Introduction

THE PROBLEM

One of the most surprising developments in Mexico's transition from authoritarian rule to democracy is the outbreak of criminal wars and large-scale criminal violence after the demise of seven decades of one-party rule. Under the reign of the Institutional Revolutionary Party (PRI), several major drug cartels had coexisted in relative peace and pursued their criminal activities without conflict among themselves or serious confrontation with the state. But as the country moved into multiparty competition and opposition parties scored unprecedented victories across cities and states in the 1990s, eventually winning presidential power in 2000, the cartels went to bloody war over profitable drug trafficking routes. As the late journalist Jesús Blancornelas (2002) observed, the first major inter-cartel war emblematically broke out in Tijuana in the northwestern state of Baja California where, in a historic 1989 election, the PRI had lost control of a state for the first time in the century. Subsequent inter-cartel wars erupted in other central and northern states where leftist and right-wing opposition candidates unseated the PRI for the first time. In the 1990s, battle deaths reached an annual peak of 350; by 2005, the death count surpassed the threshold of 1,000 murders – this is the threshold commonly used to classify a conflict as a case of civil war.[1]

The consolidation of multiparty elections as the sole mechanism to select and remove leaders, and to allocate power through peaceful means, did not bring peace in Mexico but was associated with a dramatic increase in criminal violence. Six years into democracy,

[1] See Fearon and Laitin (2003).

incoming President Felipe Calderón from the right-wing National Action Party (PAN) – the party that had defeated the long-reigning PRI in 2000 – declared war on the cartels and deployed the army throughout Mexico's most conflictive regions in 2006. The War on Drugs and the outbreak of state–cartel wars intensified inter-cartel wars, and drug violence grew between five and six times throughout Calderón's six-year term in office. According to the official government count made by Calderón's successor, between 2006 and 2012, 70,000 Mexicans were murdered in inter-cartel and state–cartel conflicts. This is more than four times greater than the median death toll of all civil wars in the second half of the twentieth century.[2]

Over the course of six years of state–cartel and inter-cartel wars, Mexico's criminal underworld experienced dramatic transformations. Cartels fragmented and went from 5 to 62 organized criminal groups (OCGs), and the street gangs working for them went from dozens to hundreds (Guerrero 2010, 2011a). These groups rapidly expanded their range of illicit activities beyond drug trafficking and ventured into new criminal markets, including the illegal *extraction* of human wealth (e.g., extortion and kidnapping for ransom) and of natural resource wealth (e.g., illicit plundering of mines, forests, gas and oil refineries). As a result of these new ventures, OCGs expanded their targets of attacks from rival cartels and state institutions to unarmed civilians. But one of the most surprising transformations took place when drug lords and their criminal associates began to systematically murder mayors and municipal party candidates in their attempts to influence subnational election results and gain de facto control over municipal governments, peoples, and territories. By 2012, more than two decades after the onset of inter-cartel wars and six years after the launching of the federal War on Drugs, one-third of Mexico's population lived in municipalities where local government officials and party candidates had been victims of lethal criminal attacks and where OCGs sought to establish subnational criminal governance regimes.

Why did Mexican cartels go to war as the country transitioned from one-party rule to multiparty democracy? Why did wars become more intense as elections in Mexico's 31 states and more than 2,400 municipalities turned increasingly competitive, party alternation became widespread, and power was increasingly decentralized and fragmented along the country's federal system? Why did cartels and their criminal associates

[2] Sambanis (2004) estimates that the median death toll was 17,000 murders.

launch major attacks against local government officials and party candidates during election cycles, and why did they develop an interest in becoming de facto rulers over Mexico's municipal governments and local populations and territories?

The outbreak of criminal wars as countries transition from authoritarian rule to electoral democracy and the intimate association between political change and large-scale criminal violence in democracy are, to be sure, not Mexico-specific phenomena. In South America, Brazil experienced an outbreak of criminal violence after democratization in 1985 (Arias 2006a; Lessing 2017), and gang violence has intensified decade after decade as electoral competition, political plurality, and political decentralization have increased (Albarracín 2018). Drug trafficking gangs have developed criminal governance regimes in large swaths of the impoverished favelas in Rio de Janeiro and other major metropolitan centers (Arias 2006a). In Central America, after the establishment of competitive multiparty elections in the 1980s and shortly after the peace agreements that brought decades of civil war to an end in the 1990s, Guatemala and El Salvador experienced a dramatic increase in criminal violence (Cruz 2011; Yashar 2018). And gangs in El Salvador have established tight controls over local neighborhoods and their populations in the country's largest urban centers (Córdova 2019).

Explaining why OCGs go to war as countries outgrow autocracy, why democratic institutions become intimately intertwined with criminal violence, and why criminal lords develop interests in becoming de facto subnational rulers poses major challenges to dominant theories of crime and violence in the social sciences. From the sociology of crime to the economics of crime and mafia studies, students of organized crime and criminal violence have ignored or only superficially considered politics as a potential driver of criminal peace and violence.

Following Durkheim's (1893/1964) seminal work on social alienation and social control, **sociologists** have argued that broken communities and mono-parental households in impoverished urban areas provide the structural conditions for young men to join criminal gangs and engage in violent criminal behavior (Sampson and Groves 1989; Sampson 1993). More dynamic explanations emphasize the social dislocation that results from major periods of urbanization and outmigration from rural to urban areas. Both the static and dynamic approaches underscore the importance of weak social networks, the erosion of social capital, and the lack of social mobility as drivers of criminal violence. In studies that concentrate on neighborhood-level dynamics, the police appear as the only relevant

state actor and scholarly research has focused mainly on police strategy (coercive engagement through incarceration versus developing police legitimate and community cooperation) and on how different forms of police engagement with the community and the use of extralegal violence are mediated by class, race, and ethnicity (Braga, Brunson and Drakulich 2019). Whether the focus is on community structures or the police or both, state and electoral politics have been conspicuously absent from dominant sociological theories of criminal violence. Criminal gangs are assumed to be *apolitical* organizations, and the sphere of policing is considered to be detached from electoral politics.

While the scholarship on the sociology of crime may be particularly useful in explaining why some Mexican communities may be predisposed to experience greater criminal violence, it fails to account for the intimate linkages between electoral politics, drug wars, and large-scale criminal violence that developed as Mexico transitioned from authoritarian rule to multiparty democracy.[3]

At least since Becker's (1968) foundational contribution to the economics of crime, **economists** have sought to explain criminal behavior and violence in terms of the incentives that encourage people to engage in criminal activities (*push factors*) and the state actions that deter them from so doing (*pull factors*). Following Becker's proposition that individuals engage in crime when their opportunity cost is low and they have little to lose, economists suggest that poverty, the lack of labor market opportunities, poor schooling and high drop-out rates from school often drive young men into committing violent crime (Neumayer 2003; Fajnzylber, Lederman and Loayza 2002). Others have looked into state capacity and effective policing as a deterrent of crime and criminal violence (Fajnzylber, Lederman and Loayza 2002; Levitt 2004). Mirroring established assumptions in the sociology of crime, economists have long assumed that organized crime is a private, illicit economic enterprise and OCGs are primarily *apolitical* groups. Influenced by the economics of interest groups, some scholars have departed from this strong initial assumption and have modeled drug cartels as a specific family of interest group in which criminal bosses rely on bribery and coercion to influence government policy in their favor (Dal Bó, Dal Bó, and Di Tella 2006).

[3] For an important exception, see Villarreal (2002). His work, however, focuses on ordinary crime, not necessarily on organized crime and Mexico's drug wars. Beyond Mexico, see Vargas (2016).

The *push* and *pull* factors emphasized by the economics of crime may help explain individual predispositions toward violence, but they provide no direct interpretation of the potential political foundations of Mexico's criminal wars. Becker's emphasis on the state's policing capacity may represent a bridge to politics. As students of civil war have conjectured, states in transitional regimes tend to have low governing and policing capacities (Fearon and Laitin 2003). But this claim is devoid of politics. Although elections are the key mechanism of political change in transitions from closed autocracy to electoral autocracy and into multiparty democracy, most studies assume state capacity to be a financial or a technical problem, rather than a political question in which electoral incentives may inform the development of state presence and capacities in such areas as security and policing.

Since the publication of Gambetta's (1996) path-breaking interpretation of the Sicilian Mafia, analytic sociologists and political economists have made crucial theoretical developments to explain the rise of mafias, the rationality of their strategic behavior, and the conditions under which they become violent. Focusing on periods of major structural transformation, in which the state is relatively absent, **mafia scholars** have suggested that mafias emerge as OCGs that seek to provide protection to players in the criminal underworld. This happened in Italy during the transition from feudalism to capitalism and after the reunification of the country (Gambetta 1996), and in Russia after the collapse of communism (Varese 2001). To operate successfully, mafiosi need to develop a comparative advantage in information gathering and in violent coercion. That is why members of the old order – for instance, feudal guards in nineteenth-century Italy or former KGB agents in late twentieth century Russia – have played a leading role in the development of the mafia. As Gambetta contends, mafias operate within the confines of cities or small subnational regions, because information gathering and the capacity to enforce agreements cannot be effectively exercised beyond the mafiosi's place of residence. In these limited geographic spaces, mafia bosses can aspire to have the monopoly of force in the criminal underworld and promote an environment in which the everyday operations of illicit markets are kept away from the spotlight and state authorities are kept at bay either through the secrecy of illegal activities or through bribery. It is a widely held claim in this literature that mafiosi go to war only when their monopolistic controls are challenged. Competition is the main driver of violence in the criminal underworld (Schelling 1971; Gambetta 1996; Skaperdas 2001; Varese 2010).

While mafia studies have established the theoretical foundations of our understanding of the criminal underworld and an exploration of the linkages between macro-political change and criminal violence, three problems remain that limit the power of this literature to explain the outbreak of criminal wars and large-scale criminal violence in Mexico and other new democracies. First, contrary to expectations that OCGs would operate in the criminal lord's place of residence, Mexican cartels have expanded well beyond their home cities or states and have ventured into other parts of Mexico and abroad. These are large-scale, multisite, transregional and in some cases transnational criminal organizations. Second, rather than rely on the secrecy of bribery or on targeted violence to resolve conflicts without unnecessarily attracting the attention of state authorities, drug cartels and their private militias have engaged in lethal and barbaric violence resembling that of civil war. Large-scale criminal violence of the magnitude experienced in countries such as Mexico, Brazil, Guatemala, or El Salvador is an anomaly for mafia studies. Finally, in contrast to the desire for secrecy that characterizes the criminal underworld described in mafia studies, and contrary to the presumed restriction of OCGs' activities to the criminal sphere, Mexican cartels' decision to systematically murder local government officials and party candidates and to seek to develop subnational criminal governance regimes defies theoretical assumptions from mafia studies.

Although the study of organized crime and large-scale criminal violence has been conspicuously absent from political science (Barnes 2017), in recent years scholars of Latin America have led the way in developing a new understanding of the political foundations of crime and violence. Since Arias's (2006) pioneering work, scholars have increasingly recognized that different forms of engagement between OCGs and state agents are crucial factors in defining peace and violence in the criminal underworld. This approach develops a new understanding in which the state is no longer viewed as a homogenizing organization that seeks to monopolize violence. In this emerging literature, criminal gangs, drug cartels, and armed private militias are conceived as illicit organizations that engage in some form of competitive state-building in cities, towns, and neighborhoods (Arias 2006a; Snyder and Durán-Martínez 2009; Arias and Goldstein 2010; Arias 2017; Barnes 2017; Lessing 2017; Albarracín 2018; Bergman 2018; Yashar 2018; Flom 2019; Lessing and Willis 2019). When criminal bosses develop collusive agreements with state agents and learn to coexist, peace reigns in the criminal underworld. But when OCGs compete for turf against each other or compete for state protection – or when they compete against

the state – war and large-scale violence become the dominant form of interaction.

These new understandings of OCGs as political actors that compete for order and subnational territorial control provide the political basis to start thinking about the potential linkages between political change and peace and violence in the criminal underworld. However, an important theoretical limitation is that in this state-centric approach, *political regimes* and *elections* are not recognized as key mechanisms for the distribution of state power that may affect the forms of engagement between state agents and criminal organizations. To disentangle the relationship between political change and organized criminal violence we need a political approach that recognizes the role of the state, political regimes, and elections in a new explanation of the ontology of organized crime and of the conditions that lead to war and peace in the criminal underworld.

OBJECTIVES

In this book we seek to explain why Mexican cartels went to war as the country transitioned from authoritarian rule to democracy, why violence skyrocketed in democracy, and why – over the course of the War on Drugs – cartels and their criminal associates developed political interests and established de facto subnational political controls across important swaths of Mexico's territory, subverting local democracies. We seek to explain three crucial moments in the development of Mexico's drug wars: the *outbreak* of wars, the *intensification* of violence, and the *expansion* of war and violence to the spheres of local politics and civil society.

In addressing these questions, the book necessarily ventures into foundational theoretical and conceptual work. Because the leading theories of crime – most of them developed in economics and sociology – have focused mainly on (1) economic incentives and social structures that contribute to the rise of violent criminal groups; (2) law enforcement activities that deter or stimulate criminal behavior; and (3) the internal organization of criminal groups, politics has been systematically overlooked. To be sure, scholars of mafia studies and organized crime have recognized that OCGs have historically emerged during periods of major economic and political transformation (Gambetta 1996; Skaperdas 2001; Varese 2001). Moreover, cross-national studies have shown that criminal violence tends to increase as countries transition from authoritarian rule to democracy (Neumayer 2003; Fox and Hoelscher 2012; Rivera 2016). And political scientists studying organized crime in Latin America have

begun to develop the theoretical foundations for understanding the political basis of criminal violence. Yet, our understanding of politics as a potential driver of large-scale criminal violence in Mexico and elsewhere remains impaired without explicitly theorizing political regimes and elections.

In taking a new theoretical approach that brings together the state, political regimes, and elections to explain the outbreak of criminal wars in new democracies, we hope to contribute to a new generation of scholarly work that seeks to develop **a political science of organized crime and large-scale criminal violence** – or what Barnes (2017) has called a subfield of criminal politics. We do this by redefining widely held assumptions and concepts, offering new theoretical formulations, and providing new data sources to rigorously test whether politics should have a central place in the field of criminology. The literatures on the micro-foundations of mafias and criminal behavior,[4] civil wars,[5] and state-centric explanations of criminal violence in Latin America[6] provide crucial analytical guidance and serve as the basis for theoretical reformulation. And a close dialogue with the sociology of crime[7] and with specific explanations of the outbreak of criminal violence in Mexico and Latin America provides invaluable inputs for considering alternative explanations.[8]

CONCEPTS AND THEORETICAL PROPOSITIONS

In building a new political understanding of organized crime and large-scale criminal violence, we first provide a new conceptualization of organized crime based on the state–criminal nexus. We then explain why different political regimes explain different forms of state–criminal association. Finally, focusing on transitions from authoritarian rule to democracy, we assess how changes in the distribution of state political power via

[4] See Schelling (1971), Gambetta (1996), Skaperdas (2001), Varese (2001), and Skarbek (2014).
[5] See Kalyvas (2006), Steele (2011), Arjona, Kasfir, and Mampilly (eds.) (2015), and Arjona (2016).
[6] See Astorga (2005), Arias (2006a and 2017), Bailey and Taylor (2009), Arias and Goldstein (2010), Snyder and Durán-Martínez (2009), Arias (2017), Lessing (2017), Albarracín (2018), Durán-Martínez (2018), Bergman (2018), and Yashar (2018).
[7] See Sampson (1993) and Villarreal (2002).
[8] See Astorga (2005), Astorga and Shirk (2010), Dube, Dube, and García-Ponce (2013), Calderón et al. (2015), Osorio (2015), Rios (2015), Shirk and Wallman (2015), Trejo and Ley (2016 and 2018), Durán-Martínez (2018), Flores-Macías (2018), Pansters (2018), and Cedillo (2019).

the introduction of electoral competition can upset state–criminal interactions, create uncertainty, and give rise to incentives for criminal wars.

Bringing the State Back in: Redefining the Relationship between the State and Crime

Unlike most studies that conceptualize OCGs as illegal economic enterprises that operate in opposition to state authorities, we follow state-centric studies of organized crime in Latin America in the critical theoretical move of conceiving OCGs as illegal groups that are intimately related to the state.[9] We make the strong ontological assumption that organized crime cannot exist and successfully operate illicit markets without some level of informal state protection. Drug traffickers and human smugglers, for example, require some level of state complicity to transport drugs and humans across international and domestic borders; some level of protection is required in the event that they are caught and need to derail an investigation, escape from prison, or simply continue operating businesses from behind bars. Absent these protections, traffickers do not go very far in becoming viable players in the smuggling industries.

Rather than picture OCGs and the state as axiomatically engaged in a zero-sum game – as criminologists have long assumed – we focus on the areas where the spheres of crime and the state intersect.[10] To be sure, not all state agents are part of informal networks of government protection for criminals and not all criminal groups seek protection from state agents. But when these two spheres intersect and state agents and criminals collude, the intersection creates *a gray zone of criminality* where the rise of organized crime is possible. The gray zone is the habitat of organized crime; the ecosystem in which OCGs can breathe, grow, reproduce, and succeed. Outside the gray zone there are common criminals but no OCGs, and state agents that do not operate in the gray zone are actually law enforcement agents – they may be repressive, particularly when they use iron-first policies to fight criminals, but they are not in collusion with organized crime.[11]

[9] See Arias (2006a and 2017), Snyder and Durán-Martínez (2009), Jaffe (2013), Trejo and Ley (2016 and 2018), Albarracín (2018), Durán-Martínez (2018), Yashar (2018), and Sobering and Auyero (2019).

[10] For pioneering analyses on state–criminal collusion, see Astorga (2005), Arias (2006a), Bailey and Taylor (2009), Snyder and Durán-Martínez (2009), and Arias and Goldstein (2010).

[11] The concept of the gray zone has been widely used by students of the Italian mafia (see Allum, Merlino, and Colletti 2019). Similar formulations include the concepts of

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Our central claim is that any major change in the sphere of state power or state policy that upsets the terms of engagement between the state and OCGs can destabilize the gray zone, introducing uncertainty and generating incentives for large-scale criminal violence. Because political regimes and institutions define how state power is distributed and the public policies that states adopt, politics is constitutive of organized crime. Politics is crucial in defining whether a criminal industry is dominated by a single monopolistic organization or whether there is competition for turf. And, as scholars of organized crime in economics (Buchanan 1973; Schelling 1971; Skaperdas 2001) and sociology (Gambetta 1996; Varese 2001) have long established, the prospects for peace and violence in the criminal underworld are largely dependent on whether criminal markets are monopolistic or competitive.

To understand the dynamics of peace and violence in criminal markets, we need to go beyond the state and understand how state power is distributed. This is the world of political regimes. We suggest that the gray zone of criminality often emerges in authoritarian regimes and is intimately associated with the state's repressive apparatuses.[12] Autocrats rule by means of coercion and cooptation (Svolik 2012; Trejo 2012). Although economic cooptation is a key trait of most authoritarian regimes (Magaloni 2006; Greene 2007), to stay in power autocrats rely on state specialists in violence whose chief mandate is to gather information from political dissidents and to punish them when they become a threat to regime survival. Authoritarian specialists in violence are members of special units within the armed forces (or the police), secret service agencies, and civilian forces that are subcontracted as shadow powers to keep dissidents at bay (Greitens 2016). To undertake their work effectively, these state specialists in violence enjoy impunity – they carry a state

"parapolitics" and the "deep state" (Cribb 2009 and Tunander 2009). In Chapter 1 we discuss the novelty of our own formulation of the gray zone and distinguish it from its more common use in the Italian literature and in studies of parapolitics and the deep state.

[12] We do not imply that the gray zone of criminality only exists in autocracies. To be sure, the gray zone also exists in young and consolidated democracies. Yet, as we explain below and in Chapter 1, because repressive state specialists in violence enjoy high levels of impunity and play such a critical role in our definition of the gray zone, their more widespread existence in autocracies renders autocracies more likely to experience wider gray zones than consolidated democracies.