How to solve the problem without generating even greater violence

By Vanda Felbab-Brown

Policies that focus on suppressing drug flows are often ineffective in suppressing organized crime. Under the worst circumstances, such as in Mexico or Afghanistan, policing policies, such as high-value targeting or eradication of illicit crops, can trigger intense criminal violence or strengthen insurgencies. But neither is legalization an effective shortcut to law enforcement. On its own, it is unlikely to address a host of problems associated with organized crime.

Illicit economies exist in some form virtually everywhere. For example, some part of the illegal drug economy – production, trafficking, or distribution – is present in almost every country. Although the drug trade is widely believed to be the most profitable illicit economy, dwarfing others such as the illegal trade in wildlife or logging, its impact on society and the intensity of violence and corruption it generates vary in different regions and over time.

Like Colombia in the 1980s, Mexico today is blighted by violence. But although many of the same drug trafficking groups operate in both Mexico and the United States, their behaviour is strikingly different north of the border where their capacity to corrupt state institutions is limited and the level of violence they generate is small.

Indeed, what characterizes the US drug market today – most of which operates behind closed doors, off the streets, and over the internet – is how peaceful it is. Such variation is found in other contexts too: the Yakuza, even while dominating the construction economy in Japan, is far less violent than Hong Kong's tongs or Latin America's organized crime.

Many things account for the variation in violence, including demographic factors, such as the age of criminal capos and the geographic concentration of minority groups, levels of poverty, the balance of power in the criminal market as well as the capacity of policing agencies and their choice of strategies. Beyond violence, the strength and presence of the state are critical in determining the impact of illicit markets on society.

Political capital of crime gangs

Organized crime has a particularly vicious impact on the state if it can create strong bonds with larger segments of the population than the state can. Many people around the world in areas with an inadequate or problematic state presence, great poverty, and social and political marginalization are dependent on illicit economies for their livelihood.

Criminal (as well as militant) groups provide the marginalized population with employment and an opportunity for social advancement. They can also provide a level of security, suppressing robberies, thefts, kidnapping, and murders as well as providing informal courts, despite their being instigators of crime and instability in the first place. As a result, criminal entities can gain political capital with local communities.

Why outlawing drugs is not an answer

Although frequently portrayed as an effective solution to the problem of organized crime, mere legalization of illicit economies, particularly of drugs, is no panacea.

Proponents of legalization as a mechanism to reduce organized crime make at least two arguments: it will severely deprive organized crime groups of resources. It will also free law enforcement agencies to concentrate on other types of crime.

A country may have good reasons to want to legalize the use and even production of some addictive substances and ride out the consequences of greater use. Such reasons could include providing better health care to users, reducing the number of users in prison, and perhaps even generating greater revenues and giving jobs to the poor.

Yet without robust state presence and effective law enforcement, both often elusive in parts of the world such as Latin America or Africa, there can be little assurance that organized crime groups would be excluded from the legal drug trade. In fact, they may have numerous advantages over legal companies and manage to hold on to the trade, perhaps even resorting to violence to do so. Nor does mere legalization mean that the state will suddenly become robust and effective. Persistent deficiencies in the state explain why there is so much illegal logging alongside legal logging, for example, or why smuggling in legal goods take place.

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Main: The usual suspects – cocaine buyers are placed under arrest in Honduras
Above: Eduardo Teodoro Garcia Simental, one of Mexico's most-wanted drug barons, in handcuffs

Organized crime groups who stand to be displaced from the drug trade by legalization can hardly be expected to take the change lying down. Rather, they may intensify their violent power struggles over remaining illegal economies, such as the smuggling of other contraband or migrants, prostitution, extortion, and kidnapping. To mitigate their financial losses, they may also seek to take over the black economy, which operates outside the tax system. If they succeed in organizing street life in this informal sector, their political power over society will be greater than ever.

Nor does legalization imply that police would be freed up to focus on other issues or become less corrupt: The state may have to devote more resources to regulating the legal economy.

Additionally, a grey market in drugs would probably emerge. If drugs became legal, the state would want to tax them – to generate revenues and to discourage greater use. The higher the tax, the greater the opportunity for organized crime to undercut the state by charging less. Organized crime groups could set up their own fields with smaller taxation, snatch the market and the profits, and the state would be back to combating them and eradicating their fields. Such grey markets exist alongside a host of legal economies, from cigarettes to stolen cars.

> 'Organized crime groups are unlikely to be excluded from the legal drugs trade'

Designing effective crime policies

Without capable and accountable police that are responsive to the needs of the people and are backed-up by an efficient, accessible, and transparent justice system, the state cannot manage either legal or illegal economies.

Reducing the violence associated with drug trafficking should be a priority for police. Governments that effectively reduce the violence surrounding illicit economies often may not be able to *rid* their countries of organized crime; they can, however, lessen its grip on society, thereby giving their people greater confidence in government, encouraging citizen co-operation with law enforcement, and aiding the transformation of a national security threat into a public safety problem. That can happen – and many countries have succeeded in doing so – in the absence of legalization.

An appropriate anti-crime response is a multifaceted state-building effort that seeks to strengthen the bonds between the state and marginalized communities dependent on or vulnerable to participation in illicit economies. Efforts need to focus on ensuring that communities will obey laws – by increasing the likelihood that illegal behaviour and corruption will be punished via effective law enforcement, but also by creating a social, economic, and political environment in which the laws are consistent with the needs of the people.

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