

Dr. Vanda Felbab-Brown

**Director, The Initiative on Nonstate Armed Actors
and
Senior Fellow
The Brookings Institution**

Senate Caucus on International Narcotics Control

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**“The Nexus between the Illicit Narcotics Trade and
Corruption”**

Senator Whitehouse, Senator Grassley, and Distinguished Members of the Senate Drug Caucus:

I am honored to have this opportunity to address the Caucus on the important issue of the relationship between the drug trade and corruption and U.S. anti-corruption efforts. Illicit economies, such as the drug trade, organized crime, corruption, and their impacts on U.S. and local security issues around the world are the domain of my work and the subject of several of the books I have written. I have conducted fieldwork on these issues in Latin America, Asia, and Africa. For example, I have recently spent several weeks studying the impact of the illegal drug trade, criminal groups, and corruption in Mexico. I speak to you today virtually from Iraq where I have also studied the relationship between militancy, illegal economies, and state-building. I will focus my comments on the general dynamics of the drug-corruption nexus and provide illustrations from Mexico, Colombia, Afghanistan, Myanmar, and other settings. I will conclude with implications for U.S. policy for dealing with this difficult and complex problem.

The Biden administration's statement of drug policy priorities for its first year released on April 1, 2020 is a praiseworthy document.¹ In terms of supply reduction, the plan details six primary lines of effort, two of which are 1) working with key partners in the Western Hemisphere, such as Mexico and Colombia, and 2) engaging China, India, and other source countries to disrupt the flow of synthetic drugs and their precursors. Significantly, the section on working with partners in the Western Hemisphere emphasizes a comprehensive response of deepening bilateral cooperation on public health approaches, expanding effective state presence, developing infrastructure, and ensuring respect for the rule of law and human rights. Across a variety of policy domains, the Biden administration has also recognized and strongly emphasizes the need to tackle corruption. This is also essential in being able to implement effective drug policies abroad.

Persistence of vast illegal economies, such as the drug economy, often strongly exacerbates corruption and undermines rule of law. Corruption in turn undermines counternarcotics efforts – whether they are interdiction of drug trafficking networks, as has often been the case in Mexico or Honduras, or efforts to build up legal livelihoods for marginalized populations cultivating illegal economies as government officials, vested interests, and exclusionary elites as has at various times been the case in Colombia.

Effectively addressing corruption is vital for the effectiveness of all forms of counternarcotics policies. **Yet it is also complex, with one anti-corruption strategy not fitting all settings. It can also be a monumental task profoundly reshaping local and even national political arrangements in a country, not merely a technical undertaking.**

In almost every country, there will be some corrupt individuals in law enforcement or government roles.

Yet in some settings, corruption systematically pervades all layers of government and all law enforcement institutions, a situation that may well have persisted for decades.

In such settings, the relationship with illicit economies and organized crime groups and political arrangements are often mutually constitutive. *Thus, measures and strategies against*

¹ “The Biden-Harris Administration’s Statement of Drug Policy Priorities for Year One,” (Washington, DC: Executive Office of the President, Office of National Drug Control Policy, 2021), https://www.whitehouse.gov/wp-content/uploads/2021/03/BidenHarris-Statement-of-Drug-Policy-Priorities-April-1.pdf?fbclid=IwAR2TBk34U_XRqlqK_pAYnUd_9f7zY3IbCQI9KxI6S5eYeRJdFzI9B09hZ84.

the illegal drug economy, other illicit economies, and predatory criminality, or their absence, also need to be understood as profoundly political efforts.

In such circumstances, anti-crime and anti-corruption efforts are thus not merely technical interventions and assistance to strengthen institutions and civil society; they are projects in reorganizing local political arrangements and local balances of power.

Conversely, their effectiveness is thus also a function of relative balances of power and the long-term wherewithal and capacities of the would-be reformers, internal or external. *If they are treated as merely technical efforts to reform the law enforcement or justice sector and ignore the political realities of country and of how they change local balances of power, they will be at best ineffective in effectively countering drug economies and at worst can weaken a desirable political order and intensify conflict.*

In many countries, political patronage strongly overlapping with pervasive corruption, is a defining feature of political processes and arrangements, a situation that limits the ability to mount either counternarcotics policies or anti-corruption efforts. Such an analytical premise needs to shape the design of policy in both domains.

Moreover, settings of violent conflict and counterinsurgency or counterterrorism efforts, such as in Afghanistan between 2001 and 2021, or very highly violent criminality, such as in Mexico over the past two decades, add further complexity to the relationship between corruption, illicit economies, and political arrangements and additional complications for the design of counternarcotics and anti-corruption strategies.

Finally, in some circumstances, such as in Venezuela, North Korea, or Myanmar, the entire regime's survival is dependent on the persistence of exclusionary patronage, corruption, and illegal economies of the drug trade.

Consequently, both counternarcotics and anti-corruption policies need to be pointedly sequenced and prioritized as well as nested within wider diplomatic, development, and in some circumstances, stabilization and military efforts.

Recognizing the large amount of resources and time anti-corruption and counternarcotics efforts require is fundamental. International partners often lack both; but, importantly, local governments are even more bereft of the wherewithal and capacity to generate and apply those needed resources – Colombia's post-peace-deal struggles and misguided premature forced eradication efforts of coca crops and inadequate design of and funding for alternative livelihoods programs are a prime example.²

Large and more political powerful segments of the population may also have a highly limited will to support such projects. The willingness of the powerful exclusionary elites to absorb taxes necessary to develop resources for effective counternarcotics approaches may be sorely lacking. In Mexico, when governments have bothered to invest in building state institutions to counter to criminal groups, they've been unable to generate the will to sustain and concentrate the source flows.³ With inadequate or shrinking of resources, even temporary successes rapidly crumble.

Deeply linked to the issues of resources and the lack of will of national governments (and sometimes larger populations) to devote the necessary expenditures to decades-long

² Vanda Felbab-Brown, "Detoxifying Colombia's drug policy," (Washington, DC: The Brookings Institution, January 2020), <https://www.brookings.edu/research/detoxifying-colombias-drug-policy/>.

³ Vanda Felbab-Brown, "A Hotspot Anti-Crime Strategy in Mexico," *Mexico Today*, August 27, 2021, <https://mexicotoday.com/2021/08/27/opinion-a-hotspot-anti-crime-strategy-in-mexico/>.

counternarcotics and stabilization projects are the interests of the national governments themselves. They can differ significantly from the interests of international partners.

For many national governments, parochial politics centering on narrow competition over power and resources and their division and redivision among narrow cliques is far more vital for regime stability and far more central to governmental purposes than addressing national interests and delivering an effective and accountable state throughout the territory. Countering corruption and devising effective, sustainable, and human-security- and human-rights-focused counternarcotics and rule-of-law policies will be low on their agenda. Instead, they may seek to adopt policies that merely appease international partners, such as the United States, disguise their own or institutional corruption and complicity in illegal drug production and drug trafficking, and divert counternarcotics and anti-corruption efforts against their political, criminal, and business rivals, to the distress of the most vulnerable and marginalized populations.

Counternarcotics and anti-corruption efforts can thus merely replicate the very same narrow, parochial, self-interested, rapacious, predatory, and corrupt rule that characterizes the national regime.

In conflict settings or settings of high corruption and highly violent criminality, official policies and actions can be so pernicious that even the deficient and brutal, but predictable rule of nonstate armed actors, including criminal groups, may be preferred by local populations, thereby giving the nonstate armed actors significant local entrenchment.⁴

The objective of the militaries and law enforcement units a partner state deploys to conflict areas may well be merely to suppress conflict and violent criminality to a less intense level. Such an approach can both limit resource expenditures and the bringing in of new rents. But the forces mobilized to counter the criminal and militant groups can themselves become deeply involved in lucrative local economies, such as the drug trade, an access they would lose if the conflict and criminality fully ended.

Parochial corrupt political processes tend to infect and eviscerate even efforts to build up national military and law enforcement forces. The long-known technical, logistical, parochialism, and corruption deficiencies of the Afghan security forces that ultimately made twenty years of U.S. and NATO efforts to go up in smoke in just ten days are being replicated in Somalia, Nigeria, Mali, and elsewhere.⁵

The record of police reform and police force build-ups is also highly disappointing. Not only have police reform and institution-building efforts failed to suppress militant and criminal groups in many parts of the world (from the Northern Triangle of Central America, Haiti, and Mexico to Iraq and Afghanistan to Nigeria and Mali), the police have often become key sources of insecurity, criminality, abuse, repression, and cooptation of and by nonstate armed actors. In war zones, such as Afghanistan, the United States often erroneously built police forces as light counterinsurgency forces, not paying attention to the rise in predatory urban and rural criminality, often perpetrated by U.S. presumed partners -- and thus providing opportunities for the insurgents to entrench themselves. Elsewhere, such as in Iraq, parochial, but powerful political actors managed to subvert and appropriate police reform efforts, with the subsequent sectarian police abuses key sources of new militancy.

⁴ Vanda Felbab-Brown, Harold Trinkunas, and Shadi Hamid, *Militants, Criminals, and Warlords: The Challenge of Local Governance in an Age of Disorder* (Washington, DC: The Brookings Institution, 2017).

⁵ Vanda Felbab-Brown, "Why the Taliban Won," *Foreign Affairs*, August 17, 2021, <https://www.foreignaffairs.com/articles/united-states/2021-08-17/why-taliban-won>.

Even successful police reform efforts have turned out to be ephemeral. In Colombia, where the reform of the national police and improvements in its anti-crime capacity turned out to be one greatest successes of the 2000s decade, the police force recently became disgraced by its renewed anti-protestor brutality.

When success is achieved, presumed partners may have little political interest in sustaining the successes. In Mexico, where amidst massive corruption of law enforcement forces and decades-long failures to effectively reform, the United States investment of extensive resources for building the Federal Police produced highly-imperfect results, including allegations of criminal collusion among segments of the Federal Police with the Sinaloa Cartel, nonetheless, some important progress was achieved. Nevertheless, the Andrés Manuel López Obrador administration for political and nationalist reasons disbanded the *Federales* essentially overnight, discarding all the technical and financial investment made.

Similarly, in early post-apartheid South Africa, the United States and Britain invested extensive resources into building a special law enforcement and anti-corruption unit known as the Scorpions. The unit achieved impressive success in exposing and prosecuting corruption. But once its independence and authority started exposing the corruption within the African National Congress, the Thabo Mbeki government dismantled the unit as the United States and Britain watched helplessly from the sidelines. The end of the Scorpions was a preview of the dismantling of the International Commission against Impunity in Guatemala (CICIG) and the Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH), the international bodies tasked with addressing corruption in those countries after their political and rule of law systems became infiltrated by criminal and militia actors. Presumed local partners were willing to tolerate them only as long such bodies targeted their political opponents or isolated individuals: When these bodies started targeting the core corrupt and parochial patterns of governance and structures of power, i.e., the most important interests of the governing elites, the presumed local partners got rid of them.

In these settings, governance at the national level and anti-corruption and counternarcotics policies are not conceived of as serving public and national interests, but as protecting and advancing narrow parochial interests of specific cliques, even if the consequences are persistent violent criminality, such as in South Africa and Central America, or militancy.

And other **special interdiction and special investigation units (SIUs), including those trained by the United States and other external interveners, can go rogue** and become the top criminals in a country or locality, perversely exploiting the internationally-obtained training and capacities to manipulate the criminal market and militant landscape to serve their parochial and rent interests. Any initial one-time vetting can be insufficient to keep such SIUs anchored to a national-interest, good-governance, and rule-of-law purposes. The risks that SIUs will go rogue increases if recipient governments are unwilling to agree to unfettered and repeated vetting of all members of the SIUs by international partners throughout the existence of the SIUs, not merely at the beginning, or if they insist that leaders of SIUs not be vetted, as was the case in Mexico even at the height of U.S.-Mexican counternarcotics and rule-of-law collaboration during the Felipe Calderón administration.

In many parts of the world, **advancing rule-of-law and anti-corruption efforts will need to take the form of a complex and non-linear, but persistent policy engagement seeking to identify political reformers who benefit *politically* from engaging in anti-**

corruption and broader stabilization efforts and over time trying to find ways to enhance these narrow political motivations into broader and neutral institutional habits.⁶

However, **it is vital to distinguish between corruption and appropriate recognition that certain counternarcotics policies, such as forced eradication of illegal crops in the absence of legal livelihoods for large segments of the population, may be inappropriate.** It is equal appropriate and not a manifestation of corruption to deconflict and synchronize the chosen counternarcotics policies with other national objectives, such as counterinsurgency and counterterrorism efforts or institution building.

In the absence of legal livelihoods of large segments of local populations, forced eradication of illegal crops often generates significant political capital for those who oppose eradication, including criminal and militant groups. Forced eradication thus complicates broader conflict mitigation and state-building efforts and can undermine vital counterterrorism and counterinsurgency objectives.

In Afghanistan, forced eradication between 2003 and 2009 had the following effects: It did not bankrupt the Taliban. In fact, the Taliban at first reconstituted itself in Pakistan between 2002 and 2004 without access to large profits from drugs, rebuilding its material base largely from donations from Pakistan and the Middle East and from profits from another illicit economy, the illegal traffic with licit goods between Pakistan and Afghanistan. Later on, it became fully involved in the drug economy, just as anti-Taliban powerbrokers and militias and Afghan government officials did. Eradication strengthened the Taliban physically by driving economic refugees into its hands. Critically, eradication alienated the local population from the national government as well as from local tribal elites that agreed to eradication, thus creating a key opening for Taliban mobilization. Eradication brought the Taliban significant political capital and critically undermined the motivation of the local population to provide intelligence on the Taliban to the counterinsurgents while it motivated the population to provide intelligence to the Taliban. Moreover, locals officially in charge of eradication were in the position to best profit from counternarcotics policies, being able to eliminate competition – business and political alike – and alter market concentration and prices at least in the short term and within their region of operations. The decision of the Obama administration to defund centrally-led eradication was thus highly appropriate.⁷

In contrast, **interdiction efforts were often eviscerated by corruption and political patronage processes in Afghanistan deeply intertwined with regime survival and cooptation of political rivals.** And they were also limited by the effect that U.S.-embraced anti-Taliban militias and powerbrokers were themselves deeply involved in drug trafficking. The United States and the international community did attempt to mount several anti-organized-crime and anti-corruption initiatives. One of the most visible tools became the military's anticorruption task

⁶ Vanda Felbab-Brown, "The Hellish Road to Good Intentions: How to Break Political-Criminal Alliances in Contexts of Transitions," (Tokyo: United Nations University, April 2017), <https://www.brookings.edu/wp-content/uploads/2017/05/the-hellish-road-to-good-intentions-how-to-break-political-criminal-alliances-in-contexts-of-transition.pdf>.

⁷ Vanda Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs* (Washington, DC: The Brookings Institution, 2013); and Vanda Felbab-Brown, "Drugs, Security, and Counternarcotics Policies in Afghanistan," (testimony, The United Kingdom Parliament, House of Lords, International Relations and Defence Committee's Inquiry into Afghanistan, October 29, 2020), <https://www.brookings.edu/testimonies/drugs-security-and-counternarcotics-policies-in-afghanistan/>.

force, Shafafiyat (Transparency). Shafafiyat had a broad mandate to lead NATO investigations into all aspects of corruption in Afghanistan. But ultimately hamstrung by both political complexities in Afghanistan where key political powerbrokers were involved in the drug trade and other illegal economies and predatory criminality and the significant drop-off of ISAF's focus on corruption and governance a year later, this anticorruption body failed to make more than a sporadic difference.

For years, then, the dynamic would be as follows: The U.S. government would secure dramatic promises from the Afghan government to tackle corruption, but little meaningful action would follow. Such declaratory commitments would usually ramp up before major donor pledging conferences, but most would not be implemented, with little change in practice. And the United States and the Afghan government would refrain from suspensions of the international aid, even in response to gross failures by the Afghan government to meet the conditions placed on it.

Finally, it is also critical to recognize that highly intense violent criminality or violent political conflict will exacerbate corruption and limit government wherewithal to adopt effective counternarcotics policies. When government officials and their families are under constant threat of being killed by criminal actors, perhaps even with the help of other corrupt government officials and when they receive little-to-no backup and protection from national or higher-level officials, they will have little ability to resist corruption pressures. In Mexico, local municipal government officials and law enforcement forces increasingly face unbearable intimidation and violence pressures from criminal groups in all aspects of their work, from elections through anti-crime policy implementation. Corruption, which has long-plagued local and state-level institutions in Mexico, and continues to pervade national level judicial and law enforcement institutions, is enabled and exacerbated when national-level authorities provide no meaningful counter to violence perpetrated by criminal groups. The more criminal groups can get away with brazen violence and intimidation pressures on local, state, and even national level law enforcement and government authorities, and the less the national government mounts a strong effective response to counter the violence and intimidation pressures of criminal groups, the more corruption and capture of state institutions and officials by criminal groups grow.⁸

Reducing violence is critical, the essential and inescapable function of state institutions. Counternarcotics policies that exacerbate violence, such as high-value targeting policies in settings like Mexico, will come to be seen as illegitimate, undesirable, and politically unsustainable. However, the essential imperative to limit criminal violence and predatory criminality will not be effectively accomplished if the government merely hands out the rule of large territorial spaces and economic domains to criminal actors or gives up on its responsibility to counter them and develop effective law enforcement incapacitation and deterrence capacity vis-à-vis criminal groups.

⁸ Vanda Felbab-Brown, "Mexico's out-of-control criminal market," (Washington, DC: The Brookings Institution, March 2019), <https://www.brookings.edu/research/mexicos-out-of-control-criminal-market/>; Vanda Felbab-Brown, "AMLO's security policy: Creative ideas, tough reality," The Brookings Institution, March 2019, <https://www.brookings.edu/research/amlos-security-policy-creative-ideas-tough-reality/>; and Vanda Felbab-Brown, "The US-Mexico Security Relationship in 2021," *Mexico Today*, January 19, 2021, <https://www.brookings.edu/blog/order-from-chaos/2021/01/19/the-us-mexico-security-relationship-in-2021/>.

Unfortunately, these pernicious developments have characterized the Andrés Manuel López Obrador administration in Mexico. Furthermore, Mexico’s national security law of December 2020 and the refusal of the Mexican government to issue visas for U.S. Drug Enforcement Administration has critically hampered the ability of U.S. law enforcement agents to operate in Mexico and reduced a vital monitoring capacity of the extent of corruption in Mexico, intimidation and cooptation of law enforcement institutions and government officials by criminal groups in Mexico. The new U.S.-Mexico Bicentennial Framework for Security, Public Health and Safe Communities⁹ may provide new opportunities for meaningful rule-of-law, anti-corruption, and anti-crime collaboration between the United States and Mexico. But this will not be accomplished if the Mexican government merely conceives of the implementation as the United States confining its shared responsibility efforts to anti-weapons-trafficking, demand-reduction, and money-laundering efforts while Mexico continues to limit and hamper U.S. interdiction, anti-corruption, and institution-strengthening efforts in Mexico.

POLICY RECOMMENDATIONS

Anti-corruption and counternarcotics efforts need to be tailored to various contextual dimensions: the extent and pervasiveness of corruption, the intensity of criminal violence, and presence or absence of insurgency and armed groups.

Taking Advantage of Early Windows of Opportunity

In circumstances where counternarcotics policies and anti-corruption policies are taking place in the early post-intervention or post-regime-transition period, taking advantage of early windows of opportunities is critical. In those periods, the local population is most willing to work with the new regimes and outside interveners in setting up a new political dispensation. Under the best of circumstances, the local population will have disliked the previous political regime and will now be hopeful about the future. At minimum, local populations and power structures will be uncertain about the power and capabilities of the intervener and fearful of actively resisting it: at such times, local powerbrokers have the least certainty about the future and show the greatest restraint in directly or covertly challenging the intervener, since their networks of power will have been weakened by the collapse of the previous order and they will not have had time to reconsolidate and reconstitute their new power networks.

The longer early transition efforts wait to set up capable state structures, the harder the state-building effort becomes: Military opposition can emerge. At minimum, local powerbrokers’ criminal and political networks are (re)established. Undoing such negative trends becomes harder and harder as more time elapses. *Remobilizing the support of the population becomes especially difficult. The window of opportunity closes rapidly; and at some point, reversing the adverse trends may become impossible.*

It is important to recognize, however, that the influence of external actors promoting rule-of-law and anti-corruption efforts is inherently limited and that efforts to suppress illicit economies, such as the illegal drug trade, will only be sustainable if the population in the country and its political representatives have the economic and political incentives to support such policies.

⁹ “FACT SHEET: U.S.-Mexico High-Level Security Dialogue,” The White House, October 8, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/10/08/fact-sheet-u-s-mexico-high-level-security-dialogue/>.

It is unrealistic to expect that policy interventions by outsiders can suppress all malign networks – whether militant or criminal. *The priority for the international community should be to focus on the most disruptive and dangerous networks, those that cause most damage. These include those with the greatest links or potential links to international terrorist groups with global reach, those that are most rapacious and detrimental to society and the development of an equitable state, and those that most concentrate rents from illicit economies to a narrow clique of people.* These three criteria may occasionally be in conflict, and such tensions will pose difficult policy dilemmas. In addition to considering the severity of the threat posed to the international community and to the host state and society by such drug-trafficking or organized-crime groups, the estimated effectiveness of any policy intervention needs to be factored into the cost-benefit analysis of policy choices.

If outside military forces and their civilian counterparts decide to promote “good governance” and undo existing criminal enterprises and illicit economies, such as the drug trade, and prevent the emergence of new ones, they need to plan for and take on this effort early in the mission. The immediate and early post-intervention, post-military-operations period is the critical and optimal time to shape the political and criminal environment in the country.

In fact, external stabilization actors often have not only a poor capacity to understand local illicit economies and patronage networks of crime and politics, but also lack the capacity to respond to crime – to both organized and street crime.

The rise in street crime is often the first and most direct way that local populations experience post-transition insecurity. This can alienate the population from the new government and its external partners, stimulate a hankering for the *ancien régime*, empower extralegal powerbrokers, and even bring on a full-blown criminal order and predatory criminality that undermines both counternarcotics and anti-corruption efforts.

Limiting the Role of Warlords and Their Militias and Criminal Powerbrokers

The international community should limit and ideally altogether avoid relying on problematic powerbrokers for the sake of short-term counterterrorism and counterinsurgency objectives or other short-term imperatives. Supporting these problematic but available actors against more dangerous and vicious enemies should be the last resort since the odds are very high that they will turn rogue and predatory and ultimately contradict stabilization interests.

Nonetheless, if supporting militia forces and embracing unaccountable powerbrokers is the least bad option, the international community from the very beginning needs to build into its policies a consideration of how to disempower them and roll them back and limited their engagement in predatory criminality and illicit economies such as the drug trade. It is only a matter of time that the friendly militias and powerbrokers of today will likely end up as threats to the interests of the international community.

Thus, all assessments of the chances of success of external efforts need to be much broader than merely eliminating a particular terrorist group and deposing a particular regime. They also need to include judgements of whether a sufficiently stable, sustainable, and legitimate order and governance will ensue or whether supporting “partners” merely perpetuates structural causes of instability.

A smaller presence of the international community on the ground means that it has more limited leverage to influence the behavior of the power brokers. But smaller leverage does not imply the absence of all mechanisms to weaken at least the most pernicious powerbrokers and modify the behavior of others by creating incentive structures that at least discourage egregious

abuse. Prioritizing the focus on the most malign actors—such as power brokers who create and fuel conflict among communities, systematically marginalize particular groups, or perpetrate major human rights abuses—will be necessary.

But the purpose of prioritization and sequencing is precisely to transform an intractable system-wide problem into manageable discreet situations that also reinforce a desired balance of political power in the hands of reformers. U.S. influence may not always be able to effect the removal or even weakening of such powerbrokers. However, the leverage may be sufficient to alter their behavior enough to make them more acceptable to local communities and less detrimental to other U.S. objectives such as limiting the drug trade and corruption. The international suasion may, for example, include merely encouraging local power brokers to expand and broaden their patronage networks so that more people and more communities have access to some of the privately sponsored goods.

There is no guarantee that if a highly pernicious power broker is removed, a good official will then be appointed. The choices will often have to be between bad and awful. But a competition among power brokers for access to international assets will also provide opportunities to shape their behavior.

Even if the international community cannot get the noxious powerbrokers removed and has to engage with them, it should limit any visible public embrace of them. And even if it cannot accomplish the removal of the problematic power brokers, the United States can impose other sanctions on them, such as denying them visas. Portfolios of corruption and evidence of abuse should be assembled, which can be used if the political context becomes more permissive of corrective action. But even the existence of such a folder of evidence—if quietly communicated to the power broker—may well increase U.S. leverage.

Adopting a Prioritized Sequential Approach against Predatory Criminality, Pernicious Powerbrokers, and Corruption

Especially in situations where key political powerbrokers are intimately connected to organized crime and illicit economies, such as the drug trade, and the political system is pervaded by criminality and corruption or based on political-economic bargains around illicit economies, and where rule of law reformers are relative weak vis-à-vis the pernicious powerbrokers and the systems, prioritizing anti-corruption and anti-criminality steps will be required. Such prioritized and sequential approaches may involve taking on one criminal powerbroker at a time. Moving against all criminals and all powerbrokers involved in illicit economies may be infeasible and undermine the political survival of reform actors. Ideally, early moves against the illicit economies and predatory criminality would not only limit crime, but would also increase the relative power of the reformers in the system.

Although moves against the unaccountable powerbrokers need to be prioritized, the United States should demand that the host government institute accountability measures and appropriately severe punishment for the most serious crimes perpetrated by the powerbrokers, such as major land theft, rape, kidnapping, and murder. The resulting demonstration effects can be very powerful and even possibly generate deterrence of these crimes. For example, reducing crime in one or two major localities, such as an important city, by concentrating resources and focus there, or by holding accountable the local government officials, could serve as a demonstration of legitimacy and power of the national government or rule-of-law reformers.

For the United States, trying to roll back criminality and corruption in systems pervaded by corruption and criminality thus entails looking for rule of law reformers also among powerful

political actors who will benefit politically from breaking with the prevailing system of crime and politics.

However, the crucial task and challenge is to transform anti-crime measures from a tool of political convenience into one of institutional habit and systemic proclivity.

Improving Governance and Reducing Corruption

The United States should define good governance in ways that are consistent with the views of local populations as well as key international principles: Good governance is not just the delivery of services but also, critically, physical security, food security, the provision of justice, and a reduction in impunity for egregious corruption and extensive crime. A good measure of the quality of governance is one that is derived from a comprehensive concept of human security—that is, security from physical abuse, whether from insurgents, criminals, warlords, local militias, or the local government, and security from great economic want, as well as access to justice and accountability mechanisms.

Promoting good governance thus does not imply promoting particular political or institutional visions and arrangements. But the U.S. long-term goals should include strengthening checks and balances within the political system, reducing patronage, clientelism, and corruption—in addition to enhancing the government’s delivery of services.

Equitable and inclusive political dispensations will have a much better chance of being sustainable than rapacious and exclusionary ones.

Given local power realities, just as anti-crime measures might have to be sequenced and prioritized, so might measures against corruption. Anti-corruption efforts should focus on limiting corruption that systematically excludes entire communities from access to jobs, particularly in the national security and police structures, or from the country’s economic markets. A corollary to limiting ethnic or communal discrimination within the security services is to ensure that command levels are not dominated by a particular ethnic or communal group, and that salaries and leaves are equally distributed.

In addition, it is critical to focus on the corruption that seriously undermines the emergence of the already fragile legal economic markets, particularly those that create jobs. Such severely-detrimental corruption includes the proliferation of unofficial checkpoints and the ever-escalating bribes to be paid at those checkpoints, major corruption in the banking sector, and corruption in line ministries that paralyzes service delivery rather than facilitating it.

Predictable corruption connected to the delivery of services can be seen as another form of taxation, and not entirely intolerable to local populations or destructive of economic and political functionality and legitimacy. Yes it is highly suboptimal, but it does not necessarily make the political system combustible. Highly politically explosive problems do arise when corruption leads to paralysis within government offices, when money or property are typically stolen without any service being provided, and when the unofficial taxation reaches such heights or is so unpredictable that the vast majority of revenues from an economic activity is lost. Combating these types of systemic corruption should be a priority.

Finally, attempts to undermine the selection and work of effective local officials should be countered as much as possible. The United States should encourage merit-based appointments in local and national governments. It should also seek to influence the process by interacting with, encouraging, and rewarding well-performing government officials.

The presence of U.S. law enforcement officials abroad is often a critical monitoring mechanism of the pervasiveness of corruption in government institutions and an important

source of leverage to motivate the host government to mount at least some anti-corruption measures.

Strengthening Institutions, Promoting Human Rights, and Supporting Civil Society

To achieve the transition from political actions against crime and corruption to rule-of-law systemic proclivity, it is crucial to also adopt institutional building efforts that the United States has long engaged in, such as security sector reform and policing and rule of law reform and encouraging financial integrity in political parties.

Anti-crime training needs to become an urgent focus and component of the external assistance for training local police forces. Neither military policing nor counterinsurgency-light approaches are adequate substitutes for traditional-community-oriented policing skills. Thus, making a determined and systematic effort to develop police forces capable of tackling street crime, and having a police-training program geared toward street- crime suppression, is critical.

If criminal violence and predatory criminality are reduced as a result of U.S.-assisted government efforts, local communities and officials can develop better capacities and will to resist criminal intimidation and corruption.

The crucial focus of anti-crime efforts to promote human security and rule of law, legitimate stability must obviously include an effort to reduce and in time eliminate criminal and predatory behavior perpetrated by existing police themselves. The United States should never tolerate partner law enforcement forces to engage in human rights abuses in the name of counternarcotics efforts and must take strong measures against forces engaging in severe human rights abuses, including severing support for them.

Supporting a strong, vibrant, and diverse civil society, including monitoring, oversight, and anti-corruption NGOs and investigative journalists, is also crucial.

Although the influence and effects of both institutional reforms and civil society enhancement will be limited as long as the basic political dispensation is built around the intermeshing of politics and crime and as long as political reformers have limited power, the institutional reform and civil society growth can nonetheless provide important nudges toward rule of law. They are thus an important mechanism to ensure that the anti-crime and anti-corruption measures are in fact transformed from tools of political convenience into systems of rule of law, and that the political reformers do not discard their reform effort when it stops serving their parochial interests or the entire reform does not wither when they lose power.

Prioritizing Measures against Predatory Criminality and Non-labor-intensive Illicit Economies

This sequential approach to fighting crime and corruption may often need to first prioritize the suppression of predatory criminality and non-labor-intensive illicit economies.

Premature efforts against labor-intensive illicit economies, such as illicit crop cultivation, that provide livelihoods to large segments of local populations without legal livelihoods being in place will hamper counterinsurgency and conflict-mitigation efforts and political stabilization. They can delegitimize entire anti-crime efforts.

No matter what anti-crime/ counternarcotics efforts are ultimately undertaken – be it iron-fist suppression of the illicit economy or a prior fostering of legal alternative livelihoods – they will not be effective in reducing the illicit economy unless firm security throughout the entire territory has been established first. The state needs to be strengthened and violent conflict ended before efforts against illicit economies can be effective.

Indeed, efforts to suppress labor-intensive illicit economies in particular localities should only be undertaken when legal alternative livelihoods are in place, not simply promised to materialize in the future.

Alternative livelihoods efforts should focus on job creation, including off-farm, income generation, and human capital development and address the structural drivers of illicit economies. They should be fully integrated into overall rural and economic development efforts.

Limiting Criminal Violence

Reducing the violence that criminal groups perpetrate is critical for human security, the willingness of populations to persist in anti-drug efforts, efforts to limit corruption, and the sustainability of anti-crime efforts overall. In some cases, this may require switching away from high-value targeting of top drug traffickers to targeting the middle operational layer of criminal groups first to limit fragmentation of criminal groups and resulting violence within and among them. Moreover, if much of the middle layer can be arrested in one sweep, by mitigating the chances that new violence breakout can be prevented increases.

That does not mean that leaders of criminal groups should be given a free pass. Both for public safety and normative reasons, they need to be brought to justice. However, simply removing them from the chain of command without arresting the middle layer underneath them will allow groups to regenerate quickly and will exacerbate the debilitating violence.

Reducing the capacity of criminal groups to resort to violence and deterring them from doing so can include a host of other strategies depending on local settings, such as focusing resources to select areas and building concentric and expanding circles of rule of law and safety from criminal groups.

Building Special Interdiction and Investigation Units (SIUs)

In building SIUs, the United States should insist that all members of the SIUs units, including their commanders, be repeatedly and at any time subject to U.S. vetting for criminal collusion. To assuage political sensitivities about national sovereignty, the United States can also subject its agents interacting with those units to repeated vetting. A host government's refusal to allow such comprehensive vetting at any point or insistence that SIU commanders or supervisors be exempted should immediately raises a red flag of persisting high-level corruption and the United States should very carefully consider whether building an SIU under such problematic circumstances delivers enough potential benefits to offset the clear risks of the SIU being sabotaged by corrupt superiors or going rogue and becoming implicated in crime and politically-motivated retaliation.

Cultivating Robust Local Knowledge and Intelligence

Any effort to promote rule of law and counter corruption and criminality, such as the illegal drug trade, requires having a very detailed understanding of the intricacies of the local political systems, cleavages, and economic (including criminal and illicit) arrangements and systems and their connections to an area's violent conflict and to its political and socio-economic structures. Far more so than signal intelligence, continual and robust on-the-ground information and intelligence are crucial for developing such understandings. U.S. efforts abroad thus must have a strong analytical-support component. This is yet another reason for the United States to promote the presence of U.S. law enforcement agents on the ground in supply-side countries.

Emphasizing Sustained Engagement and Oversight

The more local actors expect that the United States presence, interest, and oversight will be limited, the more will local actors hedge by cultivating relations with malign political and criminal actors.

Not just a good strategic design but also effective on-the-ground implementation are keys to success. In addition to detailed knowledge of the situation on the ground, the effectiveness of policies is often dependent on the application of astute judgment, tough-minded selectivity, careful calibration, judicious pacing, and a willingness to absorb short-term costs and risks. Not all of the policies will be able to be implemented at the same time in equal scope.

Conditioning Economic Aid with Sustainability in Mind

In its counternarcotics, anti-crime, and anti-corruption policies, the United States must get out of the habit of trying to achieve stabilization by showering a locality with money and being preoccupied with “burn rates” of the dispensed aid. Sending *less* money through the system may well enhance stability and legitimacy and limit corruption. Whatever aid, such as for alternative livelihoods, is allocated must be accounted for and conditional. The United States must diligently monitor how money is spent, whether it is, in fact, going to intended recipients or stolen by corrupt elites and whether it is promoting the desired objectives or in fact is fueling instability and abuse by the powerful, thus delegitimizing local governments and fueling violent conflict.

Economic development policies should focus on comprehensive, sustainable development plans based on local knowledge. They should prioritize food security; long-term, sustainable job creation; human capital growth; infrastructure expansion; and capacity building.

The international community needs to find the will to undertake detailed, if occasionally time-consuming, studies of local conditions before economic projects are rolled out. Such assessments need to include an analysis of the preexisting political structures, social cohesiveness, and (in)equality in access to resources – all of which the economic interventions will have to interact with. Rather than a one-shoe-fits-all approach, donor policy designs need to thoroughly take into account local contexts and be based on consultations with local stakeholders. Ideally, U.S. programming and financial commitments would be multiyear; but they need to retain enough flexibility in their structure so that implementers can modify ineffective policy designs and restructure programs to prevent narrow, exclusionary networks from capturing program resources to the exclusion of the wider community.

Tying funding levels to accurate assessments of the absorptive capacity of a locality and to a government’s capacity to disburse the money is equally important.

Proper monitoring and punitive measures to discourage serious corruption must be a part of the economic and political aid packages as well as law enforcement support efforts. If serious and pervasive fraud is detected, the United States must be ready to turn off the spigot.

Encouraging better governance requires resolve and consistency. But while such efforts require expenditures of political capital, they do not necessarily require greater financial expenditures. In fact, substantially reducing money flows and disbursing only funds that can be monitored and spent sustainably would on its own improve governance and reduce corruption.

Sticking to Redlines and Being Specific about Conditionality

The United States needs to be able to uphold whatever red lines it sets to control the pernicious powerbrokers and corrupt government counterparts involved in criminality. This implies having the plans and resolve to take punitive actions if the powerbrokers and host

governments violate the red lines. Such conditionality cannot be vague, and the red lines should only be those the United States has the will and capacity to enforce. A consistent failure to act against behavior designated as intolerable only undermines the reputation and effectiveness of the international community.

A bad approach is to set up vague conditionality—or, alternatively, specific and stringent conditions that the United States does not have the will to uphold.

Where monitoring of drug policy aid is not possible because of persisting violent conflict or criminality or because the host government wants to limit meaningful oversight, aid money should be withheld, except for projects essential for humanitarian relief.