

CHAPTER 1

FIGHTING THE NEXUS OF ORGANIZED CRIME AND VIOLENT CONFLICT WHILE ENHANCING HUMAN SECURITY

Vanda Felbab-Brown

Human insecurity has greatly intensified over the past 2 decades in many parts of Latin America. To an unprecedented degree, ordinary people in the region complain about living in fear of crime. With the exception of Colombia, criminal activity throughout the region has exploded. Doubling since the 1980s, homicide rates in Latin America are among the highest in the world. Kidnapping is also frequent. Well above 50 percent of the approximately 7,500 worldwide kidnappings in 2007 took place in Latin America.¹ Overall, the rates of violent crime are six times higher in Latin America than in the rest of the world.² With over 6,000 deaths reported in 2008 and over 6,500 in 2009, drug-related violence in Mexico each year has surpassed conflict-caused deaths in both Afghanistan and Iraq, two countries in the midst of civil war.³ In 2011, 12,903 drug-related violence deaths were recorded, and over 50,000 since President Felipe Calderón took office.⁴ Organized crime is one of the principal sources of threats to human security, but so is flourishing street crime, which frequently receives far less attention from governments – whether the United States Government or national governments in Latin America and the Caribbean. Indeed, law enforcement in Latin America is clearly struggling to cope with both organized and street crime, while 2 decades of efforts to improve and reform law enforcement institutions have little

to show in the way of improvements in public safety and accountability of law enforcement. Many Latin Americans are deeply distrustful of and dissatisfied with their local law enforcement institutions.⁵

Yet, despite the clearly negative effects of high levels of pervasive street and organized crime on human security, the relationship among human security, crime, illicit economies, and law enforcement is highly complex. Human security includes not only physical safety from violence and crime, but also economic safety from critical poverty, social marginalization, and fundamental under-provision of such elemental social and public goods as infrastructure, education, health care, and rule of law. Chronically, Latin American governments have been struggling in their efforts to provide all these public goods in large parts of their countries, both rural and urban. These multifaceted institutional weaknesses are at the core of why the relationship between illegality, crime, and human security is so complex. By sponsoring illicit economies in areas of state weakness where legal economic opportunities and public goods are seriously lacking, crime groups frequently enhance some elements of human security even while compromising others. At the same time, simplistic law enforcement measures can and frequently do further degrade human security. These pernicious dynamics become especially severe in the context of violent conflict.

This analysis will focus particularly on the general dynamics of the drug-violence nexus and the role of belligerent actors and crime groups. It introduces illustrations from Latin America and assesses the intensity of threats to U.S. national security emanating from this nexus in Latin America and elsewhere in the world. The chapter concludes with recommendations

for U.S. policies in dealing with the threats to U.S. national security from organized crime while at the same time enhancing human security.

DYNAMICS OF THE DRUG-INSECURITY NEXUS

A variety of actors have penetrated various illicit economies, including the drug trade, usually considered the most lucrative of illicit economies and estimated to generate revenues on the order of hundreds of billions of dollars a year. An illicit economy means any economy that supplies commodities or services the production and marketing of which are either completely prohibited by governments and/or international organizations, or partially proscribed unless the production and marketing comply with special licenses, certification, taxation, and other economic and political regulations.

Actors that participate in illicit economies include the populations that produce the illicit commodities and services; crime groups such as drug trafficking organizations and mafias; belligerent actors such as terrorist, insurgent, and paramilitary groups; and corrupt government and law enforcement officials. The penetration of the illicit economies by terrorist or insurgent groups provides an especially potent threat to states and regional stability since, unlike criminal organizations that usually have more limited aims, such belligerent groups typically seek to eliminate the existing state's presence in particular locales or countries.

Burgeoning and unconstrained drug production and other illicit economies thus have profound negative consequences for states and local stability. Most fundamentally, illicit economies provide an oppor-

tunity for belligerent groups to increase their power along multiple dimensions not simply by gaining control of physical resources, but also by obtaining support from local populations.⁶ Such belligerents hence pose a serious security threat to local governments and, depending on the objectives of the group, to regional and global security and U.S. interests as well. With large financial profits, the belligerent groups improve their fighting capabilities by increasing their physical resources, hiring greater numbers of better paid combatants, providing them with better weapons, and simplifying their logistical and procurement chains.

Crucially and frequently neglected in policy considerations, such belligerents derive significant political capital—legitimacy with and support from local populations—from their sponsorship of the drug economy. They do so by protecting the local population’s reliable (and frequently sole source of) livelihood from the efforts of the government to repress the illicit economy. They also derive political capital by protecting the farmers from brutal and unreliable traffickers, by bargaining with traffickers for better prices on behalf of the farmers, by mobilizing the revenues from the illicit economies to provide otherwise absent social services such as clinics and infrastructure, as well as other public goods, and by being able to claim nationalist credit if a foreign power threatens the local illicit economy. In short, sponsorship of illicit economies allows nonstate armed groups to function as security providers and economic and political regulators. They are thus able to transform themselves from mere violent actors to actors that take on proto-state functions.

Although the political capital such belligerents obtain is frequently thin, it is nonetheless sufficient to motivate the local population to withhold intelligence on the belligerent group from the government if the government attempts to suppress the illicit economy. Since accurate and actionable human intelligence is vital for success in counterterrorist and counterinsurgency efforts as well as law enforcement efforts against crime groups, such withholding seriously undermines the efficacy of government policies.

Four factors determine the amount of political capital which belligerent groups obtain from their sponsorship of illicit economy: the state of the overall economy; the character of the illicit economy; the presence (or absence) of thuggish traffickers; and the government response to the illicit economy.

- The state of the overall economy—poor or rich—determines the availability of alternative sources of income and the number of people in a region who depend on the illicit economy for their basic livelihood.
- The character of the illicit economy—labor-intensive or not—determines the extent to which the illicit economy provides employment for the local population. The cultivation of illicit crops, such as poppy in Afghanistan and coca in Colombia, is very labor-intensive and can provide employment to hundreds of thousands to millions of people in a particular country. Production of methamphetamines such as that sponsored by the United Wa State Army in Myanmar, on the other hand, is not labor-intensive and provides livelihoods for many fewer people.
- The presence (or absence) of thuggish traffickers and the government response to the illicit

economy (which can range from suppression to laissez-faire to rural development) determine the extent to which the population depends on the belligerents to preserve and regulate the illicit economy.

In a nutshell, supporting the illicit economy will generate the most political capital for belligerents when the state of the overall economy is poor, the illicit economy is labor intensive, thuggish traffickers are active in the illicit economy, and the government has adopted a harsh strategy, such as eradication, even in the absence of legal livelihoods and alternative opportunities.

But that does not mean that sponsorship of labor non-intensive illicit economies brings the anti-government belligerents no political capital. If a labor non-intensive illicit economy, such as drug smuggling in Sinaloa, Mexico, generates strong positive spillover effects for the overall economy in that locale by boosting demand for durables, nondurables, and services and hence indirectly providing livelihoods to and improved economic well-being of poor populations, it too can be a source of important political capital. In the Mexican state of Sinaloa, for example, the drug trade is estimated to account for 20 percent of the state's gross domestic product (GDP), and for some of Mexico's southern states, the number might be higher.⁷ Consequently, the political capital of the sponsors of the drug trade there, such as the Sinaloa cartel, is hardly negligible.

Moreover, unlike their ideologies, which rarely motivate the wider population to support the belligerents, sponsorship of illicit economies allows belligerent groups to deliver in real time concrete material

improvements to lives of marginalized populations. Even when ideology wanes, when the brutality of belligerent groups alienates the wider population and when other sources of support evaporate, this ability to deliver material benefits to the population frequently preserves the belligerents' political capital.

Colombia today provides a clear example. Without doubt, the legitimacy of the leftist guerrilla group, the *Fuerzas Armadas Revolucionarias de Colombia* (Revolutionary Armed Forces of Colombia [FARC]) is, after decades of conflict, at an all-time low. The sources of this decline of political capital are multiple. The political ideology of the group is largely moribund both as a result of global changes and the decline of socialist ideologies as well as the aging and isolation of the FARC's intellectual leadership.⁸ The FARC today is under severe pressure from the Colombian military. The brutality of the guerrilla group toward the rural population has progressively increased in the 1990s and 2000s as it competed with rightist paramilitaries. At the same time, the group systematically failed to protect the rural and urban populations against coercion and massacres by the equally and perhaps even more brutal paramilitary groups. Finally, as a result of the demise of the Medellín and Cali cartels in the mid-1990s and the growth in strength of the FARC due to its progressive penetration of the drug trade, the leadership decided to eliminate many traffickers from the territories it controlled and take over their trafficking roles in those territories.⁹ By doing so, the group inadvertently eliminated a key source of its political capital. Instead of bargaining on behalf of the *cocaleros* (coca farmers) for better prices for coca paste and mitigating and regulating other forms of the traffickers' abuse against the *cocaleros* as it used to do in

the 1980s and early 1990s when independent traffickers were present,¹⁰ the FARC put itself in the position of the brutal monopolist that sets prices, limits the customers to whom the population can sell coca paste and base, and inflicts abuse on the rural population.¹¹

Yet, to the extent that the state is destroying the illegal economy on which the local population depends for its basic livelihood, the FARC's political capital still remains sufficient to motivate the population not to provide intelligence on or about the group to the government. Indeed, in areas where coca eradication is intense and legal economic opportunities are lacking, human intelligence flows from the broader population about the FARC are virtually nonexistent, and the *cocaleros* continue to be willing to shield and even join the FARC. Overall, the successes of the Colombian military against the FARC have been driven to an unprecedented degree in the context of modern counterinsurgency by signal and image intelligence as supplemented by information from deserters. On the other hand, in areas where coca cultivation and hence eradication are not taking place or where rural livelihoods have been prioritized, the human intelligence flows from the population on the FARC are considerably higher.¹² Today, as consistently since the early 1980s when the FARC embraced the coca economy, its political capital has been strongest among the *cocaleros*.

This ability to provide real-time, immediate economic improvements to the lives of the population on whose support illegal groups depend also explains why even crime groups without ideology can have strong political capital. This will be especially the case if crime groups couple their distribution of material benefits to poor populations with the provi-

sion of otherwise absent order and minimal security. By being able to out-compete the state in the provision of governance, organized crime groups can pose significant threats to states in areas or domains where the government's writ is weak and its presence limited.¹³ Consequently, the importance of distinctions as to whether a group is a crime group or a political one, or whether belligerents are motivated by profit, ideology, or grievances, is frequently exaggerated in policy discussions.¹⁴

Policies that focus on degrading the belligerents' physical resources by attempting to destroy the illicit economy are frequently ineffective with respect to the objective of drying up the belligerents' resources. In the case of labor-intensive illicit economies where there are no legal economic alternatives in place, such policies are especially counterproductive with respect to securing intelligence and weaning the population away from the terrorists and insurgents. Eradication of illicit crops has dubious effects on the financial profits of belligerents. Even when carried out effectively, it might not inflict serious, if any, financial losses to the belligerents since effective suppression of the production of the illicit commodity might actually increase the international market price for the commodity. Given continuing demand for the commodity, the final revenues might be even greater. This was, for example, the outcome of the Taliban ban on poppy cultivation in Afghanistan in 2000: after production was suppressed by 90 percent, the value of the Taliban's opium and heroin stocks increased 10 times.¹⁵

Moreover, the extent of the financial losses of the belligerents also depends on the ability of the belligerents, traffickers, and farmers to store drugs, replant after eradication, increase the number of plants per acre,

shift production to areas that are not subject to eradication, or use high-yield, high-resistance crops. Belligerents also have the opportunity to switch to other kinds of illicit activities such as synthetic drugs, illicit logging, gems, illicit trade in wildlife, or fundraising among wealthy sympathetic populations. There has not been one case where eradication bankrupted the belligerent organization to the point of defeating it.

Yet, although the desired impact of eradication—to substantially curtail belligerents' financial resources—is far from certain and is likely to take place only under the most favorable circumstances, eradication will definitely increase the political capital of the belligerents since the local population will all the more strongly support the belligerents and deny the government intelligence.

Policies to interdict drug shipments or anti-money laundering measures are less counterproductive in terms of antagonizing the local populations from the government, but they are extraordinarily difficult to carry out effectively. Most belligerent groups maintain highly diversified revenue portfolios. Attempts to turn off their income are highly intelligence-dependent and resource-intensive. With the exception of some tactical successes in Colombia, such efforts have yet to weaken any significant belligerent group.¹⁶

Counternarcotics policies therefore have to be weighed very carefully, with a clear eye as to their impact on counterinsurgency and counterterrorism. Seemingly quick fixes such as blanket eradication in the absence of alternative livelihoods, will only strengthen the insurgency and compromise state-building and ultimately counternarcotics efforts themselves.

It is also important to note that some illicit economies and new smuggling methods to which bel-

ligerents are pushed as result of suppression efforts against the original illicit economy can have far more dangerous repercussions for global security and U.S. national security than did the original illicit economy. Such alternative sources of financing could involve, for example, obtaining radioactive materials for resale on the black market. Reports that the leftist Colombian guerrilla group, the FARC, acquired uranium for resale so as to offset the temporary fall in its revenues as a result of eradication during early phases of Plan Colombia before coca cultivation there rebounded, is an example of how unintended policy effects in this field can be even more pernicious than the problem they are attempting to address. The FARC's switch to semisubmersibles for transportation of drugs provides another worrisome example of unintended consequences of a policy, this time intensified air and maritime interdiction. The more widespread such transportation technologies are among nonstate belligerent actors, the greater the likelihood that global terrorist groups will attempt to exploit them for attacks against the United States or its assets.

Similarly, in the absence of a reduction of global demand for narcotics, suppression of a narcotics economy in one locale will only displace production to a different locale where threats to U.S. and global security interests may be even greater. Considerations of such second- and third-degree effects need to be built into policy.

Apart from strengthening belligerents and even criminal groups in a multifaceted way, large-scale illicit economies also threaten the security and stability of the state. Politically, they provide an avenue for criminal organizations to enter the political space, corrupting and undermining the legitimate democratic

process. These actors, who enjoy the financial resources and political capital generated by sponsoring the illicit economy, frequently experience great success in politics. They are able to secure official positions of power as well as wield influence from behind the scenes. The problem perpetuates itself as successful politicians bankrolled with illicit money make it more difficult for would-be innocent actors to resist participating in the illicit economy, leading to endemic corruption at both the local and national levels. Guatemala, El Salvador, and Haiti are cases in point.¹⁷

Large illicit economies dominated by powerful traffickers also have pernicious effects on a country's law enforcement and judicial systems. As the illicit economy grows, the investigative capacity of the law enforcement and judicial systems diminishes. Impunity for criminal activity increases, undermining the credibility of law enforcement, the judicial system, and the authority of the government.¹⁸ Powerful traffickers frequently turn to violent means to deter and avoid prosecution, killing or bribing prosecutors, judges, and witnesses. Colombia in the late 1980s and Mexico today are powerful reminders of the corruption and paralysis of law enforcement as a result of extensive criminal networks and the devastating effects of high levels of violent criminality on the judicial system.

In addition, illicit economies have large and complex economic effects.¹⁹ Drug cultivation and processing, for example, generate employment for the poor rural populations and might even facilitate upward mobility. As mentioned above, they can also have powerful macroeconomic spillover effects in terms of boosting overall economic activity. But a burgeoning drug economy also contributes to inflation and can hence harm legitimate, export-oriented, import-sub-

stituting industries. It encourages real estate speculation and undermines currency stability. It also displaces legitimate production. Since the drug economy is more profitable than legal production, requires less security and infrastructure, and imposes smaller sunk and transaction costs, the local population is frequently uninterested in, or unable to participate in, other (legal) kinds of economic activity. The illicit economy can thus lead to a form of so-called Dutch disease, where a boom in an isolated sector of the economy causes, or is accompanied by, stagnation in other core sectors, since it gives rise to appreciation of land and labor costs.

EFFECTS OF REGIONAL MANIFESTATIONS OF THE DRUG-CONFLICT NEXUS ON U.S. SECURITY

Even though the drug-conflict nexus follows these general dynamics irrespective of the locale, how acute a threat to U.S. security interests it presents depends on the strategic significance of the state weakened by such connections and the orientation of the belligerent group toward the United States.

Perhaps nowhere in the world does the presence of a large-scaled illicit economy threaten U.S. primary security interests as much as in Afghanistan. There, the anti-American Taliban strengthens its insurgency campaign by deriving both vast financial profits and great political capital from sponsoring the illicit economy. The strengthened insurgency in turn threatens the vital U.S. objectives of counterterrorism and Afghanistan's stability plus the lives of U.S. soldiers and civilians deployed there to promote these objectives. The large-scale opium poppy economy also under-

mines these goals by fueling widespread corruption of Afghanistan government and law enforcement, especially the police forces.²⁰

A failure to prevail against the insurgency will result in the likely collapse of the national government and Taliban domination of Afghanistan's south, possibly coupled with civil war. A failure to stabilize Afghanistan will in turn further destabilize Pakistan, emboldening the jihadists in Pakistan and weakening the resolve of Pakistan's military and intelligence services to take on the jihadists. Pakistan may likely once again calculate that it needs to cultivate its jihadi assets to counter India's influence in Afghanistan—perceived or actual.

But the seriousness of the threat and the strategic importance of the stakes do not imply that aggressive counternarcotics suppression measures taken today will enhance U.S. objectives and global stability. Indeed, just the opposite. Premature measures, such as extensive eradication before legal livelihoods are in place, will simply cement the bonds between the rural population dependent on poppy cultivation for basic livelihood and the Taliban, limit intelligence flows to Afghan and North Atlantic Treaty Organization (NATO) forces, and further discredit the Afghan government and tribal elites sponsoring eradication. Nor, given the Taliban's large sources of other income, will eradication bankrupt the Taliban. In fact, eradication so far has failed to accomplish that while already generating counterproductive outcomes.

After years of an inappropriate focus on eradication of the poppy crop, the new Barack Obama counternarcotics strategy for Afghanistan announced in the summer of 2009, promised to mesh well with the counterinsurgency and state-building effort. By scal-

ing back eradication and emphasizing interdiction and development, it will help separate the population from the Taliban. A well-designed counternarcotics policy is not on its own sufficient for success in Afghanistan, but it is an indispensable condition. Counterinsurgent forces can prevail against belligerents profiting from the drug trade when they increase their own counterinsurgency resources and improve the strategy.

Moreover, “success” in suppressing poppy in Afghanistan might well increase threats to U.S. security in other ways. Given existing global demand, poppy cultivation will shift elsewhere. There are many countries where poppy can be grown; but Burma, which used to be the number one producer for many years, the countries of Central Asia, and Pakistan are likely candidates. A shift to Pakistan would be by far the most worrisome. In that case, Pakistani jihadi groups would not only be able to increase their profits, but also, most dangerously, their political capital. Today, they have little to offer but ideological succor to the unsatisfied populations in the Federally Administered Tribal Areas, the Northwest Frontier Province, and wider Pakistan. If widespread poppy cultivation shifted to these areas, Kashmir, and possibly even parts of Punjab, the jihadist belligerents would be much strengthened by providing real-time economic benefits to marginalized populations.

Drug trafficking organizations in Mexico pose perhaps the second greatest threat to U.S. security on the part of today’s actors involved in the global drug trade. Unlike jihadi terrorist groups in Afghanistan and Pakistan, they do not seek to target the U.S. homeland or intend to conduct a deadly terrorism campaign against the United States. Nor do they have the capac-

ity or desire to overthrow the Mexican government. Mexico is not a failing state. But any spillover of the drug war from Mexico could threaten public safety in certain U.S. localities, including substantial increases in murder rates, kidnapping, and other violent crime.

In Mexico, the drug violence has already not only undermined Mexican citizens' human security and overall public safety, but also resulted in suppressed economic activity, including tourism. The provision of public safety is an inescapable and irreducible responsibility of the state, and Mexico is clearly struggling in its delivery. While the political capital of Mexican drug trafficking organizations is limited by their brutality and the fact that the dominant aspect of the drug trade there is labor non-intensive trafficking, they do have political capital that the Mexican government has so far not attempted to counter, focusing instead on narrow interdiction. In Mexico, this political capital comes from the aforementioned spillovers from the illicit economy, the cartels' sponsorship of labor-intensive poppy and cannabis cultivation, and the fact that the cartels now dominate not simply illegal economies but also informal economies in Mexico, such as street sales of CDs in the *Zócalo* (public square) area.²¹ Consequently, Mexico's law enforcement strategy needs to be complemented by socio-economic efforts to break the bonds between Mexico's extensive poor and marginalized population and the criminal groups.

Indeed, a focus on the *narcos* and on changing the relationship between the Mexican state and society is now the fourth pillar of the new orientation of the Merida Initiative. The other three pillars of the reoriented strategy include: (1) moving away from high-value targeting of drug trafficking organization *capos* to a more comprehensive interdiction effort that targets the entire drug organization and giving newly trained

police forces the primary street security function once again while gradually relegating the military to a background support function; (2) building a secure but smart U.S.-Mexico border that also facilitates trade; and (3) building up Mexico's civilian capacity.²² The fourth pillar—focused on weaning the population away from the *narcos*—seeks to build resilient communities in Mexico to prevent their takeover by Mexican crime organizations. Through a variety of urban development initiatives, the Mexican government hopes to persuade Mexican citizens who are deeply dissatisfied with the violence that it can better provide them with public goods and social services than can the *narcos*. The effort also aims to restore hope for underprivileged Mexicans—20 percent of Mexicans live below the extreme poverty line, and at least 40 percent of the Mexican economy is informal—that a better future and possibility of social progress lie ahead if they remain in the legal economy. Such bonds between the community and the state are what at the end of the day will allow the state to prevail and crime to attenuate.²³ But these bonds are very hard to build—all the more so given the structural deficiencies of Mexico's economy. To mend these, President Felipe Calderón has unveiled a host of social programs oriented toward bringing jobs, education, and public spaces to Ciudad Juarez. How swiftly and effectively these programs will be implemented remains to be seen.

In Colombia and Africa, the threats to U.S. national security and global stability are comparatively less robust. Colombia is a close U.S. ally, and the United States has accordingly committed over \$6 billion to help Colombia achieve security, promote human rights and justice, and reduce the cultivation of illicit crops. While coca in Colombia today remains

at levels comparable to or greater than those before intensified aerial spraying began under Plan Colombia, the FARC today is clearly much weakened as a result of the U.S. resources, training, and intelligence provided to the Colombian military.²⁴ Even though the case of the so-called false positives (civilians shot by the Colombian military and dressed up as guerrillas to show a greater body count) raises serious questions about the military campaign and its successes, security is undeniably better.²⁵ The demobilization of Colombia's paramilitaries greatly enhanced security and reduced kidnapping in Colombia, even though new paramilitary groups—sometimes referred to as *bandas criminales* (criminal bands) or *grupos emergentes* (emerging paramilitary groups)—are springing up and once again threaten local security. As mentioned before, the FARC's popularity today is lower than ever, but forced eradication without legal alternatives in place unfortunately assures that many *cocaleros* still reject the Colombian state, are willing to put up with the FARC, and are even willing to join the FARC.

Clearly, the United States has an interest in Colombia's enhanced security, prosperity, and human rights promotion. But that country's violent armed groups have not greatly threatened U.S. security interests beyond the FARC's shooting at spraying planes and oil pipelines belonging to U.S. companies. The three U.S. contractors held by the FARC went through a terrible ordeal, and their rescue in 2008 was a joyful moment. But overall, neither the FARC nor the other leftist guerrilla group, the *Ejército de Liberación Nacional* (National Liberation Army [ELN]), have sought to conduct a terrorist campaign against U.S. citizens and major U.S. assets or attack the U.S. homeland. Allegations of al-Qaeda, Hamas, and Hezbollah contacts

with the FARC or these groups' penetration of the Latin American drug trade have not proven to be a serious menace.²⁶

Similarly, the resurgent *Sendero Luminoso* (Shining Path) in Peru is once again profiting from the drug trade there and once again mobilizing *cocaleros* alienated from the state as a result of eradication. But the group is still comparatively weak and internally oriented.²⁷

In Africa, the drug trade clearly threatens the weak states. But once again, while highly worrisome, this threat has not yet affected U.S. security interests or global stability. There is always the possibility that global terrorist groups will seek to exploit African drug trade opportunities for financing and other gains. But terrorist groups can equally seek to exploit legal sources of revenue. Interestingly enough, Somalia's *jihadi al Shabab*, while to some extent tapping into pirates' profits, has not sought to exploit the *qat* trade between Kenya, Somalia, and the greater Horn of Africa. Instead, *al Shabab* has prohibited both *qat* consumption and trade, thus alienating many Somalis and antagonizing key business interests and power-brokers. So far, however, this has not hampered the group's ability to spread through the country and to threaten the very survival of the government.

OVERALL RECOMMENDATIONS

In conclusion, I can offer several broad policy recommendations:

- Counterinsurgency should not rely on suppression of illicit economies to defeat or even substantially weaken belligerents. Military forces, whether domestic or international, should fo-

cus directly on defeating the belligerents and protecting the population. Efforts to limit the belligerents' resources should focus on mechanisms that do not harm the wider population directly, even though such discriminate efforts are difficult to undertake effectively because of their resource intensiveness.

- When dealing with labor-intensive illicit economies in poor countries, governments should undertake suppression efforts that affect the wider population only after military conflict has been brought to an end. Even after the conflict has ended, eradication of illicit crops should be undertaken only when the population has access to effective alternative livelihood programs.
- Efforts to provide legal alternative livelihoods to marginalized poor populations, as painstaking and long-term as they are, should lie at the core of U.S. counternarcotics efforts abroad. Encouraging and extending economic development of the region have to take place not only through steadfast promotion of free trade, but also through determined effort to assist national governments with the development of socio-economic periphery areas. As the previous 2 decades have shown, free trade on its own does not guarantee that unskilled, poor, marginalized populations in the rural peripheries and urban slums can participate in the global market and reap benefits from it. The United States and Latin American governments should pay greater attention to rural development in the hemisphere as well as to the integration of urban peripheries into the productive and legal

realm of society. If larger segments of the populations are capable of plugging into the global legal economy and see their socioeconomic condition improve, they will depend less on illicit economies and be more willing to cooperate with efforts to reduce them.

- In short, U.S. efforts to suppress violent crime need to be designed to enhance human security in its many facets.
- Interdiction efforts should be designed to limit the coercive and corruptive power of criminal groups rather than to simply and predominantly focus on suppressing the supply of an illicit commodity.
- Governments and international organizations need to consider where the illicit economy is likely to reemerge if suppression efforts in a particular country or region are effective and what the resulting national security and global stability implications will be. Governments and international organizations also need to consider the possibility – including security implications – that if suppression succeeds, other illicit economies will replace the current one.

Governments and their international partners must address the demand for illicit drugs. Such focus on demand reduction in the United States and abroad will not only greatly enhance the U.S. goal of reducing drug consumption, but also best mitigate the dangerous security consequences of the drug-terrorism and drug-insurgency nexus.

ENDNOTES - CHAPTER 1

1. "La industria del secuestro esquilma a América Latina" (The Kidnapping Industry Impoverishes Latin America), *El País*, February 17, 2008.

2. See, for example, Jorge Sapoznikow *et al.*, "Convivencia y Seguridad: Un Reto a la Gobernabilidad" ("Coexistence and Security: A Challenge to Governability"), Washington, DC: Inter-American Development Bank, 2000; and Centro Nacional de Datos, Fondelibertad, Ministerio de Defensa Nacional, República de Colombia, "Cifras Exorcion" ("Extortion Rates"), June 20, 2007; available from www.antisecuestro.gov.co/documentos/7_16_2007_4_58_07_PM_CifrasHistorias.pdf.

3. "Ejecutómetro 2010" ("Metrics of Execution 2010"), *Reforma*, accessed April 15, 2010.

4. Cory Molzahn, "Justice in Mexico Monthly News Report," Trans-Border Institute, February 2012, p. 5; Cory Molzahn, Viridiana Ríos, and David A. Shirk, "Drug Violence in Mexico Special Report," Trans-Border Institute, March 2012.

5. See, for example, John Bailey and Lucía Dammert, "Public Security and Police Reform in the Americas," *Public Security and Police Reform in the Americas*, Pittsburgh, PA: University of Pittsburgh Press, 2006, pp. 1-22.

6. This section draws heavily on Vanda Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs*, Washington, DC: Brookings Institution Press, 2009.

7. Guillermo Ibara in Manuel Roig-Franzia, "Mexico's Drug Trafficking Organizations Take Barbarous Turn: Targeting Bystanders," *Washington Post*, July 30, 2008, p. A9.

8. For a discussion of the evolution of the group's ideology, see, for example, Adam Isacson, "Was Failure Avoidable? Learning From Colombia's 1998-2002 Peace Process," *The Dante B. Fascell North-South Center Working Paper Series*, Paper No. 14, March 2003; available from www.miami.edu/nsc/publications/NSC/PublicationsIndex.html#WP.

9. For trafficking to other parts of the country and the coast, the FARC still relies either on new cartels—the so-called boutique cartels—or on reemergent paramilitary groups, also known as *grupos emergentes* or *bandas criminales*. While the FARC clearly trades with Mexican drug trafficking organizations, there is little evidence that it has significantly penetrated either international drug trafficking routes or distribution in retail markets.

10. For an excellent discussion of the variety of these regulatory and protective services, see Nazih Richani, *Systems of Violence: The Political Economy of War and Peace in Colombia*, Albany, NY: State University of New York Press, 2002.

11. Felbab-Brown, *Shooting Up*, Chap. 4.

12. Based on author's fieldwork in coca and noncoca areas in Nariño, Magdalena Media, and Montes de Maria, in the Summer and Fall of 2008. See also Vanda Felbab-Brown, Joel M. Jutkowitz, Sergio Rivas, Ricardo Rocha, James T. Smith, Manuel Supervielle, and Cynthia Watson, Management Systems International, *Assessment of the Implementation of the United States Government's Support for Plan Colombia's Illicit Crops Reduction Components*, Washington, DC: U.S. Agency for International Development (USAID), April 2009; available from pdf.usaid.gov/pdf_docs/PDACN233.pdf.

13. For seminal work on the governance functions of crime, see Diego Gambetta, *The Sicilian Mafia: The Business of Private Protection*, Cambridge, MA: Harvard University Press, 1993. The literature on organized crime typically assumes that criminal organizations serve one or more of the following functions: economic—the generation of material profit; social—establishment of contacts and promotion of social solidarity; and quasi-governmental—regulating the economic activity not only of their members, but also of other illegal economic competitors within their sphere of influence by establishing and enforcing rules of conduct. See Klaus von Lampe, "Criminally Exploitable Ties: A Network Approach to Organized Crime," Emilio C. Viano, Jose Magallanes, and Laurent Bridel, eds., *Transnational Organized Crime: Myth, Power, and Profit*, Durham, NC: Carolina Academic Press, 2003. See also Phil Williams, "Transnational Criminal Organizations: Strategic Alliances," *The Washington Quarterly*, Vol. 18, No. 1, Winter 1994, pp. 57-72.

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