la Competitividad (IMCO) and México Evalúa. Prior to his current position, he held various management posts at the Centro de Investigación y Seguridad Nacional (CISEN) between 2008 and 2011.

In this working paper—the product of the Dialogue’s Latin America Working Group—Hope offers a rigorous and cogent analysis of the security challenges the Peña Nieto administration faces in Mexico. He argues that the approach in coming years will be shaped both by the institutional legacy left by the Calderón administration as well as the changes in the security environment. He assesses the likelihood of the Peña Nieto government reducing violence, and stresses the importance of an institutional transformation, based on strengthening the rule of law.

The Dialogue’s aim in publishing these working papers is to stimulate a broad and well-informed public debate on complex issues facing analysts, decision makers, and citizens concerned about Latin America’s policy agenda. This working paper seeks to offer a realistic diagnosis of the current situation in Mexico, with the goal of contributing to an informed dialogue about the appropriate policy prescriptions for dealing more effectively with the country’s security challenges.

The working paper series is a byproduct of an evolving working group effort launched by the Dialogue in 2001. The group is made up of select and diverse analysts and policymakers from throughout the region, as well as Europe, Canada and the United States. The group essentially serves as a “brain trust,” or core of advisors, for the Dialogue on major challenges facing the region. The goal of the group is not necessarily to reach agreement or produce consensus documents. Rather, it is to generate fresh interpretations of the issues driving the region’s politics in order to shape thought and encourage constructive responses.

To date, the papers have dealt with a wide range of topics, including the Colombian conflict, political polarization in Venezuela, the situation in Bolivia, civil-military relations in the Andean nations, corruption, petro-politics, and citizen security.

Hope’s conclusions do not necessarily reflect the views of the Latin American Working Group or the Inter-American Dialogue. We are pleased to recognize the assistance provided by the CAF–Development Bank of Latin America and Open Society Foundations for the production of this working paper.

Michael Shifter
President
Calderón administration, one-fourth of federal police officers were college graduates.³

Other institutions also saw explosive growth. The federal penitentiary system, for instance, increased from three to twelve facilities, and its capacity swelled almost fivefold over the last six years.

Along with bigger institutions came a more aggressive use of federal force. Large-scale federal operations were the keystone of the PAN’s security strategy. Beginning in the southwestern state of Michoacán, but ultimately extending to twelve states, federal operations under Calderón differed markedly from efforts of previous administrations. First of all, they were more expansive. As of this writing, some 45,000 federal troops, belonging to the Army, Navy or Federal Police, are deployed in support of state and local governments throughout the country.⁴

Secondly, the operations had no explicit time limits.⁵ The trigger for a pullout of federal troops, according to numerous officials in the Calderón administration, would be the existence of “capable state and local police forces.”

Construction of those forces is likely to be a long-drawn process, promising active federal intervention in state and local law enforcement for a long period of time.⁶

The Calderón legacy can be seen on a broader institutional canvas. In 2008, Congress approved a constitutional reform to transform Mexico’s antiquated and deeply flawed criminal justice system. The purpose was to move from a written, inquisitorial practice to an oral, adversarial system in line with reforms in other Latin American countries (Chile, Colombia). Three outcomes are expected from this effort: a) less clogged court and penitentiary systems, b) improved prosecutorial capabilities and, ultimately, c) reduced levels of impunity and increased deterrence of criminal behavior. The reform carried an eight-year timeline for implementation at both the state and federal levels. So far, three states have completed the transition and eight more have partially introduced the system. The rest are in the initial stages of implementation.⁷

⁴ It should be noted that the federal government is also running behind schedule. Congress has failed to approve a new Federal Criminal Procedure Code, vital for implementation of the reform. For a broader look at the promise and constraints of criminal justice reform, see López Aranda, Jaime and Diana Larrea. Desafíos de la implementación de la reforma penal en México. CIDAC and INACIPE, Mexico, 2010.
Criminal justice reform is not the only change to the institutional landscape of Mexico’s security sector. In 2009, the General Law of the National Public Security System was changed to legally enshrine a systematic vetting of police officers and other members of the law enforcement apparatus. In 2011, a program was launched to create so-called “accredited” state police forces. It is still an incipient effort, but most states have now formed the initial units of those new bodies.

Finally, the security relationship with the United States has undergone a significant makeover. While small in absolute terms, the Mérida Initiative represents a tenfold increase in counternarcotics assistance to Mexico. More importantly, the security and intelligence communities of both countries work more closely than at any point since World War II. On the ground, intelligence sharing has become a common practice. At the strategic level, cooperation has been institutionalized in a slew of bilateral agreements, memoranda of understanding, and other legal instruments.8

The new institutional landscape will create at least four major constraints for the Peña Nieto administration:

1. Security budgets will continue on an upward trajectory. Additional funding will be required to maintain the capabilities of military and law enforcement agencies and keep up with ongoing institutional reforms (e.g., criminal justice reform) regardless of a change in strategy.

2. The armed forces will remain involved in law enforcement activities, at least in the short term. In many regions, the absence of competent state police forces leaves no immediate substitute for the Army and Navy. Transferring military personnel to a national gendarmerie might accelerate the process, but creating, funding, and bringing a gendarmerie to operational speed could take months, if not years.

3. Portions of the Calderón strategy are now the law of the land and probably will remain so in the immediate future. These include the reform of the criminal justice system as well as the vetting of law enforcement officials, the structure of federal transfers to states and municipal governments, and the governance architecture of the national public safety system (i.e., the collective bodies coordinating municipal, state, and federal law enforcement agencies). Legislative action and a significant expenditure of political capital would be needed to change any of them.

4. US-Mexico cooperation is now internalized in the daily workings of many Mexican security agencies. A return to the pre-Calderón status quo would prove disruptive, not only on the diplomatic front but also operationally. Mexican security agencies would be hobbled without constant intelligence-sharing with their US counterparts. And some programs are dependent on US funding. Those facts create inertia for continued cooperation within the current framework.

The Changed Security Environment

In 2006, five criminal organizations dominated Mexico’s security landscape. They were mostly dedicated to international drug trafficking and had relatively cohesive internal structures. Six years on, the criminal underworld has changed beyond recognition. As a result of the government’s constant onslaught (as well as preexisting internal tensions), every one of the big five drug trafficking organizations (DTOs) has either splintered or shriveled.

- The Sinaloa cartel, still the country’s largest DTO, saw the demise of two of its biggest clans (the Beltrán Leyva and Nacho Coronel factions) between 2008 and 2010, the result of infighting and the government’s decapitation policy.
• The Gulf cartel became embroiled in a bloody war with its armed wing, Los Zetas, in 2010 and splintered into rival factions in 2011. Meanwhile, Los Zetas lost most of its top leadership (including kingpin Herberto Lazcano). It is now battling internal dissenter gangs.

• The Tijuana and Juárez cartels, Mexico’s largest criminal organizations in the 1990s, lost their respective wars with the Sinaloa cartel and have now become shadows of their former selves.

• La Familia Michoacana, a cult-like gang in southwestern Mexico, split into rival factions, Los Caballeros Templarios and a rump Familia, after the 2010 take-down of its leader, Nazario Moreno (aka El Chayo).

The result has been a proliferation of small and medium-sized gangs that are far more engaged in rent-extracting activities (theft, kidnapping, extortion, etc.) than were their earlier and larger peers. In Acapulco, the Pacific coast resort 400 kilometers south of Mexico City and currently one of the country’s deadliest cities, no fewer than 14 gangs have been battling since 2010 to control the retail drug market and the petty extortion of small businesses.

These emerging criminal groups do not have the scale to threaten the integrity and stability of the Mexican state, at least not to the same degree as the larger organizations of the past. However, they do pose a major threat to the life, liberty, and property of a large portion of the Mexican population. Ideally, they should be contained at the local and state levels. But most local and state institutions have not yet developed adequate capacities to deal with these new criminal groups. In some areas (notably Acapulco), this has translated into increasing levels of violence.

Large DTOs still exist but no longer dominate the criminal underworld. Even the mighty Sinaloa cartel has faced challenges from emerging criminal groups. In 2011, Los M gang in the northern state of Durango fought (and nearly won) a bloody war with the local operatives of Chapo Guzmán, the world’s most sought after drug kingpin.


In 2008, a broad anti-corruption probe called Operation Cleanup (Operación Limpieza) discovered that the top counternarcotics official at the federal Attorney General’s Office (PGR) was taking as much as $5 million annually in bribes from the Beltrán Leyva organization. Other high-level officials, including the commissioner of the Federal Police, landed in jail for complicity with the drug gangs. While corruption still persists, the newer gangs’ reach is unlikely to extend so high in the law enforcement apparatus.

Whether the changed nature of the threat should count as a success of the Calderón administration is open to debate. Drug-trafficking gangs are probably less powerful than in the past. The tradeoff, however, has been greater disorganization within the criminal underworld, a more unstable security environment and, until recently, growing levels of violence.

That said, there are hopeful signs. For the first time since 2007, the annual homicide rate in Mexico will decline in 2012. During the first ten months of the year, the number of murders was down 8 percent from the same period in 2011. In some regions, security gains have been more dramatic. In Ciudad Juárez, until recently dubbed the world’s most dangerous city, homicides have fallen by 90 percent from their 2010 peak. In October 2012, there were fewer homicide victims in Ciudad Juárez than in Chicago.

What is behind the improvements? There is no consensus among specialists, but the following factors might have played a role:

1. Increased state capacities. As described earlier, Mexico’s federal security budget doubled under President Calderón. That significant investment, along with broader institutional changes, might have allowed the government to catch up with the problem.

2. Changed tactics. Over the past two years, law enforcement agencies have focused on killing or capturing upper middle-tier operatives of criminal organizations. That strategy has damaged command and control structures without creating the power vacuum that comes when a kingpin is removed. Moreover, there seems to be a more focused persecution of the most violent organizations. Since the middle of 2011, most of the Zetas’ top leadership has been captured or killed, perhaps creating disincentives to the indiscriminate use of violence.


3. Reduced drug income. Between 2006 and 2011, the number of US cocaine users declined by 42 percent.\(^{14}\) Seizure data suggests the result has been reduced cocaine flows through Mexico. Seizure data seems to reflect that. An average of 10.6 tons of cocaine was seized during 2010–2011, less than half of the 25.3-ton per year average in the previous decade. Smaller cocaine flows probably translated into smaller loads and fewer transactions, leading to less theft within and between gangs, fewer botched sales, and a lower number of seizures, diluting the usual triggers for drug-related violence.\(^{15}\)

The changed security environment poses a number of challenges:

1. The fragmentation of criminal groups (and their shift from illicit trafficking into rent-extraction) amplifies the need for local and state responses. The Peña Nieto administration will have additional levers to force those responses, in particular the fact that 21 of 32 state governors belong to the PRI, the same party as the president. However, common party background does not by itself eliminate the incentives for state and local authorities to transfer their responsibilities to the federal government.\(^{16}\) Moreover, state governors continue to be a major political force, and pushing them too hard could strain the coalition that carried the PRI back to power.

2. Recent declines in violence change the baseline for assessing the Peña Nieto administration. The new team will not take over at the peak of the crisis but when there are already signs of improvement. That creates additional pressure for continued pacification and might reduce the political value of a security turnaround. (For example, the PAN might as well claim part of the credit.)

**Bottom Line**

Enrique Peña Nieto promised “adjustments,” not changes, to Mexico’s security policy. In all likelihood, that is what he will deliver. Some adjustments might prove significant. In particular, the new president will try to restore the

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\(^{15}\) IMCO. **¿Dónde quedó la bolita? Índice de Competitividad Estatal 2012.** Mexico, 2012.
central security role of the Interior Ministry (Secretaría de Gobernación). The Public Security Ministry will move into the Gobernación structure. That would give the interior minister control over the Federal Police and the federal penitentiary system. It would also make the minister the head of the national security cabinet (both de jure and de facto).

This form of centralization has two virtues. First and foremost, it places the political responsibility for security policy on one head. That could reduce the infighting and poor coordination that were the hallmark of Calderón’s cabinets. Second, it could probably strengthen the hand of the interior minister in dealings with state governors, since a) the minister would have something specific to bring to the table (support from federal police forces) and b) the minister would have access to far more intelligence than has been the case over the past twelve years.

However, the proposal is risky. It does not directly solve the two key coordination problems within the Mexican security apparatus: the relationship between the Federal Police and the Attorney General’s Office (Procuraduría General de la República) and the relationship between the Federal Police and the armed forces. Since the responsibility for any problem would tend to fall on the interior minister, other ministers—particularly those who see the interior minister as a potential rival in the fight to succeed the president—might find it advantageous to sabotage their primus inter pares. Also, the proposal makes the interior minister extremely vulnerable to both high impact events (massacres, kidnappings, jail breaks, etc.) and less-than-stellar crime statistics. Finally, some political actors have interpreted the proposal as an attempt to reestablish old authoritarian control structures. Those suspicions delayed legislative approval of the proposed changes and could create tensions between the new administration and opposition parties.

Other potential adjustments are also fraught with risks. Creation of a national gendarmerie could accelerate the withdrawal of the armed forces from law enforcement activities (by transferring military personnel into a new police force), but it would have little operational impact, at least in the short term, since the new force would be created with military personnel already involved in law enforcement. In other words, it would place the same number of troops in the same places with similar tasks and tactics. It is hard to see why this would produce different outcomes. Moreover, even if on paper there were a relatively clear division of labor, roles and mission of the gendarmerie and the Federal Police would be similar. That is likely to spark significant tension between the two. The current coordination problems between the Federal Police and the armed forces would, thus, be reproduced under a new guise.

The biggest differences between Peña Nieto and Calderón might involve more tone than substance. The new president will likely try to deemphasize security policy in favor of issues such as economic reform and energy. The war-like rhetoric favored by Calderón might give way to more politically nuanced language. A reduction in violence might, indeed, become the preferred success metric (although it is still to be seen whether the new administration will resist the temptation to trumpet kingpin arrests and drug seizures). Some of the communication problems that dogged the panista governments might improve, given the relative media savvy of the Peña Nieto team.

In the final analysis, however, change is likely to come in very small doses. Some of the main components of Calderón’s strategy are locked in, at least for the short term. For example:

- A growing portion of the national budget will be devoted to law enforcement and national security tasks.
- The armed forces will continue to participate in law enforcement activities.
- Security forces will keep chasing drug kingpins and their lieutenants.
- Federal police forces will continue to grow rapidly.
- Cooperation with the United States will hold the current course of the Mérida Initiative.
- Institutional reforms started under Calderón will move forward (particularly criminal justice reform).

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17 During the decades of PRI domination, the Interior Ministry had tight reins over the security and intelligence services and was instrumental in containing, coopting, or even repressing opposition to the regime.
Although those facts leave little room for innovation, Peña Nieto can make his mark in other ways. He might, for instance, modify the relationship between the federal government and state authorities. That could happen through establishment of a timeline toward an orderly end of federal operations. Or he might rely on control over the PRI machinery, particularly some of the public sector unions, and legislative caucuses (which could change the disbursement rules for federal funds) to obtain state governors’ cooperation in deploying new “accredited” police forces more rapidly or in other actions. For similar purposes, he might shift Mérida Initiative funds, in accord with the US government, toward strengthening state and local institutions. Although small in comparison with the federal security budget, these funds are large enough to create local success stories.

At the operational level, he could explicitly target the most violent gangs, such as Los Zetas, and their kingpins. He could designate a small subset of violence-ridden urban areas (e.g., Torreón, Acapulco, Monterrey) for special, prevention-focused interventions, replicating some of the lessons learned in Ciudad Juárez. He could also make strategic use of new federal penitentiary facilities by transferring members of particularly violent gangs from loosely controlled local prisons to the far more secure federal system. This might serve as a deterrent to the most egregious forms of brutality.

Those measures could bring quick wins for the Peña Nieto administration. In the end, however, deeper transformations may come from external forces rather than from explicit policy choices. State-level marijuana legalization in the United States could displace a significant portion of Mexico’s marijuana exports, freeing up resources now devoted to eradication and interdiction. A disorderly political transition in Cuba could shift cocaine flows back to the old Caribbean route, radically transforming the size and nature of Mexico’s organized crime. Demographic changes in Mexico will ultimately reduce the current youth bulge; some of the early crime-mitigating effects of that transformation might be felt during the Peña Nieto administration.

Even accounting for those exogenous variables, however, no one should expect miracles. Mexico’s security crisis did not start with Calderón, and it will not end once he leaves office. Levels of violence might gradually decline, but that will not eliminate the many challenges faced by the country. Transforming Mexican security and justice institutions will be a long, hard slough. Combatting organized crime will be a transgenerational task, as it has been in the United States, Colombia, and Italy.

Enrique Peña Nieto promised to significantly reduce criminal violence. To some extent, he is wagering his presidency on achieving that goal. With luck and correct policy decisions, he could succeed. But that is not and should not be the end of the story. Felipe Calderón made many tactical and strategic mistakes, but his underlying argument was unimpeachable: for ethical and practical reasons, Mexico needs the rule of law. That requires changing institutions and confronting criminals, powerful as they may be. Hopefully, Peña Nieto will not be content with a downtick in the body count and, instead, will continue down a more transformational road.