Mexico's Drug War: Cartels, Gangs, Sovereignty and the Network State

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Dedication

This work is dedicated to the victims of Mexico's Drug War. May they not be forgotten and find peace.

Table of Contents

List of Figures and Tables

Figures

Tables

Acknowledgements

Completing a doctoral dissertation is a daunting task. In many ways it is more complex and demanding then I could have imagined. In my case the complexity was compounded by the daily rigors of serving as an active police officer in a megapolis. Balancing the two tasks required a great deal of adaptability and forbearance from many, foremost my wife Annie.

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Introduction: From Drug War to Criminal Insurgency

The purpose of this study is to understand the role of transnational organized crime in challenging the sovereignty of the nation state. In order to do so I conducted an analysis of the most important current case: the insurgency waged by the *narcos* (cartels and associated gangs) in Mexico.

I start with the proposition that transnational organized crime challenges states in many ways. At a minimum, criminal enterprises extract resources, corrupt state institutions, and engender sporadic violence. At the extreme, transnational criminal enterprises — including drug cartels and gangs — erode state capacity and have the potential to alter state functions and sovereignty. This study seeks to examine the impact of transnational criminal actors on states and sovereignty. To do so, I look at Mexican drug cartels and gangs and the impact of the on-going Mexican drug war—known as "*la inseguridad*" in Mexico. I examine cartels and gangs in general, with specific focus on *Los Zetas, La Familia Michoacana/Caballeros Templarios*, and the *Sinaloa Cartel* to develop a representative case study of the phenomena.

Essentially, what I will empirically demonstrate is that Mexican cartels and associated gangs form transnational networks that challenge the state's sovereignty through a combination of penetration of state institutions (*i.e.,* the police and government institutions) and competition (*i.e.,* violent assault). This amounts to a 'criminal insurgency' where power structures and societal values are altered. The tools of this insurgence are corruption, violence, and impunity. The traditional relationship between the state and organized crime—where the state moderates organized crime—is turned on its head. Organized crime not only seeks freedom from state interference, it actively displaces the state and its authority in areas of weak governance to build criminal enclaves where it effectively rules.

Research Question(s):

In order to assess the situation, I started with the following set of research questions.

- In what way and to what extent are transnational criminal enterprises (specifically, Mexican drug cartels and affiliated gangs) altering sovereignty? In essence, under what circumstances do transnational criminal organizations challenge sovereignty?

- What are the dynamics (relationships to the state, state institutions, civil society, and each other and *modus operandi*) of drug cartels and gangs as non-state armed actors that use violence to secure markets, networks,

economic circuits (supply chains)? (Includes privatization of violence, challenge to state capacity and legitimacy, de-territorialization, environmental/social modification.)

- Are the challenges transnational criminal entities pose to the legitimacy of the state and its monopoly on violence, knowledge and power fueling the rise of new state forms, such as "network" or "market" states? In this case, to what extent are Mexican drug cartels generating "para-states" or extra-state governance? Specifically, are societal functions, delivery of key public goods altered by the dominance of cartels and gangs in political/social space? What forms of non-state governance and social organization are emerging as a result of the Mexican drug war?

- How do the political and economic dimensions of drug wars (criminal insurgencies) impact state capacity? (Includes sub-state, intra-state, and inter-state.)

To answer these questions I framed a working hypothesis and a series of sub-hypotheses that ordered my research.

Working hypothesis:

Cartels and gangs are emerging as new "state-making" entities, altering the nature of states by challenging the legitimacy and capacity of states and exploiting global economic circuits to create pockets of stratified sovereignty and further the evolution of the "network state."

Sub-hypotheses

A number of sub-hypotheses support the main hypothesis. These are explored and refined during the course of research. Specific sub-hypotheses include:

1) The rise of network society—driven by globalization, information communications technology (ICT), and social dynamics—is changing the nature of political and economic interaction. Globalization is altering the political landscape, including relationships between states, sub-state jurisdictions (states and municipalities), and regions, collectively fueling the shift toward the "network state."

2) The global economy includes a sizable criminal or illicit economy. Global economic circuits provide opportunity space for transnational organized crime. Each cartel/gang has its own history, sphere of influence, leadership style, and logic structure resulting in a differential impact on the state and sovereignty.

3) Cartels and gangs in Mexico are exploiting the transition to the network state along with weaknesses in the Mexican state (and other Latin American nations) to extend their economic reach and exploit the illicit economy. This includes transnational criminal activity and alliances. As part of this quest for reach, cartels and gangs are competing with each other and the state for freedom to operate and extract economic benefit.

4) Cartels and gangs use violence (including assassinations of political officials, police, and journalists), corruption and information operations (*i.e., narcocultura*: propaganda and strategic messaging) as a form of "counter-power" to secure freedom of movement and limit interference from the state (and states). This constitutes a "criminal insurgency."

5) States are challenged by the rise of the network society and the transnational criminal economy. As a result, state institutions and relations between states are changing. In Mexico, the Federal government and its institutions are changing in response to the cartel threat. This includes increased international cooperation, the development of transnational links, development of new police agencies, implementation of new justice systems, and a change in the balance of power between the Federal government and the states.

Methodology:

In order to assess the situation, I started with a review of secondary data (government reports, journalistic accounts and academic studies). I reinforced this data with the collection and assessment of primary data from interviews of public officials (police, drug enforcement, and intelligence officers), journalists, businessmen, and academic specialists in both Mexico and the United States. I conducted both structured and unstructured interviews.

I also conducted field research in Mexico City (two visits), Tijuana, Ciudad Juárez, El Paso, La Cruces, NM, San Diego, and Los Angeles. These interviews were augmented by content analysis of social artifacts (Twitter, YouTube, Facebook) to assess cartel communications and the impact of *narcocultura*. I also assessed public data sets, including data from the World Bank, Trans-Border Institute, and other public sources. I also attended lectures on the situation in Mexico City and the United States, and accompanied Javier Sicilia's "Caravan for Peace" in San Diego and Las Cruces, NM.

Finally, I attended a series of law enforcement sensitive briefings and training courses on cartels to gain background and place data into context. No sensitive information or discussions are reproduced in this report; rather, this information helped me judge the phenomena I observed and the reports I read in light of operational reality. This capacity was reinforced by my experience (participant-

observer) as a law enforcement officer for the past 25 years. Cumulatively, this data acquisition and assessment (See Appendix One: Methodological Notes for additional detail) has allowed me to craft an understanding of the logic structure of cartels and gangs as instantiated in the current Mexican drug war. The results are presented here.

This work is organized into an Introduction: From Drug War to Criminal Insurgency and seven substantive chapters.

Chapter 1. Theoretical Framework: Governance, Transnational Crime, Insurgency, and Security provides a starting point for assessing the impact of transnational crime on the state.

Chapter 2. State-Transnational Organized Crime/Cartel Interaction examines the traditional and emerging relationships between organized crime and the state.

Chapter 3. Transnational Organized Crime as a New Economic/Political Actor specifically articulates why transnational organized crime, in this case the Mexican cartels, has become a potent economic and political actor. The view that organized crime is a political actor challenges traditional views and the outcome of this assessment provides a point of departure for future studies on transnational organized crime and its relationship with the state.

Chapter 4. Impact on States: Capacity, Legitimacy, and Solvency looks at the situation in Mexico to assess the impact on state functions as a result of the organized crimes assault on the Mexican state during the drug war.

Chapter 5. The Rise of Criminal Insurgency/Texture of the Evolution of Conflict presents the concept of 'criminal insurgency' and asserts that the cartels are not only criminal enterprises but that their emerging political objectives and battle for power present the potential foundation for state change and transition.

Chapter 6. State Transition and the Challenge to Sovereignty provides a detailed empirical look at the specific set of circumstances challenging sovereignty in Mexico's drug war. Here the barbaric war of cartel v. cartel, cartel v. state, and corruption, impunity and state co-option and reconfiguration are demonstrated.

Chapter 7. Conclusion: The Rise of the Network State summarizes my findings and asserts that the cartels are acting as new state-making entities and reconfiguring states and relationships among their constituent components and institutions, as well as with other states.

Now let's move on to the discussion of Mexico's drug war and its lessons for understanding the impact of transnational organized crime on states and sovereignty.

1. Theoretical Framework: Governance, Transnational Crime, Insurgency, and Security

This chapter introduces the theoretical framework of this work and provides a review of the significant and pertinent literature concerning transnational organized crime and its impact on the state in order to provide context for my inquiry. The relevant works reviewed include literature related to transnational crime, non-state violent actors, gangs, globalization and sovereignty, and insurgencies—criminal and conventional—as well as the emerging literature on illicit or dark political economies.

Mexico—as we will see throughout this work—is challenged by cartels and gangs. These entities are more than simple gangsters or domestic criminal enterprises. Known variously as cartels, mafias, drug trafficking organizations (DTOs), and more accurately Transnational Criminal Organizations (TCOs) or Transnational Criminal or Illicit Networks (TCNs or TINs), they are a complex set of interlocking networks that seek to dominate the economy (both licit and illicit) and gather power. Transnational crime is therefore central to our discussion. While there is no universal definition of transnational crime, it can be broadly viewed as "systematic illegal activity for power or profit."[1]

Transnational Organized Crime Networks

The United Nations provides a useful, but narrow, legal definition of transnational organized crime in the Convention against Transnational Organized Crime. According to the UN, organized crime groups consist of "three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offenses ... in order to obtain, directly or indirectly, a financial or other material benefit."[2]

Many contemporary observers note that these transnational cartels and gangs are actually transnational illicit networks operating across borders and negotiating global economic circuits and flows to derive profit and power in licit and illicit economic realms. As such, TCOs are entrepreneurs in the global markets (black or illicit, as well as the licit market and all points in between—the grey market). These globally networked gangsters traffic in pharma (drugs both illicit and licit), persons (human trafficking, sex trafficking), arms, and all sorts of

[1] Woodiwiss, Michael (2003). "Transnational Organized crime: The Strange career of an American Concept," in Bearse, Margaret E. (Ed.), *Critical Reflections on Transnational Organized Crime, Money Laundering, and Corruption*. Toronto: University of Toronto Press.
[2] The United Nations Convention Against Transnational Organized Crime. Available at [http://www.unodc.org/unodc/en/crime_cicp_convention.html].

resources (wildlife, human organs, pirated goods and information), hazardous waste, and of course money and financial instruments. This set of transactions and their transformative impact on power and profit has been called 'deviant globalization' (Gilman, Goldhammer, Weber, 2011). Here, illicit networks (TCNs or TINs) exploit transnational integration to produce, move, and consume products and goods. They leverage an absence of regulatory mechanisms to secure supply chains in order to fuel markets and conduct arbitrage.

The United Nations Office on Drugs and Crime reports on the "Threat of Narco-Trafficking in the Americas" (UNDOC, October 2008) and "The Globalization Of Crime: A Transnational Organized Crime Threat Assessment" (UNDOC, June 2010) highlight the impact of transnational crime on states. According to the 2008 report, both states and communities are caught in the crossfire of drug-related crime and violence that it fuels in the Americas and across the Atlantic to Europe and Africa. According to Antonio Maria Costa, the Executive Director of the United Nations Office on Drugs and Crime: "Narco-trafficking is also posing a threat to urban security, from Toronto to Tierra del Fuego. Gang violence and gun-related crime are on the rise. Some neighborhoods have become combat zones."

Traditional views of the link between drugs, cartels, and political violence deemphasize the political component of the relationship, arguing that connections between drug traffickers and guerrillas are purely financial, devoid of ideological or political drivers. This view is seen in the works of Grant Wardlaw (1988) and more recently by Phil Williams (2012). This view does acknowledge that there are interactions between insurgents, terrorists and organized crime, but suggests that these interactions are narrow and largely opportunistic in scope.

Some authors, for example Picarelli and Shelly (2005), Erenfeld (2005), and Wiencek (2000), note that terrorists derive both financial support from a range of organized criminal enterprises, including narcotics and human trafficking, and logistical support such as acquiring fraudulent documents (e.g., passports, visas, identity cards), but they overlook the political capital derived from linkages with organized crime. Indeed they argue that terrorist (and presumably insurgent) participation in criminal/*narco* enterprises has a delegitimizing impact on their relations with the populace.

Recent work on "New Wars" (Kaldor, 1999) and "New Transnational Crime" informs the inquiry into the shifting relationship between organized crime networks and the state. Louise Shelly (2002) looks at the interconnections between gangsters and terrorists noting that both use criminal enterprises to sustain themselves, employ network structures (that sometimes intersect) to conduct their business, employ corruption, launder money, and operate in areas of limited statehood (*i.e.,* weak state presence). Symbiosis among non-state actors (*e.g.,* gangsters, terrorists, and insurgents) is a recurrent theme in this

view. The proceedings from one recent conference (Joint Policy and Research Forum, 2011) call this "The Hybrid Threat."[3]

Yet, not all analysts agree that these links run deep. Phil Williams acknowledges that while these disparate groups sometimes cooperate, the alliances are fragile (Williams, 1994). Vanda Felbab-Brown (2012) takes a broader view of the dynamics of the drug-insecurity nexus. She notes that an illicit economy involves any economy that supplies commodities or services the production and marketing of goods or services that are prohibited by states or inter-state organizations. Actors that participate in these economies include persons who produce the illicit goods or services, criminal enterprises (drug trafficking organizations, mafias), belligerent actors (including terrorists, insurgents and paramilitaries), and corrupt government and law enforcement officials. Belligerents that seek to eliminate the existing state's presence in a particular space are in her view a serious security concern. A gap in the analysis occurs when the criminal enterprises (gangs, cartels, mafias) become belligerents and confront the state. This threat is profound when it involves transnational networks.

Global Networks and The Knowledge Society

Transnational criminal enterprises appear to be the early beneficiaries of the knowledge society. Manuel Castells outlined the rise of the networked, information society in the landmark trilogy *The Information Age: Economy, Society, and Culture* (Castells, 2008*)*. In that work, Castells envisioned the emergence of powerful global criminal networks as one facet of the shift to a new state/sovereignty structure where state no longer controlled all facets of the economy and society. The conflict and security dimensions of networks have given rise to the concept of netwar (Ronfeldt & Arquilla, 2001), criminal netwarriors, and criminal insurgency (Sullivan, 2009).

These global networks are neither wholly licit (*bright side*) nor illicit (*dark side*)—in addition, a grey (or gray) range of actors and transactions in the informal economy also exists**.** Rather, they are complex combinations of economic and political relationships that further the networks' sustained operation and accumulation of economic and political capital. Illicit networks are tightly coupled with legitimate processes and transactions in the public and corporate sectors. This interaction creates a vast grey area between legal and extra-legal activity that illicit actors have exploited to great advantage (Mandel, 2011, Naím, 2006). Essentially, global networks of gangsters (that operate locally but are connected

[3] See *The Hybrid Threat: Crime, Terrorism and Insurgency in Mexico* (2011). Proceedings of the Joint Policy and Research Forum co-convened by the George Washington University Homeland Security Policy Institute and the Center for Strategic Leadership, U.S. Army War College, Washington, DC & Carlise Barracks: US Army War College, October 20.

globally) are now major players in the global political economy and are impacting global governance.

The shift of government authority from the state to “para-states” or non-state actors/non-state armed groups *qua* criminal netwarriors is a consequence of globalization, networked organization, and the exploitation of regional economic circuits to create a new base of power. These new power configurations may result in the decline of the state (van Creveld, 1999), new forms of sovereignty or new state forms such as the “network state” (Castells, 2008, 2009; Carnoy & Castells, 2001) or “market state” (Bobbitt, 2002 & 2008). Charles Tilly (1985) suggested that states characteristically conduct four types of organized violence: war making, state making, protection, and extraction (of resources, capital); I will argue that cartels and gangs in Mexico do the same in competition with the state. As such, criminal gangs and cartels, acting as violent non-state actors/irregular armed forces, may be acting as new state-making entities (Davis, 2009, Davis & Pereira, 2003, Felbab-Brown, 2009 & 2010, and Tilly, 1985).

The capture, control or disruption of strategic nodes in the global system and the intersections between them by criminal actors can have cascade effects (Sassen, 2001, 2006 & 2008). The result is a state of flux resulting in a structural "hollowing" of many state functions while bolstering the state’s executive branch and its emphasis on internal security. This hollowing out of state function is accompanied by an extra-national stratification of state function with a variety of structures or *fora* for allocating territory, authority, and rights (TAR). These *fora* —including border zones and global cities—are increasingly contested, with states and criminal enterprises seeking their own “market” share. As a result, global insurgents, terrorists and networked criminal enterprises can create “lawless zones” (Bunker, 2005 & 2008), “feral cities” (Norton, 2003), and “parallel states” (Briscoe, 2008). In addition, weak rule of law institutions (police and the judiciary) and Mexico’s relative lack of transparency and endemic corruption result in diminished state capacity for countering organized crime (Rios & Shirk, 2007 and Donnelly & Shirk, 2010.) As a result of weak justice capacity, the Government of Mexico has enlisted the military in the drug war, a response that at times results in human rights abuses that alter the balance of legitimacy between the state and its criminal challengers (Sullivan, 2009b).

The result has been characterized as a battle for information and real power (Manwaring, 2008 & 2009). These state challengers (criminal netwarriors) increasingly employ barbarization and high order violence, combined with information operations, to seize the initiative and embrace the mantle of social bandit (Hobsbawn, 1959, 2000) to confer legitimacy on themselves and their enterprises. Sovereignty is potentially shifting or morphing as a result of these challenges. This shift could result in a potential “New Middle Ages” with fragmented authority, competing governmental structures, and a proliferation of chaos and violent non-state (and state) competition and conflict that challenges the primacy of the Westphalian state (Williams, 2008 and O’Hayon-Baudin,

2003). Power and sovereignty are challenged by globalization and may result in new state formulations (See Agnes, 2009 and Olson, 2000).

Research on cartels has suggested that cartels may evolve through three "phases" (Bunker & Sullivan, 1998 & 2011). These phases are: "aggressive competitor," "subtle co-opter," and "criminal state successor," each with evolving network and war making potentials. Similarly, gangs have been described as fitting three potential organizational "generations" (Sullivan, 1997) differentiated by turf, market, and mercenary/political emphasis. The interaction among gangs and cartels, especially transnational gangs and organized crime, and their impact on state capacity is a current global policy concern (Garzón, 2008 and Killebrew & Bernal, 2010).

Non-state Violent Actors

Armed actors, organized violence and state failure are a longstanding concern in Latin America. Democracy requires citizenship rights and the governance structures to put them into practice. The modern nation stat operating within the rule of law is the framework for this interaction. The rule of law depends upon the effective monopoly of violence and means of coercion by the state. Despite a broad recognition of this view, democratic consolidation in Latin America remains challenged by armed actors (Koonings and Kruijt, 2004). For Koonings and Kruijt (p.8) there is a dynamic tension between:

1) The Rule of Law (human rights, citizenship) and the Unrule of Law (violence, fear, insecurity);
2) Citizenship and civil society and Armed actors and uncivil society;
3) Legitimate and effective empowerment and the politics of coercion;
4) Decent states and public policies and State failure, arbitrariness, rule of the jungle.

In their view, criminal organizations and gangsters are proliferating and are waging war in a parallel system of violence in Mexico, Colombia, and Brazil's *favelas*. They comment on the result of this trend (p. 14):

> A very pernicious effect of violence is the undermining of civil society and the emancipative strategies pursued within it. Although armed actors within uncivil society do not always have a clear or explicit political objective, since they use coercion by instinct or convenience, the effect is that they destroy the foundation of the legitimate strategies and actions of civil actors, namely the rule of law and entitlements based on politically and institutionally grounded rights.

They also observe that the state response to this threat frequently involves a disregard of these rights in the name of security. The end result is that "unrestrained violence means the erosion of legitimate governance" (p. 15).

As Sullivan noted in “Terrorism, Crime, and Private Armies,” there is a shift in war-making and state-making activity:

> The nature of crime and conflict is rapidly evolving. Post-modern war is increasingly influenced by non-traditional and irregular combatants: non-state soldiers. These actors are exploiting technology and networked doctrine to spread their influence across traditional geographic boundaries. This emphasis on non-traditional actors accompanies a shift in political and social organization. This shift may well be a shift in state form: from nation-state to market state. This transition is fueled by rapid developments in technology and the adoption of network organizational forms. Conflict during this transition blurs the distinctions between crime, terrorism and warfare.

The non-state, irregular actors noted in that essay were identified as criminals (organized crime), rebels (insurgents), and warlords (and pirates). The essay also included private military companies (PMCs) as key actors in this dynamic or power shift. Decline or shifts in state formulation and sovereignty are part of this shift. German political scientist Stefan Mair (2003) notes that declining state power is mirrored by a rise in ‘privatized violence’ where terrorists and organized crime collude with warlords, rebels, governments, private companies and NGOs.

States and illicit networks are at odds. They compete for dominance in the same or similar space (Jones, 2011). Nathan Jones, drawing upon conceptualization of the “territorially sovereign state” grounded in Tilly (1985) found that territorial profit-seeking illicit networks (PSINs)—like states—are territorial, hierarchical, resilient, violence-prone, and funded through taxation. Jones distinguishes between “territorial” and “transactional” PSINs. In his formulation, while both “territorial” (such as *Los Zetas*) and “transactional” (such as the *Sinaloa* cartel) variants challenge states, the transactional do so to a lesser degree and don’t evoke as substantial a state reaction to their activities, which makes them more resilient. As such transactional networks are able to form *de facto* alliances with states through collusive corruption. Transactional cartels then are an insidious threat, able to pervert democratic process, economic development, and the rule of law.

Diane E. Davis (2009) observes that non-state actors are important players in failed or fragile states characterized by weak institutions and where state legitimacy is under siege. In her formulation, armed non-state actors have a de-stabilizing influence and are central protagonists of regime instability, political disorder, violence, and instability. These actors are not solely motivated by anti-government (or overtly political) ideals, but include actors who sustain urban economies, and transnational clandestine economic circuits. She notes that a considerable number of these players use violence to secure markets, networks, and supply chain actors. As such, they target other illicit competitors, civil society

actors, other non-state armed actors and the sovereign state itself. Davis states that armed drug lords in Mexico and Brazil, international smuggling rings, mafias and vigilantes are among the actors of concern. She observes that a range of activities "rely on armed actors who fuel violence and generate conditions akin to warfare, but without identifying the state or political upheaval as their main objective" (Davis, 2009, p.222).

In addition to serving their own goals, many of these actors have acted as clandestine agents of states and in conjunction with state security services. The complexity of this phenomenon requires a reformulation of prevailing assumptions about non-state armed actors and a new analytical agenda for assessing their nature and impact. Non-state actors appear to mirror states in their use of violence, coercion, and armed force to secure sovereignty and allegiance (albeit in non-state realms). Davis notes that drug smugglers, gangs, and mafias not only use armed force, but they rely upon shared social loyalties, identity, and common economic objectives that bind themselves to each other rather than the state. This social construct places these entities at odds with the state. Sometimes this involves direct confrontation as seen increasingly in Mexico. Here, " transnational crime networks are as visible—and almost as legitimate—as national states in many parts of the world, finding loyalty and a sense of community among citizen supporters whose lives become spatially or socially embedded in their powerful criminal orbits" (Davis, 2009, p. 228).

Davis asserts that non-state armed actors in new 'imagined communities' challenge longstanding institutions of state-centered sovereignty She surmises that (2009, p.229):

> …these new imagined communities are struggling for alternative forms of sovereignty—power, authority, independence, and self-governance on a variety of territorial scales, whether formal or informal—in an environment where traditional institutions of national sovereignty and the power of the nation-state will still exist and must be reckoned with.

Building from her observation, I see the opportunity to examine the differential between parallel states and parallel power and the importance of assessing *narcocultura* as a means of social cohesion supporting non-state actors in the Mexican context. Davis notes that these actors seek domination of their turf and often seek clandestine relations with corrupted state officials to retain freedom of action. But (p. 232):

> The non-state actors who are protecting their turf and physical territory, and who assert their political and economic oversight through illicit rather than licit networks of trade and distribution, are not struggling for political dominion, control of the state, or a reversal of patterns of political exclusion. Rather they seek economic dominion

> and their desire is not to politically control national territory (as states do), so much as to control key local nodes and transnational networks that make their economic activities possible.

In the Mexican context that means control of the plazas. Despite this narrow goal, the mechanism of free action the non-state actors desire has profound implications for the structure and functioning of the state.

State Capture and Reconfiguration

Criminal enterprises interact with states in many ways. Corruption and collusion are one mode. One valuable way of looking at the range of state-organized interaction is put forward by Bailey and Taylor (2009) who argue that criminal enterprises have three options in their interaction with states: 1) avoidance, 2) co-option, and 3) confrontation. This leads us to a review of the literature of state capture and reconfiguration. Here, Buscaglia, Ratliff and Gonzalez-Ruiz (2005) suggest that five levels of organized crime infiltration of the state exist. These are 1) sporadic, instrumental bribery by local officials, 2) endemic corruption of low-level officials to facilitate criminal action, 3) infiltration of mid-level officials including the police and judges, 4) co-option of high-ranking officials, such as heads of counter-drug agencies, and 5) the capture of state policy and political infrastructure to influence state action in their favor.

Garay Salamanca and Salcedo-Albarán (2010) distinguish between 'state capture' (StC) and 'co-opted state reconfiguration' (CStR). State capture (StC) is in their view a situation where individuals, groups or firms manipulate the formulation of law and policy to gain durable self-benefits. This view does not adequately account for illegal actors (such as cartels, gangs, mafias) as agents of manipulation of state structures. CStR builds from StC theories to include the actions of both legal and illegal actors to obtain economic, political, and cultural benefits.

They suggest that overt StC is rare and that processes of CStR are more common (and insidious). While both exist, and often feed off and influence each other, CStR is a serious threat. In the case of CStR non-state actors seek criminal, judicial, political, and social legitimacy in addition to economic gain. As a result, institutional frameworks morph. Both intra-state actors and non-state actors can potentially assume new institutional capacities and functions. Here we see economic and political power (both licit and illicit) intersect toward the establishment of a new political equilibrium between the state and gangsters. Social capital and position of nodes and actors in the social networks that connect cartels, gangs, and political actors is the framework for exposing the state-making or state-transformation potentials of these transactions and relationships.

The relationships among actors take place in a range of settings. These can involve lawful (bright), unlawful /illicit (dark), or undefined/ambiguous (grey) actors or transactions. Corruption and violence are important instrumental tools in the capture of state institutions and political processes. The instrumental capture of media and civil society is also crucial. When these factors converge, an advanced state of co-opted state reconfiguration (CStR) is the likely outcome. Can we frame this discussion in terms of a narco-insurgency?

Criminal Insurgencies?

Insurgencies are usually viewed through a narrow political lens. For example, US Army Doctrine views it as follows:

> An insurgency is organized movement aimed at the overthrow of a constituted government through use of subversion and armed conflict (JP 1-02). It is a protracted politico-military struggle designed to weaken government control and legitimacy while increasing insurgent control. Political power is the central issue in an insurgency… Insurgencies frequently seek to overthrow the existing social order and reallocate power within the country.[4]

This is popularly translated into a formulation where insurgency is an action seeking to overthrow a government. As RAND analyst Russell Glenn (2007) noted:

> Current doctrine and other readings regarding what constitutes an insurgency were often unhelpful. Most definitions, from U.S. and other sources, emphasize the political nature of insurgencies and require that the insurgents' ultimate goal be the replacement of a national government. Perhaps applicable to many insurgencies in the middle of the 20th century, this conceptualization is less helpful in the dawning years of the 21st and attendant insurgencies, which are at best superficially political and demonstrate little interest in governmental overthrow at a national level.

Glenn suggests a broader definition may be useful:

> *Insurgency: an organized movement seeking to replace or under-mine all or part of the sovereignty of one or more constituted*

[4] This definition is provided in FMI-3-07.22 "Counterinsurgency Operations," US Army, October 2004 and reflects the joint doctrinal statement found in the guiding US Department of Defense Joint Publication (JP-1-02). This narrow definition does not fully describe rebellion or other forms of sub-national or non-state contests to state authority.

governments through the protracted use of subversion and armed conflict.

Steven Metz, a US Army War College scholar, also looked at a broader view of insurgency—'commercial insurgency'—in *The Future of Insurgency* (1993) forming the conceptual basis for what is now called "criminal insurgency" under the initial term commercial insurgency. For Metz, commercial insurgency is a quasi-political distortion of materialism. Since some members of the populace are unable to secure material possession through normal means, crime becomes a viable option to better one's self. The following quotes from Metz expand on this view:

- In this psychological context, commercial insurgency is essentially widespread and sustained criminal activity with a proto-political dimension that challenges the security of the state. In the modern world, its most common manifestation is narco-insurgency, although it may also be based on other forms of crime, especially smuggling. The defining feature is expansion of the criminal activity into a security threat, especially in the hinterlands where government control is limited.

- Organized criminals find that in order to mobilize sufficient power to resist the state, they must move their organizations beyond pure criminalism with its limited appeal to most citizens and add elements of political protest. In this way, they legitimize their activities in the eyes of many people not otherwise inclined to support them but who are frustrated by the existing politico-economic system.

- While commercial insurgents may not seek the outright capture of political power like traditional revolutionary insurgents, they can pose serious security threats.

Additional thought by Metz on this topic can be found in a 1995 *Parameters* article:

> …Commercial insurgency will be a form of what is becoming known as "gray area phenomena"—powerful criminal organizations with a political veneer and the ability to threaten national security rather than just law and order. In fact, many commercial insurgencies may see an alliance of those for whom political objectives are preeminent and the criminal dimension simply a necessary evil, and those for whom the accumulation of wealth through crime is the primary objective and politics simply a rhetorical veneer to garner some support that they might not otherwise gain. It is this political component that distinguishes commercial insurgents from traditional organized crime. Most often, though, commercial insurgencies probably will not attempt

> to rule the state but will seek instead a compliant regime that allows them to pursue criminal activity unimpeded. If that is impossible, they will use persistent violence to weaken and distract the state. In many ways, commercial insurgency has the longest historic lineage—quasi-political bandits and pirates.

This line of thought parallels that of Hobsbawm's "primitive rebels" and "social bandits" (Hobsbawm, 1959, 2000). For Hobsbawm, banditry of the "Robin Hood" type, rebel movements, and mafias are an example of "outlaws" who challenge state legitimacy and control. Indeed for Hobsbawm, "mafia" type organizations are a complex form of social banditry. Garzón Vergara (2012) provides a contemporary account of these processes.

For Garzón Vergara organized crime in Latin America is positioning itself as a relevant political actor with strategic impact. In his formulation the current "drug wars" are a "rebellion of criminal networks" where criminal factions seek to break out of positions of subordination to establish links with the global economy, generate profits, and reconfigure the legal and institutional order to become favorable to their goals. As he asks (and answers):

> *What are the dynamics behind the reorganization of criminal networks? What explains their desire to rebel? What has led criminal groups to get involved in other illegal activities?*
>
> Four factors contribute to this rebellion:
>
> 1. Power vacuums resulting from the implosion of criminal actions or from state action against criminal groups;
>
> 2. The availability of clandestine networks with experience in the trafficking of illegal goods and services;
>
> 3. The emergence of local illegal markets characterized by growing supply and a constant demand for illegal products and services;
>
> 4. State offensives in the midst of institutional fragility and the willingness of illegal clandestine networks to confront the state.

Ivan Briscoe (2008) observed that the unabated illicit *narco*-trade in Mexico and Central America is transforming simple criminal enterprises into new dangerous actors. This involves the economic optimization of smuggling networks achieved through the creation of "stateless territories" (Colombia) or "mafia-dominated municipalities" (*e.g.,* in Guatemala and Mexico). These in his view are firmly linked to wider international economic circuits. Briscoe concludes that these

criminal non-state actors have established novel, extra-legal and sectarian control over territory and trafficking circuits. The result is the creation of new forms of non-state authority with new models of citizenship.

In 2008 the contemporary formulation of 'criminal insurgency' was articulated (Sullivan and Elkus). In that initial cut, it is defined as:

> Criminal insurgencies are the result of criminal enterprises competing with the state. Their competition is not for traditional political participation within state structures, but rather to free themselves from state control so they can maximize profits from illicit economic circuits.

This view was expanded by Killebrew and Bernal (2010). Drug cartels and gangsters in their view operate with a "scale and capability to destabilize governments [and] have made the cartels an insurgent threat as well as a criminal one."

Mexico's Cartels and State Change: 'Narcoshaping'

The 'Drug War Zone' (DWZ) is the terrain of social and political transformation. Anthropologist and ethnographer Howard Campbell uses the term "drug war zone" to describe the cultural world of drug traffickers (*narco*-culture or *narcocultura*) and the law enforcement agents that counter it. Campbell defines this DWZ as the transnational, fluid space where contending forces battle over the meaning, value, and control of drugs (Campbell, 2009). The DWZ is a frame for orienting understanding of cultural and political connections and separations that are "materially and discursively produced through drug-trafficking and law-enforcement activities" (Campbell, p. 6).

The DWZ is not only a geographic space, but is also a symbolic domain where drug producers, drug smugglers and drug consumers are connected to their police, military, and intelligence counterparts in a strategic, tactical, and ideological fight (Campbell, p. 7). In many ways this is similar to the shifting terrain of guerrilla warfare. The DWZ is global, and constantly evolving and transforming to meet changing circumstances. In Mexico, this dynamic is complex since organized crime and elements of official government are tightly interwoven in a clandestine "underground empire" of "deep politics" (Campbell, p. 7). This deep interaction reflects the continuation of the "camarillas" of earlier regimes. The result is a complex web of state and non-state influence, what Ong (2006) called "zones of graduated sovereignty."

At one level, the power-counterpower contest in the DWZ opens new spaces for both transnational and sub-national resistance and an illegal form of capitalist accumulation. While traffickers resist (in thwarting US and Mexican law), this trade must also be viewed as an intrinsic part of the bi-national economic system where state and non-state forces operate in the same social space. Campbell

observes that both the *narcos* and the “drug warriors” of the state benefit from a mutually parasitic relationship (Campbell, p. 9).

The “Drug War Zone” (DWZ) is one of the frontiers where the contours of “Network State” are being contested and *de facto* defined. Describing that contest is the purpose of this study. I will now turn to a discussion of the interactions between states and organized crime.

2. State-Transnational Organized Crime/Cartel Interaction

Legitimacy and capacity are key elements of the discussion in this chapter. Here I explore the potential and actual state responses: 1) repression; 2) co-option; and 3) transformation (of state structure). This includes a discussion of repression (why it does not work), including unintended consequences (torture, corruption) of control strategies that ultimately undermine the state. I also discuss strategies used to combat TCOs/cartels, including atomization and decapitation (which don't work, but rather tend to spread and metastasize the threat). This chapter will also look at the difficulties that result from miscalibrated State responses in terms of police (including judicial and corrections) capacity, as well as the impacts on civil society. Finally, this central chapter explores and discusses co-optation and mutual negotiation between the state and cartels. Reciprocal co-option and attempts at mutual accommodation are a typical result of criminal warfare against states. Potential consequences of organized crime penetration include capture of the state (State capture or the emergence of a narco-*state) or state failure (at federal or 'sub' state levels--as potentially seen in Tamaulipas).*

According to Mexican poet and activist Javier Sicilia, "Organized crime is a reflection of the State." For Sicilia, Mexico is in a "state of national emergency" with over 60,000 dead, 20,000 disappeared, and 260,000 displaced. This crisis, according to Sicilia, is one where "the State and economy do not function" and has its seeds in the patrimonial state of the PRI *(Partido Revolucionario Institucional*) where Mexico was subject to "government by mafia; protection of the family and networks at all costs." Now rather than democratic transition, we see the "chaos of the mafia" where "no one actually controls the mafias in Mexico." "This crisis of the State and economy reveals itself in cruelty," where "human beings, nature, and resources become capitol to exploit" and vulnerable populations are subject to social cleansing—"all this has to do with power and money"—"the *narco*state" (Sicilia, 2012).

In large measure, this study is about a crisis of sovereignty. Specifically, I try to determine why states are challenged by transnational organized crime. Within that larger question, I try to describe why so-called cartels don't act as economic cartels in a true sense but rather prefer the culture of violence. An equally important question is: why did the Mexican state take on the cartels; and why did the cartels, on the other hand, take on the Mexican state?

The cartels as we shall see are not cartels in an economic sense; rather, they are a social and political actor that uses raw economics—the political economy of violence—to negate existing power structures and build their own new structures. It would be logical to assume that the cartels would behave rationally and seek to collude and cooperate to maximize profits. The story here is that they chose not

to for a variety of reasons, one being they can assure excess profit even within a hypercompetitive market.

But first, why did they choose conflict over cooperation? Here I suggest that they do so because the cartel leaders—the *capos* and kingpins—and foot soldiers, the *sicarios*—are driven by pure raw emotion rather that rational market forces. Self-affirmation of power and prowess, pride, emotions, honor and "respect" drive the cartel culture of violence. The capos are not merely strategic business leaders—a dark version of Bill gates or Carlos Slim—rather they are driven by raw emotion and feeling as described by Damasio (2003) in *Looking for Spinosa*.

Let's characterize the actor. They are full of *orgullo* (pride)—that is, they view themselves as "big men," *patrons* or *caudillos.* These self-views are the theme of repeated *narcocorridos*, postings on social media, and the quest to be viewed as social bandits (all of which are discussed later). The Gulf-Zeta split is a result of these interpersonal dynamics. As Logan and Sullivan (2010) described:

> The Gulf-Zeta split appears to have been triggered by high-ranking Gulf Cartel leader Jorge 'El Coss' Eduardo Costilla Sanchez, who ordered the murder of Victor 'Concord 3' Pena Mendoza, a Zeta captain who operated in Reynosa. After he died on 18 January, the Zetas' number two in command, Miguel 'El Cuarenta' Triveno, demanded that the Gulf Cartel hand over the killer. When that didn't happen, the event snapped tension that had built up since September 2008, according to some observers.
>
> The Zetas responded by kidnapping 16 Gulf Cartel members in Miguel Aleman. That provoked the shootouts up and down the border. As fighting unfolded in early March, reports surfaced that members of Michoacan's La Familia were sent to Tamaulipas to reinforce the Gulf Cartel.

Here the need for respect resonates loudly. Social emotions, such as "pride," are powerful drivers (Demasio, 2003). They are indeed tied to adaptive altruism for a specific group (essentially primary loyalties). These loyalties are given to family, tribe, city, and nation. For *narcos*, they are centered on the cartel or gang. When challenged or challenging, the group (read cartel or gang) "can easily turn nasty and brutish" (Demasio, 2003). Dominant individuals ("big men" or *caudillos*) can easily become "abusive bullies, tyrants, and despots" (Demasio, 2003). This is amplified when the leader has charisma. Certainly, this is the case with the *narco-capos*.

When the cartels began to challenge Mexican sovereignty on the ground, Calderón responded in like manner. That is, he focused the state's response on the challenge to national pride—a social emotion. This was precipitated by a salient challenge to the state in Michoacán (Calderón's home state) and

concerns from the United States. Both of these not only reflect a challenge to Mexican sovereignty, but they also reflect a challenge to pride (*orgullo*) and honor (both individual and national). These drivers cannot be ignored as we examine the challenge to the political power of the state and the compromise of state function posed by the transnational criminal networks known as cartels. Now we turn to a discussion of the global impacts of the culture of violence seen in Mexico's drug war.

Global Impacts: Globalization, The State, and Transnational Organized Crime

Transnational Criminal Organizations (TCOs) or Networks (TCNs) operate on a global scale. According to Naím (2006) their economic power is derived from moving 10% of the world's trade, stimulating an accumulation of political power. This results in what is frequently called "parapolitics" where TCOs have abandoned marginality and now operate at the core of global political and economic circuits. As a result, TCOs are now a central actor on conflict—civil and criminal—not just military (Gayraud, 2005). These circuits are dominated by a complex set of relationships—including relationships with political elites—including temporary hierarchies, alliances, and longer-term relationships. As a consequence TCOs supply illicit (illegal) goods and services with a diverse range of markets and become arbiters of power relationships within the criminal and conventional elite classes. This includes a wide swath of clientelistic relationships, roles, expectations, obligations, and benefits established through on-going adaptation and negotiation (Mandel, 2011, p. 23).

While it is hard to quantify the economic might of illicit networks since the goal of the black market (and grey market) is to elude state interference, the value of illicit financial flows in the 1990s was pegged at between $800 billion to $1.5 trillion with an estimated 5-20 percent of the planet's annual gross domestic product linked to dispersed, decentralized, adaptable, and fluid organized crime enterprises (the bulk of which is transnational) (Mandel, 2011, p. 17-18).

Here we see the rise of decentralized, fluid networks comprised of loosely linked cells (cartels, gangs) that morph into opportunistic cross-border actors. Decentralization confers many advantages to these networks; they can exploit their network configuration to adapt to changing conditions including threats from state repression. This adaptability confers resilience, allowing them to resist in the face of state enforcement efforts (Salcedo-Albarán & Garay –Salamanca, 2012). They use global and cross-border linkages to craft time-sensitive (real and chosen time) black market operations that benefit from instantaneous secure communications (Mandel, 2011, p. 20). Their operations include a range of enterprises: narcotrafficking, extortion, kidnapping, human smuggling, petro-extraction, counterfeiting goods and money laundering.

Mexico's battle with organized crime arises at the same time that the twin forces of democratization and globalization become ascendant. As Mexico transitioned from single party rule under the PRI, global economic forces began to exert influence on governance. Weak state security structures and a lack of transparency facilitated the rise of clandestine criminal enterprises and their occult power base. The Mexican State did not have sufficient resources to repress the rise of cartels, and co-existence became problematic for Calderón since the cartels were gaining in stature. In short, in Mexico and Central America: "Transition to democracy facilitated organized criminal groups to finance political campaigns, launder money, and take advantage of weakened armed forces, and the frail—corrupt—police and judicial systems. Organized crime transformed into a 'hidden power'" (Manaut, 2010).

The globalization of organized crime has led to complex and ample networks that pose the main threat to the State. This result has profound foreign policy, national security and rule of law concerns (involving the internal control of crime) where parts of Mexico (including Chihuahua, Tamaulipas, Sinaloa, Michoacán and Guerrero) or El Petén in Guatemala can be considered "failed" (Manaut, 2010).

For much of the Drug War, elites and the press claimed the assault on the state was limited to states on the northern border with the United States. This was due to denial, ignorance or complicity. The view that the elites were underplaying the extent of violence due to their intricate interconnections with the gangsters resonates with some observers (Sicilia, 2012 and Hernández, 2010).[5]

Los Zetas challenged this denial on 03 February 2010 when they began their siege of Monterrey. In a bold *narcomanta* that read "Here Comes the Monster (*El Monstruo*)" signed "Z" to signify *Los Zetas,* the former enforcers of the *Cartel del Golfo* (Gulf Cartel) began their assault on Mexico's financial and industrial powerhouse of 4 million. In the following months, terror reigned with university students gunned down, grenade attacks on city squares, police stations and the US consulate, blockades (or *narcobloqueos*), and the abduction and torture/murder of a mayor. While this appeared to the casual onlooker as a sudden implosion, this sequence was the logical outcome of the decades-long decay of State security institutions in the face of *"el monstruo"* of organized crime (Steinberg, 2011).

When the old state-run system of organized crime-State collusion collapsed, the *plazas* (or drug-trafficking nodes) formerly controlled through the tacit permission of the PRI became contested spaces. Under the old order, corrupt officials (police, the military, and health authorities) regulated the drug trade and illicit

[5] For Sicilia and Hernández the criminal, business, and political elites are inextricably connected in a *"pacto de impunidad"* (pact of impunity) bound by corruption.

enterprises. When Vicente Fox (followed by Calderón) broke the PRI monopoly on collusion, local power brokers (and seekers) were free to negotiate their own deals with the *narco*-gangsters. As this transition occurred, the enhanced "fluidity in the alliances between politicians, security forces and criminal groups" was complemented by the evolution of Mexico's cartels from national drug trafficking organizations into transnational syndicates and illicit networks (Steinberg, 2011).

This transition was accompanied by diversification of activity to include new drug lines such as methamphetamines and other illicit activities such as extortion, kidnapping and human trafficking. The result was fluid and opportunistic cartels that saw profit from both hyper-competition and hyper-violence. Most importantly, "Now organized crime was establishing boundaries for the authorities, not the other way around" (Steinberg, 2011).

Threats, Violence and Coercion

Violence is a core competency of these enterprises. TCOs use systematic violence to thwart those who challenge their activities, to eliminate competitors, protect illicit monopolies (such as illicit pharma), and generate loyalties (among criminal and institutional elites and the populace) in areas they dominate. The result is a local (and potentially expanding) monopoly on the use of force that places them in competition with government (at state and sub-state levels). As such, TCOs (gangs and cartels) usurp public functions and establish alternate or parallel justice, security and governance structures. Here we see that criminal mafias and gangsters have the option of evading, corrupting (co-opting) or confronting the State (Bailey & Taylor, 2009).

The relationship between states and organized crime is reciprocal tolerance and exploitation. Government and gangsters co-exist in a fluid, clandestine equilibrium. Both seek to optimize their stake in this power dynamic adjusting behavior to sustain operations. Both moderate inter-group cooperation and conflict, shifting their tactical focus to gain benefits (economic and political), and negotiate threats (physical and existential). When this disequilibrium falters the state and mafias come into conflict. When states seek to control or repress organized crime the gangsters have three options: evasion, corruption or confrontation (Bailey & Taylor, 2009). Usually the first two suffice. In rare situations the gangsters opt for direct confrontation, as we see in Mexico's drug war (or criminal insurgencies), or as observed in the *Medellín* and *Cali* cartels.

State-criminal confrontation occurs when the normal balance of state-criminal power is disturbed. In normal conditions, this balance of power is sustained through an alternating process of continuing negotiation punctuated by tension. As Bailey and Taylor (2009, p.4) note, "Organized crime is capable of challenging the state with the aim not of assuming state powers, but of obtaining certain political objectives." This challenge is usually achieved through corruption

(bribes) to co-opt state officials and allow freedom of movement for the criminal mafia. Yet, at times, the normal risk calculation where gangsters avoid direct confrontation with the state is no longer true. Why do gangsters directly confront the state? There are several possibilities: first, the gangs may be reacting to State repression. Second, they may be lashing out against actual or perceived state collusion with rival gangsters. Finally, they may recognize that the traditional criminal-state collusion has broken down and that direct confrontation, including the potential for intra-gang power plays that seek destabilization as a means of gaining power, may yield concessions favorable to the gang's political and economic desires.

State-Criminal Interplay

States and criminal enterprises both benefit considerably from reciprocal interplay. Market domination, control of political space, position among criminal actors and electoral politics are all shaped (at neighborhood, municipal, State, and national levels) by the delicate balance of power and reach among criminal and institutional elites. Even the mere criminalization of goods and services can prefer economic advantage to criminal enterprises. Criminal moderation of the illicit space (including enforcement activities that moderate high levels of street crime) can benefit the State and its institutions (especially the police and municipal governments).

Obviously criminal enterprises can bribe and corrupt officials to further their goals while enriching the co-opted government actors. Co-opted state actors can provide gangs with command and control capacities, trained personnel, high-power weapons, tactical intelligence, and mobility or freedom of movement. They can also target rival gangs to prefer advantage to their partner gangs and profit for themselves (Bailey & Taylor, 2009, p. 9). Often this is characterized as penetration of state organs, but equally important is the "corruptive collusion" that ensures flows of income and power found in the interplay among criminal and institutional elites (Sabet, 2009).

Criminal penetration of the State includes corruption of police, treasury, customs officials, attorneys general, jails and prisons, and court systems. In addition, gangsters can finance public works, and bank roll political campaigns. By doing so, they can act as a "hidden force" within the periphery of the government and the elites (Dudley, 2011). This hidden force essentially creates reciprocal reach for the State and the mafias.

Gangsters often operate from within the State and are at times tightly coupled with the State. This political criminal nexus (Godson, 2003) impacts the distribution of power (power structure) and influences the dynamic relationship between politics and crime. According to Gayraud (2005, p. 205) a complex triangular relationship among criminal groups, political/economic elites (not only at the Central or national State, but also at the local or regional level among local

elites, as observed in Colombia), and the population (submissive/dependent) punctuates state-criminal links. This collision of criminal power with politics is a powerful economic force with potential political consequences including regime change. As Naím (2006, p. 85) noted, “The effect of continued huge profit margins in the global drug trade on vulnerable regions will be to produce political power that rests on drug money and vice versa.”

This power can evolve in several ways. Organized crime can sponsor its own candidates, it can support friendly, pliable candidates, or it can negotiate with or co-opt existing elected officials. Here “formal political intrusion” through co-option and corruption allows criminal and political spheres to fuse.

This political-economic nexus of illicit markets and money laundering forms the foundation for both a “parallel state” and an expanded criminal portfolio, where gangsters provide service to licit enterprises (*e.g.,* protection, removal of hazardous waste), and then ultimately buy or integrate licit enterprises and capture or reconfigure the formal state. On the security side, the police-criminal nexus involves co-opting/corrupting police/security forces (which seems to be the the most basic form of co-optation). Traditionally the equilibrium in police-criminal relations was one of “collusive corruption” but it appears to be moving firmly into the realm of confrontation (perhaps to be followed by corruption and tolerance once again).

While gangsters can seek to evade, corrupt or confront the State, the State can choose co-existence, disruption of elimination of criminal enterprises. Most State interactions include a blend of co-existence (collusive corruption) and/or disruption. When evasion fails, gangs usually seek co-option (corruption as an option). When co-option fails, confrontation is a rational choice. When gang/cartel confrontation meets a State choice for elimination of a criminal enterprise, disequilibrium or confrontation in the form of armed rebellion of criminal insurgency is the result. This dynamic is exemplified in Mexico right now.

Confronting the State

When organized crime (cartels, gangs, mafias) confront the State the potential for significant violence and alternation of power dynamics results. Confrontation is a departure from the traditional equilibrium between the State and criminal powers, but it can potentially confer great advantage to the gangsters if they succeed. Confrontation offers useful leverage since the gangsters can delegitimize State actors by disclosing their complicity with criminal enterprises (in the past and present); they can intimidate obstructing politicians and police officials, and increase their relative share of power. Intimidation is a way to remove obstacles and perhaps establish a new equilibrium on favorable terms. One result of this confrontation is a lack of perceived and actual state power and legitimacy (capacity or solvency). Essentially, the State loses its capacity to control criminal incursions into state functions such as territorial control, the

monopoly on violence, and the provision of security. The criminal enterprises step in and gain relative power and, importantly, become overt political actors, as seen in Brazil's *favelas* (Bailey & Taylor, 2009 and Sullivan, 2002) and throughout Mexico since the beginning of the drug war in 2006.

Bailey and Taylor (2009, p. 16) observe that gang attacks in the *favelas* contained a political logic: "they were a form of terrorism in the sense of utilizing symbolic attacks as a means of asymmetric coercion against the state." Gang leaders were able to demonstrate to their constituents (fellow gangsters and the populace in the areas they dominated) that they hold the real power and the State is impotent. Thus violence is a symbolic tool (for political leverage) and marketing measure that allows gangsters to strengthen and consolidate power (within the gangs and dominated communities).

Power and Counterpower Disequilibrium

Gangs operate within a localized or general sense of insecurity. Mexico's current state of insecurity is a result of the state of disequilibrium between the State and organized crime. Here the State (power) and gangsters (counterpower) are battling over who rules. In fact, it seems the State is the less powerful agent in the confrontation since there is an intense, destabilizing confrontation among criminal networks that the State is unable to contain or curtail. The traditional mutual co-option and collusion has been replaced with direct confrontation. This results from both changes in the State (Calderón's decision to neutralize organized crime and *narco*-cartels), a state of hyper-competition among cartels and gangs, and a disintegration of State control or collusion over criminal fiefdoms. The disequilibrium has devolved into a war of "all against all" as the rival gangs seek market share and a return to stable state-criminal relations. Inter- and intra-gang violence, including extreme brutality, beheading, mass killings and barbarization exacerbate the state of violent disequilibrium.

Deserters from the military and police yield a new cadre of specialists in violence and mayhem that is further fueled by seemingly unending profits and a never-ending flow of high firepower weapons (including makeshift armored vehicle). The resulting criminal enterprises include formal and informal links with corrupt police, renegade soldiers, mayors, and a range of specialist local and cross-border gangs. When added to a lack of local police capacity, gang violence has escalated from limited violent attacks to open defiance of the government. Contested gang/cartel turf has led to high levels of violence, assassinations of police, mayors, and journalists, and an increasing number of internally displaced persons. Fragmentation of gangs (such as the Gulf-*Zeta* split) results as the criminal bands battle for the spoils of war. Profit, plunder and power drive the spiral of state reconfiguration, as the cartel foot soldiers effectively become private armies (Sullivan, 2002).

One result of the disequilibrium in Mexico are attempts by the Mexican state to repress criminal reach by directly attacking the cartels through high profile crime suppression operations, decapitation of cartel leaders, and reconfiguration and concentration of security apparatus at the federal level. Here we see the military (army and navy) along with federal police acting to repress criminal organizations. The result has been division between state and municipal (as well as corrupted federal) police and their federal security service counterparts. Some co-opted police at all levels, but especially at the municipal and state level, are acting in collusion with the cartels. The social relationships of *La Familia Michoacana* with security agencies at the municipal and state levels are instructive here. The resulting situation is one of confrontation and conflicting loyalties, tension and uncertainty. Utilitarian exposure of corrupt connection between organized crime and the state is often exemplified by targeting co-opted police by rival cartel organizations. Of course, these targeted hostilities are broadcast through social media (as well as through *narcopintas* (graffiti), *narcomantas* (banners), and corpse-messaging (or *narcomensajes* attached to or etched into the dismembered and frequently decapitated victims).
One frequently noted information operation is the assertion that the state supports the *Sinaloa* Cartel and Federation over other cartels (*i.e.,* a *Sinaloa* monopoly of State support/criminal penetration) (Bailey & Taylor, 2009, p.21-22).

The second option is for the State to abandon repression and replace it with a strategy of co-option. A new equilibrium could be struck through a State alliance with one set of cartels to maximize repression of that group of cartels' rivals. Here, however, the allied criminal enterprise and its cartel/gang allies could gain further power as a result of the bargain and turn on the State to continue its growth of parallel power and dominance of weakly governed enclaves. It is also likely that the cartels enjoy the power they have gained, and won't simply accept a return to the *status quo ante* where organized crime was moderated and subordinated to the State's elites.

The final option is that the criminal enterprises continue to gain power and avoid State repression and attempts at State co-option, and force the State to further retreat from areas where the cartels/gangs exercise territorial control or avoid spheres of activity that the criminal enterprises dominate. Here the hyper-violent competition between rival criminal cartels and gangs could fuel a downward spiral that triggers renewed State repression. Barbarization and instability will fill the resulting power vacuum. Even if the Mexican State regains nominal and/or real control over contested turf, the cartels will likely seek new criminal havens (as in the case of *Los Zetas* building operational bases and alliances in Guatemala).

State Insolvency, Criminal Insurgency, and State Reconfiguration

The violent competition between criminal networks and the State in Mexico has potentially profound impact on governance and political order in Mexico and

beyond. The interaction between criminal contest with State power and the reciprocal retaliation and repression by the State promotes extreme levels of violence and seriously erodes public trust, inhibits or alters democratic and electoral processes since criminal networks promote their own candidates, and thwarts both human rights and the rule of law. These factors are compounded by endemic impunity and have a cumulative effect that corrodes State power.

Violent crime and impunity have become a national security dilemma in Mexico with an alleged half of the nation's territory outside State control and "in the hands of the *narcos*" according to a former head of CISEN (Mexico's strategic intelligence agency, the Center for Research and National Security) (Carillo Olea, 2011).

In 2010, this situation became acute and avoidance nearly impossible. At least a dozen cities in Tamaulipas had no effective mayor, with eight mayors assassinated, others disappeared and a few others working remotely from the United States (New America Media, 2010). Police officers at the municipal level are nearly extinct (having been killed or fled) leading to a lack of authority in several cities (*Miguel Alemán, Mier, Camego, Díaz Ordaz* and *Abasolo*) that allows *narcos* to control the movement of the local populace. When combined with a loss of the monopoly over the use of force and the inability to provide basic services, the concomitant erosion of legitimate decision-making authority approaches that of a failed state. Indeed, while the federal government functions in Mexico, in many areas sub-state failure is extent.

Tamaulipas is a clear example of "sub-State failure" where cartels have effectively replaced many of the government's traditional roles. The *Zetas* security enforcers (upward of 3,300 according to some estimates) outnumber official police in a sign of the rise of parallel governments (Corchado, 2011). Mass graves and attacks on buses carrying migrants punctuate the conflict in Tamaulipas (Miglierini, 2011). Massacres raise the specter of a "failed state" where refugees and internally displaced persons (IDPs) are a consequence of cartel-inspired "social cleansing."

Social cleansing, in effect forced displacement, is a largely overlooked facet of the contest between State and criminal actors. According to the Internal Displacement Monitoring Centre, at least 230,00 persons have fled their homes (Sicilia places this figure at 260,000); half of these persons are refugees to the United States, the remaining 115,000 (or 130,00 if you accept Sicilia's figure) are living in other parts of Mexico as IDPs. Chihuahua and Tamaulipas are hardest hit (Norwegian Refugee Council, 2010). In Chihuahua individual families have fled, while in Tamaulipas entire towns have been affected by the battle between the CDG-*Cartel del Golfo* and *Los Zetas*.

According to one report, cartels control over 90 percent of Tamaulipas and some 1,800 homes built by INFONAVIT, the state's social housing agency, have been

abandoned in three of Tamaulipas's cities. *Ciudad Mier* has been hit particularly hard with open gun battles in the street, cartel checkpoints and blockades, and homes, businesses, and police stations the targets of cartel-led arson. Finally, in November 2010 the *Zetas* issued an overt threat to all residents of *Ciudad Mier,* stating that if they didn't flee they would be killed. The people evacuated, and it became a ghost town (Norwegian Refugee Council, 2010).

Cartels in *Nuevo Laredo* and *Ciudad Juarêz* levy taxes, gather intelligence, conduct information operations to control the media, run businesses and impose order in furtherance of their goals. As such, they have morphed from criminal gangs into an "alternative society and economy [where] they are the dominant forces of coercion, tax the population, steal from or control utilities such as gasoline, sell their own products and are the ultimate decision-makers in the territories they control" according to anthropologist Howard Campbell at the University of Texas at El Paso (Corchado, 2011). The result is a blurring of the lines between the State and organized crime. In some cases these distinctions have been obliterated, in others the contest continues.

Veracruz is also contested. In mid-October 2010, Calderón himself warned that Veracruz was in the hands of the *Zetas*. This stark warning was followed by the Navy assuming control of local police, and fears that the cartels would expand their exploitation of the petroleum supply and open new criminal enterprises. The specter of the failed state (or failed sub-state) resonated loudly. The actual or perceived loss of control was reflected in a drop in Freedom House's political rights and civil liberties ratings for Mexico.[6] In 2010 Mexico's political rights and civil liberties scores were 2 and 3 respectively (cumulatively "Free"); by 2011 as a result of endemic criminal violence and threats to the state and civil society, they were rated as 3 each for a cumulative status of "Partly Free" (Dallas Morning News, 2011). It appears that the State is beginning to succumb to the challenge of *el monstruo delictivo* (the monster of crime).

As criminal enterprises confront the State, they set the conditions for a new political equilibrium. The multiple inter-locked 'criminal insurgencies' or armed rebellions waged by the cartels and gangs resulted when the tipping point between state-crime equilibrium was broken. The criminal leaders now saw the opportunity to forge a new equilibrium where they stand to gain benefits—economic and political. As such, the cartels and gangs are acting as new war-making and state-making entities. Their contest for power destabilizes State capacity and legitimacy (collectively solvency) and the resulting spiral of violence threatens stability and security. When combined with the corrosive impact of transnational crime on State legitimacy, the potential result is a radical

[6] Freedom House rates states according to the average of those two categories (political rights and civil liberties) on a scale from 1 to 7 with 1-2 being free, 3-5 partly free, and 5.5-7 not free.

transformation of State-criminal interactions and potential reconfiguration of State structures. While following chapters will examine these dynamics, I will next turn to the critical insight that transnational crime is a powerful new economic and political actor.

3. Transnational Organized Crime as a New Economic/Political Actor

This chapter examines the rise of illicit networks. These are evolving, adaptive actors/organizations that morph forms and nodes (as well as constantly shift internal and external alliances) in pursuit of profit and power. This includes a discussion of how TOC/TCOs operate internally and in relation to others (both illicit and licit enterprises). It also discusses the rise and operation of Mexican cartels as a derivative of Colombian cartels and other precursor mafias (in historical perspective). This includes a brief historical overview of TOC/cartels in Mexico, as well as the drivers for their rise. Finally, this chapter introduces the discussion of how TCOs impact sovereignty.

Drug cartels are important actors in the global illicit economy. These transnational criminal organizations (TCOs) are actually much more than drug trafficking organizations (DTOs). They are illicit networks comprised of a range of inter-locking enterprises (cartels and gangs) operating at various phases of the production, transportation, and distribution supply chain. These enterprises consist of gangs and mafias (popularly known as cartels) operating at local, national, regional, and global levels. Their goals are the production of profit and corresponding power in order to ensure continuity of operations free from interference from rivals and states. This includes the goals of political and judicial modification. Not only do these illicit networks seek profits (in economic terms) but they also seek modification of judicial, political, and social rules.

As I noted in an early co-authored paper (Sullivan and Bunker, 2003) on this phenomena: "The societal changes associated with the accessibility of information technology that stimulate networked organizational forms are changing the nature of conflict and crime. New, often non-state, entities and organizational structures are adapting to these circumstances and altering the global political landscape. In this frontier, non-state actors are asserting their ability to influence global civil society, while at times challenging states and state institutions to gain social, political, or economic influence." Essentially, this confirmed the observations of Arquilla and Ronfeldt (1997) that "Power is migrating to small, nonstate actors who can organize into sprawling networks more readily than can traditionally hierarchical nation-state actors."[7]

[7] Arquilla, John and Ronfeldt, David, "A New Epoch—And Spectrum—Of Conflict," (Eds.) *In Athena's Camp: Preparing for Conflict in the Information Age*, Santa Monica: RAND, 1997, p.5. For a more recent exploration of netwar and its darker consequences, see also Arquilla, John and Ronfeldt, David (Eds.) *Networks and Netwars: The Future of Terror, Crime, and Militancy,* Santa Monica: RAND, 2001.

Transnational crime is a threat to political, economic, environmental and social systems worldwide. This threat transcends the vast illegal drug trade and *narco*-violence to include major fraud, resource extraction, corruption and manipulation of both political and financial systems. TCOs have the potential to not only undermine civil society, but also to corrupt, capture or erode political systems and State sovereignty by normalizing violence, legitimizing corruption, and distorting market mechanisms. TCOs also disrupt markets by inhibiting equitable commercial transactions, extracting resources, and degrading the environment by marginalizing environmental safeguards and regulation.

Generally most TCOs, for example Colombia's *Cali* cartel, avoid overt politics and primarily pursue profit; nevertheless, criminal enterprises influence the political sphere. Some, as we will see, embrace a range of political action to ensure their survival and to maximize profits. They mix competition and cooperation—with one another, with governments (at all levels) and with commercial entities—as part of their operations. In doing so, they can foster instability with corruption, co-option and political manipulation emerging as primary tools. TCOs (mainly cartels and gangs) can either compete with, co-opt, or capture states. These are all forms of State reconfiguration. Examples of State reconfiguration are discussed by Garay-Salamanca and Salcedo-Albarán (2010 & 2011). These include “State capture” (StC) and “Co-opted State reconfiguration” (CStR).

While states and TCOs at times directly come to blows (competing for territory and power) culminating in violence as we now see in Mexico, they also influence and interact with each other to meet their respective objectives. States use coercion and their police power to contain cartels and gangs. Criminal enterprises use bribery, and symbolic and instrumental violence to contain or infiltrate the State institutions. Corrupt officials leverage criminal connections to gain power for themselves and their party. Gangsters at times provide social goods in exchange for freedom of movement. Alliances and adaptive networks of criminal and State actors complicate the situation.

TCOs are especially suited to network forms of organization. They often cooperate to maximize profits and circumvent interdiction by police, law enforcement agencies (LEAs) and governments. The networks established by these transnational gangs rely upon the ability to transcend borders and flow around legal or geographic boundaries. These illicit networks employ risk reduction strategies (joining with local gangs to exploit local conditions or access corrupt officials), market extension (provision of new products or outlets), or product exchange (*e.g.,* drugs for guns) to expand the capabilities of individual criminal entities. This at times limits competition and conflict, while at other times competition between rivals results in gang wars (crime wars or criminal insurgencies, which are discussed later). Transnational or regional organized crime and *narco*-networks are borderless. As a consequence, they are difficult to combat since opposing police and security organs are generally constrained by

sub-national and national boundaries.

Transnational cartels and gangs are extending their reach and influence by co-opting individuals and organizations through bribery, coercion and intimidation. In Mexico and parts of Latin America they are emerging as a serious impediment to democratic governance and a free market economy. Their impact is seen at both national and local levels. At sub-national (municipal and state or provincial) levels, the impact of gang violence and corruption has profound effects.

Criminal gangs and cartels come in many forms. As already mentioned, they challenge the rule of law and employ violence to dominate local communities. In some cases they are expanding their reach and morphing into new warmaking entities capable of challenging the legitimacy and even the solvency of nation-states. This potential brings life to the prediction made by Martin van Creveld (1991) who noted, "In the future war, war will not be waged by armies but by groups whom today we call terrorists, guerrillas, bandits and robbers, but who will undoubtedly hit upon more formal titles to describe themselves." At first glance, these gangsters' sole political motive is to gain autonomous economic control over territory. They do so by hollowing out the state and creating criminal enclaves to maneuver. [8]

Global Gangs/Transnational Crime

These criminal gangs and their impact is no longer a localized criminal issue. Transnational gangs and crime have hemispheric and global potentials. Gangs are essentially a form of organized crime and, in an age of globalization, transnational or global crime can change the nature of war and politics.

These potentials find their underpinnings in the virulence of transnational crime. Transnational crime has effectively become a threat to political, economic, environmental and social systems worldwide. This threat involves more than drug trafficking. In addition to the substantial illegal global drug trade and its attendant violence, transnational crime also embraces major fraud, corruption, and manipulation of both political and financial systems. Canadian intelligence analyst Samuel Porteous describes this situation, explaining that transnational crime undermines civil society, political systems and State sovereignty by normalizing violence and legitimizing corruption. It also erodes society by distorting market mechanisms through the disruption of equitable commercial transactions, and degrades the environment by sidelining environmental regulations and safeguards. All these potentials have the cumulative effect of destabilizing nations and economies.[9]

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[8] 'Hollow states' are defined by John Robb at his web blog *Global Guerrillas*; see http://globalguerrillas.typepad.com for his many discussions on this topic.

[9] Porteous, Samuel D., "The Threat from Transnational Crime: An Intelligence Perspective," *Commentary No. 70,* Canadian Security Intelligence Service,

Transnational gangs and criminals extend their reach and influence by co-opting individuals and organizations through bribery, coercion and intimidation to "facilitate, enhance, or protect"[10] their activities. As a consequence, these groups are emerging as a serious impediment to democratic governance and a free market economy. This danger is particularly evident in Mexico, Colombia, Nigeria, Russia and other parts of the former Soviet Union where corruption has become particularly insidious and pervasive. At sub-national levels, such corruption can also have profound effects. At a neighborhood level, political and operational corruption can diminish public safety, placing residents at risk to endemic violence and inter-gang conflict, essentially resulting in a "failed community." This is the virtual analog of a "failed state."[11]

Examining Cartel Evolution

Drug cartels are one type of organized criminal enterprise that have challenged states and created “lawless zones” or criminal enclaves. Examining cartel evolution can help illuminate the challenges to states and civil governance posed by criminal gangs and cartels. Bunker and Sullivan (1998) examined cartel evolution and related destabilizing potentials in “Cartel Evolution: Potentials and Consequences.”[12] In that paper, three potential evolutionary phases were identified (See Table 1). These are described below.

1st Phase Cartel (Aggressive Competitor)

The first phase cartel form originated in Colombia during the 1980s and arose as an outcome of increasing US cocaine demand. This type of cartel, characterized by the *Medellín* model, realized economies of scale not known to the individual cocaine entrepreneurs of the mid-1970s. This early cartel was an aggressive competitor to the Westphalian state because of its propensity for extreme violence and willingness to directly challenge the authority of the state.

2nd Phase Cartel (Subtle Co-Opter)

The second phase cartel form also originally developed in Colombia, but in this

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Winter 1996.

[10] Williams, Phil, “The Nature of Drug-Trafficking Networks,” *Current History*, Vol. 97, No. 618, April 1998, pp.154-159.

[11] See Sullivan, John P. and Weston, Keith, “Afterward: Law Enforcement Response Strategies for Criminal-States and Criminal-Soldiers,” in Robert J. Bunker (Ed.), *Criminal States and Criminal-Soldiers*, London: Routledge, 2008, pp. 287-300.

[12] Bunker, Robert J. and Sullivan, John P., “Cartel Evolution: Potentials and Consequences,” *Transnational Organized Crime*, Vol. 4, No. 2, Summer 1998, pp. 55-74.

instance, is centered in the city of *Cali*. Unlike their *Medellín* counterparts, the *Cali* cartel was a shadowy organization devoid of an actual kingpin. Its organization is more distributed and network-like, rather than hierarchical. Many of its characteristics and activities were stealth-masked and dispersed, which yielded many operational capabilities not possessed by the first phase cartel form. Specifically, it possessed leadership clusters that are more difficult to identify and target with a decapitation attack. The *Cali* cartel was also more sophisticated in its criminal pursuits and far more likely to rely upon corruption, rather than violence or overt political gambits, to achieve its organizational ends. This cartel form has also spread to Mexico with the rise of the Mexican Federation, an alliance of the "big four" mafias based in Tijuana, Sonora, Juárez, and the Gulf. This dynamic is still evolving.

3rd Phase Cartel (Criminal State Successor)

Third Phase Cartels, if and when they emerge, have the potential to pose a significant challenge to the modern nation-state and its institutions. A Third Phase Cartel is a consequence of unremitting corruption and co-option of State institutions. While this "criminal state successor" has yet to emerge, warning signs of its eventual arrival are present in many states worldwide. Of current importance in the United States are the conditions favoring *narco-* or criminal-state evolution in Mexico. Indeed, the criminal insurgency in Mexico could prove to be the genesis of a true third phase cartel, as Mexican cartels battle among themselves and the state for dominance. Essentially, third phase cartels rule criminal enclaves, acting much like warlords.

Transnational gangs

Transnational gangs are another state challenger. They are a concern throughout the Western Hemisphere. Criminal street gangs have evolved to pose significant security and public safety threats in individual neighborhoods, metropolitan areas, nations, and across borders. Such gangs—widely known as *maras*—are no longer just street gangs. They have morphed across three generations through interactions with other gangs and transnational organized crime organizations (*e.g.,* narcotics cartels/drug trafficking organizations) into complex networked threats.[13]

Transnational *maras* have evolved into a transnational security concern throughout North and Central America. As a result of globalization, the influence of information and communications technology, and travel/migration patterns, gangs formerly confined to small, local areas have spread their reach across neighborhoods, cities and countries. In some cases, this reach is increasingly

[13] See Sullivan, John P., "Maras Morphing: Revisiting Third Generation Gangs," *Global Crime*, Vol.7, No. 3–4, August–November 2006, pp. 487-504 for a detailed discussion of *maras* and third generation (3 GEN) gangs worldwide.

cross-border and transnational. Current transnational gang activity is a concern in several Central American States and Mexico (where they inter-operate with cartels).[14]

Transnational gangs can be defined as having one or more of the following characteristics: 1) criminally active and operational in more than one country; 2) criminal operations committed by gangsters in one country are planned, directed, and controlled by leadership in another country; 3) they are mobile and adapt to new areas of operations; and 4) their activities are sophisticated and transcend borders.[15] The gangs most frequently mentioned in this context are *Mara Salvatrucha* (MS-13) and Eighteenth Street (M-18), both originating in the *barrios* of Los Angeles. In order to understand the potential reach and consequences of transnational *maras,* it is useful to review third generation gang theory.

Street Gangs: Three Generations on the road to Netwar

Analysis of urban and transnational street gangs shows that some of these criminal enterprises have evolved through three generations—transitioning from traditional turf gangs, to market-oriented drug gangs, to a new generation that mixes political and mercenary elements.

The organizational framework for understanding contemporary gang evolution was first explored by Sullivan in a series of papers starting with the 1997 article "Third Generation Street Gangs: Turf, Cartels, and Netwarriors."[16] These concepts were expanded in another article with the same title, and the model further refined in the 2000 *Small Wars and Insurgencies* paper "Urban Gangs Evolving as Criminal Netwar Actors."[17] In these papers (and others), three generations of gang organization were described. As gangs negotiate this generational shift, their voyage is influenced by three factors: *politicization*, *internationalization*, and *sophistication*. This gang form—the 'third generation' gang—entails many of the organizational and operational attributes found with net-based triads, cartels and terrorist entities. The characteristics of all three

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[14] Sullivan, John P. (2008). "Transnational Gangs: The Impact of Third Generation Gangs in Central America," *Air & Space Power Journal* (Spanish Edition), Second Trimester 2008 at http://airpower.maxwell.af.mil.apjintrnational/apj-s/2008/2tri08/sullivan eng.htm for a discussion of gangs in the region.

[15] Franco, Cindy (2007). "The MS-13 and 18th Street Gangs: Emerging Transnational Gang Threats?" *CRS Report for Congress*, Washington, DC: Congressional Research Service (RL34233), 02 November, p. 2.

[16] Sullivan, John P. (1997). "Third Generation Street Gangs: Turf, Cartels, and Net Warriors," *Transnational Organized Crime*, Vol. 3, No. 3, Autumn 1997, pp. 95-108.

[17] Sullivan, John P. (2000). "Urban Gangs Evolving as Criminal Netwar Actors," *Small Wars and Insurgencies*, Vol. 1, No.1, Spring 2000, pp. 82-96.

generations of gangs are summarized in Table 2.

The three generations of gangs can be described as follows:

- ***Turf: First Generation Gangs*** are traditional street gangs with a turf orientation. Operating at the lower end of extreme societal violence, they have loose leadership and focus their attention on turf protection and gang loyalty within their immediate environs (often a few blocks or a neighborhood). When they engage in criminal enterprise, it is largely opportunistic and local in scope. These turf gangs are limited in political scope and sophistication.

- ***Market: Second Generation Gangs*** are engaged in business. They are entrepreneurial and drug-centered. They protect their markets and use violence to control their competition. They have a broader, market-focused, sometimes overtly political agenda and operate in a broader spatial or geographic area. Their operations sometimes involve multi-state and even international areas. Their tendency for centralized leadership and sophisticated operations for market protection places them in the center of the range of politicization, internationalization and sophistication.

- ***Mercenary/Political: Third Generation Gangs*** have evolved political aims. They operate—or seek to operate—at the global end of the spectrum, using their sophistication to garner power, aid financial acquisition and engage in mercenary-type activities. To date, most third generation (3 GEN) gangs have been primarily mercenary in orientation; yet, in some cases they have sought to further their own political and social objectives.

A more detailed discussion of these three generations follows.

First Generation Gangs

Traditional street gangs are almost exclusively turf-oriented. They operate at the lower threshold of extreme societal violence, possess loose leadership and concentrate their attention on turf protection and gang loyalty within their immediate environs (often a few blocks, a cell-block, or a neighborhood). When they engage in criminal activity, it is largely opportunistic and individual in scope. Turf gangs are limited in political scope, and are unsophisticated in tactics, means, and outlook. When they engage in rivalry with competing gangs, it is localized. Despite their limited spatial influence, these gangs due to their informal network-like attributes can be viewed as proto-netwarriors. Local criminal organizations can evolve into armed bands of non-state soldiers should they gain in sophistication within failed communities with disintegrating social structure. While most gangs will stay firmly in the first generation, a few (*e.g.,* some 'Crip' and 'Blood' sets and some Hispanic gangs) span both the first and second (nascent organized crime groups with a drug focus).

Second Generation Gangs

Second generation gangs are essentially criminal businesses. They are entrepreneurial in outlook and generally drug-centered. They use violence to protect their markets and limit or control their competition. They seek a broader, market-focused, occasionally overt political agenda and often operate in a broader spatial or geographic area. Their operations sometimes involve multi-state, cross-border, or international reach. They tend to embrace centralized leadership and conduct sophisticated operations for market protection. As such, they occupy the center of the range of politicization, internationalization and sophistication. Second generation gangs sometimes use violence as political interference to incapacitate enforcement efforts by police and security organs. Generally, this instrumental violence occurs in failed states, but clearly occurs when gangs dominate community life within "failed communities." Further evolution of these gangs is a danger when they link with and provide services to transnational criminal organizations or collaborate within narcotics trafficking and distribution networks and other criminal ventures. Because of their attributes, second generation gangs can be considered emerging netwarriors.

Third Generation Gangs

The overwhelming majority of street or prison gangs remain firmly in the first or second generations; however, a small number in the United States, Canada, Central and South America, as well as South Africa, have acquired third generation characteristics. Third generation gangs have evolved political aims, operate or seek to operate at the global end of the spectrum, and employ their sophistication to acquire power and money, and to engage in mercenary or political activities. To date, these gangs have been primarily mercenary in orientation; yet, in some cases they seek political and social objectives. Examples of third generation gangs can be seen in Chicago, San Diego, Los Angeles, Brazil, South Africa, and throughout Central America.

These gangs have evolved from turf-based entities, to drug-oriented enterprises operating in up to 35 states, to complex organizations controlling entire housing projects, schools and blocks, that conduct overt political activity while actively seeking to infiltrate and co-opt local police and contract security forces. These activities demonstrate the often-subtle interaction of gangs and politics. This shift from simple market protection to power acquisition is characteristic of third generation activity.

Internationalization is the final indicator of gang evolution. Gangs in Los Angeles and San Diego have been notable in this regard, with Los Angeles gangs having outposts in Tijuana, Mexico, Nicaragua, El Salvador, and Belize, and San Diego gangs linking with Baja cartels. The mercenary foray of San Diego's *"Calle Treinta"* ('30th St.'/'Logan Heights') gang into the bi-national orbit of the *Arellano-*

Felix (Tijuana) cartel is notable for assassinations, drive-by shootings and other enforcement slayings. Because of their attributes, third generation gangs can be considered netwarriors. Networked organizational forms are a key factor contributing to the rise of non-state or criminal soldiers. [18]

Impact of Transnational "Third Generation" Gangs (*Maras*)

Like their more sophisticated cartel counterparts, third generation gangs challenge state institutions in several ways. Naval Postgraduate School analyst Bruneau, paraphrased below, describes five (multi) national security threats or challenges associated with transnational *maras:*[19]

- They *strain government capacity* by overwhelming police and legal systems through sheer audacity, violence, and numbers.
- They *challenge the legitimacy of the state*, particularly in regions where the culture of democracy is challenged by corruption and reinforced by the inability of political systems to function well enough to provide public goods and services.
- They *act as surrogate or alternate governments*. For example, in some regions (*i.e.,* El Salvador and Guatemala) the "governments have all but given up in some areas of the capitals, and the *maras* extract taxes on individuals and businesses."
- They *dominate the informal economic sector*, establishing small businesses and using violence and coercion to unfairly compete with legitimate businesses while avoiding taxes and co-opting government regulators.
- They *infiltrate police and non-governmental organizations* to further their goals and in doing so demonstrate latent political aims.

These factors can be seen graphically in the battle for control of the drug trade in Mexico.

Mexico's criminal cartels are engaged in a wide range of criminal activity. The font of their power and economic might rests in drug trafficking—hence they are known as *narcos*. The reality is they have grown from drug trafficking organizations (DTOs) into polycrime organizations with transnational reach. Mexico has a long history of drug trafficking. Smugglers are deeply entrenched in the folklore and tradition of banditry in many rural enclaves. In Sinaloa, for example, the *narcos* are known as *"valientes"* or "brave ones." Their exploits (as

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[18] See Sullivan, John P. (2001). "Gangs, Hooligans, and Anarchists—The Vanguard of Netwar in the Streets," in John Arquilla and David Ronfeldt, *Networks and Netwars: The Future of Terror, Crime, and Militancy*, Santa Monica: RAND, pp. 99-128 for a discussion of this analysis.

[19] Bruneau, Thomas C. (2005). "The Maras and National Security in Central America," *Strategic Insights*, Vol. IV, Issue 5 (May) found at http://www.ccc.npps.navy.mil/si/2005/May/bruneauMay05.pdf.

we shall see later) are extolled in *narcocorridos* or ballads and in social media (Crisis Group, 2013, p.5). While the drug trade extends back to a black market for opium and heroin that emerged in the wake of the 1914 Harrison Narcotics Act, Mexican bandits dominated the trade by the 1930s. Sinaloans dominated the West Coast trade, while many rivals divided the rest of the country. By the 1960s marijuana became a major component of the trade. When cocaine from Colombia became fashionable in the 1970s, Mexican *narcos* forged links with Colombian cartels to move the product to the lucrative US markets.

The Mexican *narcos* assumed ever-growing roles and prominence in the trade as they assumed key leadership roles in the transnational supply chain.

By 2010 Mexicans controlled the cocaine trade with 93% of the product moving through Mexico to reach the US (Crisis Group, 2013, p. 6). The *narcos* then added a new profit center: methamphetamine ("meth" or "ice") to their product line. This polydrug trade resulted in large profits and hyper-competition for market dominance. The criminal enterprises operated by the *narcos* are known as "cartels." While not conventional cartels in the economic sense of the term, the cartels embrace that moniker and the term cartel is widely used to describe transnational illicit narcotic trafficking organizations as a result. Indeed, the second definition for cartel offered by the *Real Academia Española* is "an illicit organization that traffics drugs and arms."[20]

The cartels operate in conjunction with street gangs both in Mexico, the US and Central America to move their products. Essentially this combination forms a set of competing transnational illicit networks. The cartels, as we shall see, are competing with each other and the State for control of turf and the use of violence. The cartels move into new areas and enterprises, shift alliances and fight wars over turf and *plazas* (or drug transshipment nodes), and supply lines.

The current cartels trace a common lineage to the Guadalajara Cartel that framed the current *plaza* system. The Sierra Madre (a triangle of northern Chihuahua, Sinaloa, and Durango) was home to many trafficking activities. When enforcement efforts (epitomized by "Operation Condor") killed many key *narcos*, a new arrangement dominated by Sinaloa mobsters was forged in Guadalajara. The Guadalajara Cartel was formed by Rafael Caro Quintero, Miguel Ángel Félix Gallardo and Ernesto Fonseca Carrillo to fill the void of the Mexican antidrug enforcement efforts. Félix Gallardo, a former Sinaloa cop, was the kingpin. He was known as *"El Padrino"* ("The Godfather"). In a move similar to the "Commission" meeting in the "Godfather" movie, Félix Gallardo convened a meeting of ten key *narcos* in Acapulco where the *plaza* system was devised and

[20] The definition follows: Cartel[2] o cártel. 'Organización ilícita que trafica con drogas o con armas'. *Diccionario panhispánico de dudas* (2005), Real Academia Española.

areas of operations were allocated. The Arellano Félix brothers got Tijuana, the Carrillo Fuentes family got Ciudad Juaréz. Sonora went to Miguel Angel Caro Quintero and the emerging Gulf cartel under Juan García Ábrego got Tamaulipas. The *Sinaloa* cartel under Joaquín Guzmán Loera and Ismael Zambada García would control the pacific routes. A series of corrupt police, including co-opted members of the DFS (*Dirección Federal de Seguridad*) aided the consolidation of power. When *"El Padrino"* was arrested in 1989 the Guadalajara cartel splintered into separate factions. Each of these would ultimately become key players in Mexico's drug war (Beith, 2010). The dynamics of cartel and gang interplay, including fragmentation, and their role in violence are described later. Now, let's turn to the impact of the cartels and the drug war on the State: specifically, State capacity, legitimacy and solvency.

4. Impact on States: Capacity, Legitimacy, and Solvency

This chapter discusses the impact of cartels/gangs on the State. Specifically, it addresses their impact on State capacity, legitimacy, and ultimately solvency at different levels: local (municipal), 'state', federal, and international/supranational. The effects on sovereignty and civil society are discussed. This includes an exposition of the means of violence employed, cartel operations, and their impacts on the State. Specifically, this looks at attacks on government/political actors, law enforcement/police, the military, journalists, and the public at large. The insidious and direct assault on governance, the formation of criminal enclaves (other governed or temporary autonomous zones), the economic and political circuits of power and influence will be illustrated to describe the challenges to state legitimacy and capacity and to inform the discussion on the challenges to sovereignty posed by parallel (or dual) governance and economic structures. This chapter concludes with an introduction to the political economy of violence.

Transnational Criminal Organizations (TCOs) and gangs challenge States and sovereignty in a variety of ways. These include eroding State solvency through corruption, subtle co-option of State officials and institutions, direct assault on State functions and, in the worst case, State capture or failure under the threat of criminal challengers. Rarely do criminal enterprises totally supplant States; rather, they change the nature of State functioning. This chapter looks at how gangs and TCOs influence State change at local, state, federal, and transnational levels.

State reconfiguration, including co-option, and the rise of criminal enclaves is examined. These include the establishment and proliferation of lawless or other-governed zones (including failed communities or failed zones) through corruption and the application of force by private non-State armies. As part of this exploration, the concept of "criminal insurgency" (which is discussed in depth in Chapter 3) will be introduced and examined in the context of a "battle for the parallel State" (dual sovereignty) and the potential rise of "*narco*-States" and "*narco*-networks." In doing so, the chapter illuminates the logic structure of criminal State-challengers toward the establishment of "neo-feudal" governance structures. The emergence of gangs and criminal cartels as "accidental insurgents" and/or "social bandits," as well as the use of information operations, *narcocultura*, and instrumental violence to free themselves from State interference (aka sovereignty) is discussed.

Transnational Organized Crime, Mexican Cartels and Criminal Enclaves

The United Nations Office on Drugs and Crime (UNODC) released a report on global/transnational organized crime on 17 June 2010. In that report Antonio Maria Costa, Executive Director of the UNODC, said, "Transnational crime has become a threat to peace and development, even to the sovereignty of nations."

The Report states that, since crime has gone global, national responses are inadequate: they displace the problem from one country to another. "Crime has internationalized faster than law enforcement and world governance," according to Mr. Costa. Essentially, TOC is a threat to the sovereignty of nations. “When states fail to deliver public services and security, criminals fill the vacuum." [21]

This situation leads us to a “time of anomalies and transitions” according to Juan Carlos Garzón. Complex criminal networks, through which different criminal factions relate to each other by “cooperating and competing for the control of illicit markets are impacting democratic environments and transforming themselves into a real force that could end up determining the destiny of institutions and communities.” [22]

Mexico’s drug war has killed at least 40,000 persons since 2006 when President Calderón declared war on the cartels (as we will see, the numbers are very likely higher).[23] Mexico’s drug wars are fertile ground for seeking an understanding of criminal insurgency. Mexico and the cross-border region that embraces the frontiers between Mexico and the United States and Mexico and Guatemala are embroiled in a series of interlocking criminal insurgencies.[24] These criminal insurgencies result from the battles for dominance of the ‘*plazas*’ or corridors for the lucrative transshipment of drugs into the United States, not only from Mexico but also from surrounding countries like Guatemala. The cartels battle among themselves, the police and the military, enlisting the support of a variety of local and transnational gangs and criminal enterprises. Corrupt officials fuel the violence, communities are disrupted by a constant onslaught of violence, and alternative social structures emerge. Prison gangs—like *Eme*, the Mexican Mafia and *Barrio Azteca*—and transnational *maras* also play pivotal roles in the

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[21] United Nations Office on Drugs and Crime (UNODC) (2010). "The Globalization of Crime: A Transnational Organized Crime Threat Assessment," June 2010.

[22] Garzón, Juan Carlos (2008). *Mafia & Co: The Criminal Networks in Mexico, Brazil, and Colombia*, Woodrow Wilson International Center for Scholars, Latin American Program, 2008.

[23] The Mexican press speculates that between 38,000 to over 40,000 persons have been killed in the conflict since 2006. In January 2011 the Mexican government pegged the toll at 34,600. No official updates have been provided since. See “Mexico Debates Drug War Death Toll Figure Amid Government Silence,” (2011). *Latin America News Dispatch*, 03 June 2011 at http://latindispatch.com/2011/06/03/mexico-debates-drug-war-death-toll-figure-amid-government-silence/.

[24] See Sullivan, John P. and Elkus, Adam (2009). “Red Teaming Criminal Insurgency” and (2009) “State of Siege: Mexico’s Criminal Insurgency,” and Sullivan, John P. (2008). “Criminal Netwarriors in Mexico’s Drug Wars,” *GroupIntel*, 22 December 2008 at http://www.groupintel.com/2008/12/22/criminal-netwarriors-in-mexico’s-drug-wars/.

allocation of force and influence.

Not only are the Mexican cartel wars violent, they are increasingly brutal. New weaponry (*narcotanques* or improvised infantry fighting vehicles) is joining grenade attacks, beheadings, and cartel information operations (including *narcomensajes* in the form of *narcomatas*, *narcopintas*, *narcobloqueos*, and 'corpse-messaging'--or leaving a message on a mutilated corpse) to shape the operational space. Kidnappings (*levantons*), and attacks on journalists, mayors, police, and civil society in general punctuate the cartel battles among rivals and internal usurpers of power. *Narcocultura* in the form of alternate belief systems such as the cult of *Santa Muerte* and *Jesus Malverde* and reinforced by *narcocorridos* support the *narco* worldview. Mass graves (*narcofosas*) and social cleansing (mass targeted murders within cartel zones of influence), as well as reports of *narco*-gladiators, punctuate the violence.[25]

Over half of all Mexico's municipalities are influenced by organized crime, with 60-65% of Mexican municipalities impacted by cartels, gangs and *narco*-trafficking groups. Drug cartels have reportedly infiltrated over 1,500 Mexican

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[25] For a discussion of cartel information operations see Sullivan, John P. (2010). "Cartel Info Ops: Power and Counter Power in Mexico's Drug War," *MountainRunner,* 15 November 2010 at http://mountainrunner.us/2010/11/cartel_info_ops_power_and_counterpower_in_Mexico_drug_war.html. For a discussion of the power-counterpower dimensions of journalist attacks see Sullivan, John P. (2011). ""Attacks on Journalists and 'New Media' in Mexico's Drug War: A Power and Counter Power Assessment," *Small Wars Journal*, 09 April 2011 at http://smallwarsjournal.com/blog/2011/04/attacks-on-journalists-and-new/. On social banditry see Sullivan, John P. (2009). "Post-Modern Social Banditry: Criminal Violence or Criminal Insurgency?" Paper presented to *Drug Trafficking, Violence and Instability in Mexico, Colombia, and the Caribbean: Implications for US National Security*, University of Pittsburgh and Strategic Studies Institute, US Army War College, Pittsburgh, PA, 29 October 2009. On narcotanks see Housworth, Gordon (2011). "'Narco-tanks': Cartel Competition Elevates to Asymmetrical Weapons." *InSight*, 11 June 2011 at http://insightcrime.org/insight-latest-,news/item/1073-narco-tanks-cartel-competition-elevates-to-asymmetrical-weapons and Sullivan, John P. and Elkus, Adam (2011). "Narco-Armor in Mexico," Small Wars Journal, 14 July 2011 at http://smallwarsjournal.com/jrnl/art/narco-armor-in-mexico. On *narcocultura* and social/environmental modification see Bunker, Robert J. and Sullivan, John P. (2011). "Extreme Barbarism, a Death Cult, and Holy Warriors in Mexico: Societal Warfare South of the Border?," *Small Wars Journal*, 22 May 2011 at http://smallwarsjournal.com/blog/2011/05/societal-warfare-south-of-the/. On *narco*-gladiators see Schiller, Dane (2011). "Narco gangster reveals the underworld," Houston Chronicle, 12 June 2011 at http://www.chron.com/disp/story.mpl/metropolitan/7607122.html#ixzz1P60tyNZp

cities, and use them as the base for kidnappings, extortions, and vehicle thefts.[26] In addition, or perhaps as a consequence, 980 “zones of impunity” where criminal bands operate unchecked were reported in 2009. In these 980 “zones of impunity” or “criminal enclaves,” organized crime has more control than the Mexican State. This contrasts with earlier assertions by the government that it has effective control over every part of Mexico.[27]

Refugees and internally displaced persons (IDPs) are another consequence of the drug war. According to Reuters, "Just after Christmas, drug hit men rolled into the isolated village of *Tierras Coloradas* and burned it down, leaving more than 150 people, mostly children, homeless in the raw mountain winter." In Mexico’s northern states of Durango, Chihuahua and Tamaulipas, cartels fighting for control of lucrative smuggling routes to the United States have threatened entire towns with ultimatums to flee or be killed. While no official numbers exist, the Geneva-based Internal Displacement Monitoring Center, or IDMC, estimates 115,000 people have been displaced by Mexico's drug violence.[28]

Lessons from Central America

The erosion of territorial control process seen in Mexico is also found in Central America. Indeed, the same transnational criminal actors are involved in both spaces. According to Ivan Briscoe, former senior researcher at FRIDE (*Fundación para las Relaciones Internacionales y el Diálogo Exterior*) in Madrid, gangs (*maras*), transnational organized corruption, and their impact on the state have multiple manifestations. While Briscoe discusses the particular security crisis in Guatemala, and the ways in which the financial, political and criminal aspects of state fragility combine and reinforce one another, resulting in the withering of public authority, these factors are present in Mexico as well. This process can be understood as the effect of a proliferation and fragmentation of business transactions between non-state groups, factions within the State, and political leaders.[29]

The *Zetas* "are a terrible *de facto* power" throughout large segments of Mexico and Guatemala. While many press accounts and Mexican government statements cast the drug violence as a northern border issue, the challenge to the State from cartel and gang-controlled territory permeates the region.

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[26] “MEXICO, OVER HALF OF ALL MUNICIPALITIES INFLUENCED BY ORGANIZED CRIME,” *Southern Pulse-Networked Intelligence*, May 2009.
[27] “MEXICO, 980 ZONES OF IMPUNITY ACROSS COUNTRY,” *Southern Pulse-Networked Intelligence*, June 2009.
[28] Rosenberg, Mica (2011). "Mexico's refugees: a hidden cost of the drugs war," Reuters, 17 February 2011.
[29] Briscoe, Ivan (2009). "The state and security in Guatemala*," Working Paper 88*, Madrid: FRIDE: Fundación para las Relaciones Internacionales y el Diálogo *Exterior,* September 2009.

According to a *Washington Post* report describing the situation, “This is not northern Mexico, where drug gangs fight for turf along the U.S. border and the Mexican government wages an open battle against them. This is the south, where the brutal Zetas cartel is quietly spreading a reign of terror virtually unchallenged, all the way to the border with Guatemala - and across it.”[30]

Beginning in 2007 the *Zetas* “started preying on the south, Mexico's poorest region. They moved into Oaxaca, Chiapas and other southern states and then northern Guatemala, where attacks on townspeople became so commonplace that the government last month [December 2010] sent in 300 troops to regain control of the border province of Alta Verapaz. By 2008, the Zetas had operations in 28 major Mexican cities, according to an analysis by Grupo Savant, a Washington-based security think tank. They operate unchallenged in the south, the think tank says. While other cartels are preoccupied with maintaining their Pacific coast ports and northern border transit routes, the Zetas make hundreds of millions of dollars from extortion and trafficked goods coming overland via Guatemala.”[31]

Los Zetas have allegedly hired Guatemalan former counterinsurgency soldiers to train new recruits, and a *Zetas* training camp for hit men was uncovered on the Guatemalan border in 2010. Mexico's federal government claims that, unlike other cartels, the *Zetas* have no geographic concentration and therefore have shown up in disparate parts of the country operating like franchises, sending one member to an area they want to control to recruit local criminals.[32]

In El Salvador, both cartels and *maras* are adopting the mantle of social bandit. For example, NPR News reports: "In El Salvador, there's fear that the Mexican cartels are aligning themselves with the country's ubiquitous street gangs." The two main gangs — 18th Street and *Mara Salvatrucha* — are so powerful and so volatile that their members get sent to separate prisons. Impoverished neighborhoods in the capital, San Salvador, are clearly divided turf, belonging either to *Mara Salvatrucha* (MS) or 18th Street. The *mara*s violently and effectively rule their turf, “controlling street-level drug sales, charging residents for security and battling to exclude their rivals.”[33]

According to the NPR report:

> --The *maras* could offer — and according to some security analysts, already are offering — the Mexican cartels access to a vast criminal

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[30] Rodriguez, Olga R. (2011). "Gang's terror felt far from drug war on US border," *Washington Post*, 16 January 2011.
[31] *Ibid.*
[32] *Ibid.*
[33] Beaubien, Jason (2011). "El Salvador Fears Ties Between Cartels, Street Gangs," NPR News, 01 June 2011.

> network. The *maras* have stashes of weapons, established communications networks and ruthless foot soldiers who have no qualms about smuggling drugs or assassinating rivals — for a price.
>
> --Blue [an MS gangster] talks of the MS as a social organization that protects the "civilians" in the neighborhood. They help get water lines connected. They're refurbishing the community hall. To him, it's normal that residents have to pay rent to the gang for these services.

Essentially in El Salvador gang leaders are stating that they are social workers and that their gangs are providing social goods. While reporting for his three-part series on drug trafficking in Central America, NPR's Jason Beaubien spoke at length with "Blue" (a pseudonym), the second in command of the *Mara Salvatrucha* gang in El Salvador. Beaubien reported that:

> --gang members "really believe that they are doing good in the community. They believe that their gang structure ... replaces what the state isn't giving" — security, water, a community hall.
>
> --If Mexican cartels move in to work with the gangs in El Salvador... the power and money from the Mexicans combined with the organizational structure of the gangs would create "a terrible, terrible combination."[34]

MIT professor Diane Davis provides insight into the dynamics of the situation. According to Davis, "Mexico's cartels constitute 'irregular armed forces' — well-organized, flexible urban gangs that make money smuggling drugs and other goods — buttressed by Mexico's socioeconomic problems."[35] The cartels, Davis contends, are different from rebel groups. They don't seek to remove the whole government, but instead to usurp some of its functions. In doing so, they use violence to protect their "clandestine networks of capital accumulation."[36] This leads some analysts (including Davis) to perceive that Mexico's drug wars involve physically dispersed, evolving organizations that could be viewed more as self-sustaining networks than anti-State insurgents.[37] (I characterize this process as 'criminal insurgency'.) These violent non-State actors essentially gain power by hollowing out the State and creating criminal enclaves to maneuver.[38]

The capture, control or disruption of strategic nodes in the global system and the intersections between them by criminal actors can have cascade effects. The

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[34] Memmott, Mark (2011). "In El Salvador: Gang Leaders Who Say They're Social Workers," THE two-way (NPR News Blog), 01 June 2011.
[35] Dizikes, Peter (2010). "An altered state," PHYSORG.com, 19 April 2010.
[36] *Ibid.*
[37] *Ibid.*
[38] 'Hollow states' are defined by John Robb at his web blog *Global Guerrillas*; see http://globalguerrillas.typepad.com for his many discussions on this topic.

result is a state of flux resulting in a structural "hollowing" of many State functions while bolstering the State's executive branch and its emphasis on internal security. This hollowing out of State function is accompanied by an extra-national stratification of State function with a variety of structures or *fora* for allocating territory, authority, and rights (TAR). These *fora* —including border zones and global cities—are increasingly contested, with States and criminal enterprises seeking their own 'market' share. As a result, global insurgents, terrorists and networked criminal enterprises can create 'lawless zones,' 'feral cities,' and 'parallel states' characterized by 'dual sovereignty.'

The result of these counterpower struggles can be characterized as a battle for information and real power. These State challengers—irregular warriors/non-State combatants (*i.e.,* criminal netwarriors)—increasingly employ barbarization and high order violence, combined with information operations to seize the initiative and embrace the mantle of social bandit, as classically described by Hobsbawn, to confer legitimacy on themselves and their enterprises.[39]

The participants in these criminal insurgencies come in many guises. They may be members of a street gang or *mara*, members of a mafia or organized criminal enterprise, terrorists, insurgents, pirates or warlords. In all cases, they challenge the traditional state monopoly on violence and political control. They may co-exist within stable States, dominate ungovernable, lawless zones, slums, or 'no-go' zones, or be the *de facto* rulers of criminal enclaves or free-States. The enclave or 'criminal State' may range from a street gang's narrow gang-controlled turf of a few blocks or segments of blighted housing estates to larger uncontested neighborhoods in a *barrio*, *favela*, slum or mega-slum. Or they can exist as 'para-States,' 'statelets' or 'virtual States' in a combination of physical and increasingly networked terrain.

In Mexico, some (likely conservative) estimates have suggested that *narcos* effectively control 30% of Mexico's territory.[40] The Mexican state vehemently denies that it has lost control of its territory (which is problematic given the actual situation), but it is largely believed that Mexico is falling victim to a potent '*narcoligopolio*' or parapolitical challenger. [41]

As I observed in my essay "Terrorism, Crime and Private Armies,"

> Terrorists, criminal actors, and private armies of many stripes have

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[39] Hobsbawn, Eric (1969) (2000). *Bandits,* New York: The New Press (1969) 2000.

[40] "El Narco controla el 30% del territorio Mexicano," *El Blog del Narco*, 22 April 2010 at http://www.blogdelnarco.com/el-narco-controla-el-30-del-territorio-mexicano/.

[41] "México es una potencia víctima de un 'narcoligopolio," *El Universal*, 12 April 2011.

> altered the ecology of both crime and armed conflict. In many cases, the two are intertwined. Several factors reinforce these links. Global organized crime, which increasingly links local actors with their transnational counterparts, coupled with chronic warfare and insurgency (which yields economic benefits to some of its participants) can propel local or regional conflicts into genocidal humanitarian disasters. These regions, which are essentially criminal free-states, provide refuge and safe haven to terrorists, warlords, and criminal enterprises.[42]

These non-state actors share a common tendency toward becoming violent, pernicious threats to global security and civil society. Those at the lower threshold (street gangs of the first and second generation) are contributors, but those at the middle to higher threshold (third generation gangs, first and second phase cartels and warlords) are particularly dangerous. As these non-State, criminal soldiers evolve, they increasingly challenge the status of State and political organization. States are, at least in the current international political community, entities that possess a legitimate monopoly on the use of violence within a specified territory. Criminal States—that is, criminal free States or free enclaves—essentially act as statelets or para-States; in effect, entities that challenge that monopoly. This is much the same condition as that created by warlords within failed States.[43]

Lawless zones and criminal enclaves are areas (ranging from neighborhoods, to regions, to states, and cross-border zones) where gangs, criminal enterprises, insurgents, or warlords dominate social life and erode the bonds of effective security and the rule of law.[44] Failed States are those where these bonds are totally removed from normal discourse. Failing States are those where these bonds are substantially eroded, and transitional States are those where these bonds are being reconstituted.

Understanding the dynamics of other governed spaces requires an understanding of the actors occupying them. John Rapley in his *Foreign Affairs* essay “The New Middle Ages” gave an account of what he called ‘gangsters’

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[42] See Sullivan, John P. “Terrorism, Crime and Private Armies,” for this observation and an expanded discussion of the privatization of violence.
[43] See Bunker, Robert J. and Sullivan, John P. (1998). “Cartel Evolution: Potentials and Consequences,” *Transnational Organized Crime*, Vol. 4, No. 2, Summer 1998, pp. 55-74 and Sullivan, John P. and Bunker, Robert J. (2002). “Drug Cartels, Street Gangs, and Warlords,” in *Small Wars and Insurgencies*, Vol. 13, No. 2, Summer 2002, pp. 40-53 and Bunker, Robert J. (Ed*.) (2003). Non-State Threats and Future Wars*, Portland, OR: Frank Cass, 2003, pp. 40-53 for a comprehensive discussion of the effects of non-State criminal actors in the deterioration of civil society and the rule of law in areas of conflict and high intensity crime.
[44] *Ibid.*

paradise.'[45] In this account, he described how local gangs maintain their own system of law and order, 'tax' residents and businesses, and provide rudimentary social services. In this stage, a drug-trafficking group begins to operate as a "Mafia," not only dedicated to drug-trafficking but also to other criminal markets.

Rapley used the example of Jamaican gangs, which he characterizes as fluid but cohesive organizations that dominate clearly demarcated territory but participate in global narcotics trafficking. These gangs are indicative of "the rise of private 'statelets' that coexist in a delicate, often symbiotic relationship with a larger state."[46] The glue for that relationship is frequently corruption and co-option of legitimate government actors. He asserted that the "power of statelets and other new political actors will be less transitory, more significant, and more resistant to intervention than is usually assumed."[47] A poignant example of such an enclave has been documented in Ciudad del Este or the Tri-Border region at the confluence of Brazil, Paraguay, and Argentina. This region has been described as a virtual 'Star Wars Bar' of criminal enterprises and terrorist actors co-locating in an area with weak structures of governance to conduct their various individual and interdependent enterprises with potential global reach.[48]

Essentially, Rapley described the impact of 'third generation gangs'[49] within megaslums.[50] He notes that "Vast metropolises, growing so quickly their precise populations are unknown, are dotted with shantytowns and squatter camps that lack running water, are crisscrossed by open gutters of raw sewage, and are powered by stolen electricity. Developing states are constantly struggling to catch up. In some places they succeed, barely. In others, they are losing control of chunks of their territory."[51] Describing the situation in Brazil, Rapley observed that "Many of Rio de Janeiro's *favelas*, for example, are now so dangerous that politicians enter only with the local gang leader's permission. The gangs deliver votes in exchange for patronage. Beyond that, the politicians and the state

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[45] Rapley, John (2006). "The New Middle Ages," *Foreign Affairs*, Vol. 85, No. 3, May/June 2006, pp. 95-103.
[46] *Ibid,* p.96.
[47] *Ibid.*
[48] See for example Bunker, Robert J. and Sullivan, John P. "Cartel Evolution: Potentials and Consequences" for an early and detailed description.
[49] See Sullivan, John P. (1997). "Third Generation Street Gangs: Turf, Cartels and Netwarriors," *Transnational Organized Crime*, Vol. 3, No. 3, Autumn 1997, pp. 95-108; Sullivan, John P. (2000). "Urban Gangs Evolving as Criminal Netwar Actors," *Small Wars and Insurgencies*, Vol. 11, No. 1, Spring 2000, pp. 82-96; and Sullivan, John P. (2001). "Gangs, Hooligans, and Anarchists—The Vanguard of Netwar in the Streets," in Arquilla, John and Ronfeldt, David. *Networks and Netwars: The Future of Terror, Crime, and Militancy*, Santa Monica: RAND, 2001, pp. 99-126 for detailed discussion of the evolution of street gangs into networked actors with broad reach.
[50] See in Davis, Mike (2006). *Planet of Slums*, New York: Verso for a trenchant analysis of the politics of slums and political exclusion in global context.
[51] Rapley, p.100.

remain largely invisible and irrelevant. The gangs do not wish to secede from Brazil, but they can compel its government to negotiate the terms of its sovereignty."[52]

Transnational gangs and criminals extend their reach and influence by co-opting individuals and organizations through bribery, coercion and intimidation to "facilitate, enhance, or protect"[53] their activities. As a consequence, these groups are emerging as a serious impediment to democratic governance and a free market economy. This danger is particularly evident in Mexico, Colombia, Central America, Nigeria, Russia and other parts of the former Soviet Union where corruption has become particularly insidious and pervasive. At sub-national levels, such corruption can also have profound effects. At a neighborhood level, political and operational corruption can diminish public safety, placing residents at risk to endemic violence and inter-gang conflict, essentially resulting in a 'failed community' as a virtual analog of a "failed State.'[54]

The fullest development of a criminal enclave exists in the South American jungle at the intersection of three nations. Ciudad del Este, Paraguay is the center of this criminal near free State. Paraguay, Brazil and Argentina converge at this riverfront outpost. A jungle hub for the world's outlaws, a global village of outlaws, the triple border zone serves as a free enclave for significant criminal activity, including people who are dedicated to supporting and sustaining acts of terrorism. Lebanese gangsters and terrorists, drug smugglers, Nigerian gangsters and Asian mafias: Japanese Yakuza, Tai Chen (Cantonese mafia), Fuk Ching, the Big Circle Boys, and the Flying Dragons utilize the enclave as a base for transnational criminal operations. This polyglot mix of thugs demonstrates the potential of criminal netwarriors to exploit the globalization of organized crime.[55]

The blurring of borders—a symbol of the post-modern, information age—is clearly demonstrated here, where the mafias exploit interconnected economies. With the ability to overwhelm governments weakened by corruption and jurisdictional obstacles, the mafias of Ciudad del Este and its Brazilian twin city of Foz do Iguacu demonstrate remarkable power and reach. Terrorism interlocks with organized crime in the enclave, a post-modern free city that is a haven to Middle Eastern terrorists, a hub for the global drug trade, a center of consumer product piracy, and base for gunrunners diverting small arms (from the US) to the violent and heavily armed drug gangs in the *favelas* of Rio de Janeiro and São

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[52] *Ibid.*

[53] Williams, Phil (1998). "The Nature of Drug-Trafficking Networks," *Current History*, Vol. 97, No. 618, April 1998, pp.154-159.

[54] See Sullivan, John P. and Keith Weston, Keith (2008). "Afterward: Law Enforcement Response Strategies for Criminal-States and Criminal-Soldiers," in Robert J. Bunker, Robert J. (Ed.), *Criminal States and Criminal-Soldiers*, London: Routledge, 2008, pp. 287-300.

[55] *Ibid.*

Paulo.

The potential security implications of 'failed cities' were discussed in Richard J. Norton's essay on "Feral Cities." Norton's construction raised the specter of ungoverned, dystopian enclaves where crime and violence would become incubators of future conflict. The brutal barbarism of cartel-dominated "zones of impunity" (both within urban areas and in weakly governed rural border zones) is certainly worth exploring and linked to the growth of criminal counter-power discussed in this essay.[56]

The convergence of cartel evolution and manifestation of inter-netted criminal enterprises is so pronounced in this enclave, Robert Bunker and I call this, the third phase cartel, the Ciudad del Este model.[57] The TCOs here demonstrate the potential for criminal networks to challenge State sovereignty and gain local dominance. It must be stated that this situation doesn't happen, only, in regions where borders almost don't exist. For instance, within Colombia and Mexico it is possible to find inner regions where State sovereignty has been completely challenged. These networked "enclaves" or a third phase cartel embracing similar characteristics could become a dominant actor within a network of transnational criminal organizations, and potentially gain legitimacy or at least political influence within the network of State actors. Mexico's current battle for the *'plazas'* may be an early manifestation of criminal enclave formation.

Figure 1 describes the local through global geospatial distribution of these potentials, ranging from "failed communities" (or neighborhoods) to "failed" or "feral cities" through "failed States (or regions)." Let's look at how cartels and gangs are influencing these spaces to forge their criminal realms.

The New Feudal: Social Bandits and Statemaking

In "Irregular Armed Forces, Shifting Patterns of Commitment, and Fragmented Sovereignty in the Developing World," Diane E. Davis observed that: "[The] random and targeted violence increasingly perpetrated by 'irregular' armed forces pose a direct challenge to state legitimacy and national sovereignty."[58] According to her analysis, cartels and gangs are "transnational non-state armed actors who use violence to accumulate capital and secure economic dominion,

[56] Norton, Richard J. (2003). "Feral Cities," *Naval War College Review*, Autumn 2003, Vol. LVI, No. 4, pp. 97-106.
[57] *Ibid.*
[58] Davis, Diane E. (2010). "Irregular Armed Forces, Shifting Patterns of Commitment, and Fragmented Sovereignty in the Developing World." Forthcoming in: *Theory and Society*. MIT Open Access Article, 19 April 2010.

and whose activities reveal alternative networks of commitment, power, authority, and even self-governance."[59]

This situation has clear neo-feudal dimensions. Consider the *Zetas* in light of Feudalism. Alfredo Corchado, a journalist covering Mexico's drug wars, points out indicators of cartel (especially *Zeta*) erosion of State institutions. These include territorial control and neo-feudalism. While discussing Guatemala, Corchado said, "Beset by violence and corruption, Guatemala teeters on the edge of being a failed state. In recent years, Guatemala has proved to be especially vulnerable to the Zetas, who rule over communities across the country like tiny fiefdoms."[60]

Corchado observes that leveraging the proceeds from billions of dollars in drug profits from US sales, Mexican organized crime groups, particularly the *Zetas,* have taken control in parts of Guatemala forming alliances with local criminal groups and undermining that State's fragile democracy. In Mexico, the *Zetas* now control chunks of territory in the Yucatan peninsula, northwestern Durango state and the northern states of Tamaulipas, Nuevo Leon and Coahuila (all bordering Texas).[61]

The result is 'other governed spaces,' 'neo-feudal zones' and 'criminal enclaves.' In a report entitled "Drug cartels taking over government roles in parts of Mexico," Corchado explored cartel intrusion into sovereignty. He found that:

> The "police" for the Zetas paramilitary cartel are so numerous here — upward of 3,000, according to one estimate — that they far outnumber the official force, and their appearance further sets them apart. The omnipresent cartel spotters are one aspect of what experts describe as the emergence of virtual parallel governments in places like Nuevo Laredo and Ciudad Juarez — criminal groups that levy taxes, gather intelligence, muzzle the media, run businesses and impose a version of order that serves their criminal goals.[62]

As a consequence, "entire regions of Mexico are effectively controlled by non-state actors, *i.e*., multipurpose criminal organizations," according to Howard Campbell, an anthropologist and expert on drug cartels at the University of Texas at El Paso. "These criminal groups have morphed from being strictly drug cartels into a kind of alternative society and economy," Campbell said. "They are the dominant forces of coercion, tax the population, steal from or control utilities such

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[59] *Ibid.*
[60] Corchado, Alfredo (2011). "Traffic in illegal drugs spawns violence and corruption on path north," *Bellingham Herald*, 28 April 2011.
[61] *Ibid.*
[62] Corchado, Alfredo (2011). "Drug cartels taking over government roles in parts of Mexico," *Vancouver Sun*, 04 May 2011.

as gasoline, sell their own products and are the ultimate decision-makers in the territories they control."[63]

The scope of criminal intrusion into governance has led some to question if the Mexican State is failing. While that potentiality is far from decided or certain, some components of the Mexican State are severely challenged if not 'failing' at a sub-national level. Consider Tamaulipas, a virtual 'failed State' in Mexico's war on drugs. According to a BBC News report on 'sub-State failure,' "Some people in Mexico go as far as saying the federal government has lost Tamaulipas."[64]

"Neither the regional nor federal government have control over the territory of Tamaulipas," observes Alberto Islas, a security analyst in Mexico City. He notes that "criminal groups are more effective at collecting 'taxes' than Tamaulipas' own government," explaining that cartels have become organized crime groups, "which as well as trafficking narcotics, also extort and kidnap."[65]

In my co-authored article, "Ciudad Juárez and Mexico's 'Narco-Culture' Threat," I assessed that "The cartels may not seek a social or political agenda, but once they control turf and territory and effectively displace the state they have no choice—they become "accidental insurgents."[66]

Here it is valuable to consider conceptualizing organized crime and criminal insurgency as being in competition with States in contemporary 'State-making.' In a presentation given on 21 May 2010 at the "Conference on Illicit Trafficking Activities in the Western Hemisphere: Possible Strategies and Lessons Learned," Vanda Felbab-Brown, of the Brookings Institution, raised the question.

> "The drug trade and other illegal economies generate multiple threats to the United States and other states and societies. At the same time, large populations around the world in areas with minimal state presence, great poverty, and social and political marginalization are dependent on illicit economies, including the drug trade, for economic survival and the satisfaction of other socio-economic needs. It is thus important to stop thinking about crime solely as aberrant social activity to be suppressed, but instead think of crime as a competition in state-making."[67]

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[63] *Ibid.*

[64] Miglierini, Julian (2011). "Tamaulipas: 'Failed state' in Mexico's war on drugs," BBC News, 13 April 2011.

[65] *Ibid.*

[66] Sullivan, John P. and Carlos Rosales, Carlos (2011). "Ciudad Juárez and Mexico's 'Narco-Culture' Threat," *Mexidata*, 28 February 2011 at http://mexidata.info/id2952.html.

[67] Felbab-Brown, Vanda (2010). "Conceptualizing Crime as Competition in State-Making and Designing an Effective Response," Speech at *Conference on Illicit*

The Dystopian Dynamics of Transnational Organized Crime, Criminal Insurgencies and Criminal Enclaves

Drug cartels and criminal gangs are challenging the legitimacy and solvency of the State (at all levels: municipal, state and national) in Mexico and Central America. As Max Manwaring stipulated, these State challengers are applying the "Sullivan-Bunker Cocktail" where non-State actors challenge the *de jure* sovereignty of nations. [68] In Manwaring's interpretation, gangs and irregular networked attackers can challenge nation-States by using complicity, intimidation, and corruption to subtly co-opt and control individual bureaucrats and gain effective control over a given enclave.

In Mexico and parts of Central America, cartels and gangs have gained control over specific *plazas*—ranging from a few city blocks to entire states or sub-national regions. Exploiting weak State capacity in urban slums or rural border zones[69] (either from the aftermath of civil war [Central America] or during the transition from one party rule [Mexico],) criminal mafias of various stripes have exploited the vacuum of power. In Mexico, cartels, now free from *Prista* influence could strike independent arrangements with local political actors. This freedom converged with the increasing globalization of crime. As a result, organized crime could now establish boundaries for the authorities, not the other way around.[70]

This situation allowed a range of networked, local and transnational, criminal enterprises--gangs and cartels—to form new criminal, economic, social, and political opportunities. Parallel or 'dual sovereignty'—over large swaths of the

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Trafficking Activities in the Western Hemisphere: Possible Strategies and Lessons Learned, Brookings Institution, 21 May 2010.

[68] See Manwaring, Max G. (2008). "Sovereignty Under Siege: Gangs and other Criminal Organizations in Central America and Mexico," *Air & Space Power Journal—Spanish Edition*, 01 July 2008 at http://www.airpower.au.af.mil/apjinterntional//apj-s/2008/2tri08/manwaringeng.htm

[69] Border zones are potential incubators of conflict. Criminal gangs exploit weak State presence to forge a parallel state and prosecute their criminal enterprises sustained by fear, violence and brutality. See Sullivan, John P. and Elkus, Adam (2009). "Border zones and insecurity in the Americas," *openDemocracy*, 24 November 2009 at http://ads.opendemocracy.net/opensecurity/john-p-sullivan-adam-elkus/border-zones-and-insecurity-in-americas.

[70] The Institutional Revolutionary Party (known as the *PRI* in Spanish), traditionally set all power boundaries in Mexican political and economic life—both legal and illicit. That changed with the implementation of a true multi-party State. The criminal mafias exploited that new power-generating opportunity. See Steinberg, Nik (2011). "The Monster and Monterrey: The Politics and Cartels of Mexico's Drug War," *The Nation*, 25 May 2011 at http://www.thenation.com.

State—was the result.[71] Provision of social goods (often wearing the mantle of social bandits) is one manifestation of increasing cartel power (*poder*). Often this provision of social goods is purely utilitarian. The cartels seek to appease the populace to gain their complicity in fending off the State's enforcement imperative. [72]

Essentially, the cartels and their networked third generation gang affiliates exploit weak zones of governance, expanding their criminal turf into effective areas of control. They start by corrupting weak officials, co-opting the institutions of government and civil society through violence and bribes. They attack police, military forces, judges, mayors and journalists to leverage their sway, communicate their primacy through information operations, and cultivate alternative social memes adapting environmental and social conditions toward their goals. Then they conduct social cleansing, killing those who get in their way and forcing others out of their area of operations. At this point they can effectively collect taxes, and extract wealth and resources (such as the diversion of oil and gas from PEMEX), effectively controlling the territory.

This territorial control varies in scope from a few blocks or *colonias* to entire regions. The cartels and gangs need to provide social goods to sustain their impunity, consolidate their power and ultimately expand their reach through displacement of the State or political accommodation—whichever comes first or lasts. In doing so they apply a 'reverse inkblot' strategy to alter States.

> *Mexico's periphery has become a lawless wasteland controlled largely by the drug cartels, but the disorder is rapidly spreading into the interior. In a cruel parody of the "ink-blot" strategy employed by counterinsurgents in Iraq, ungoverned spaces controlled by insurgents multiply as the territorial fabric of the Mexican state continues to dissolve.*[73]

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[71] Michoacán was an early example of emerging cartel political action. In that state, *La Familia* forged a parallel government generating employment, keeping order, providing social and civic goods, collecting (street) taxes and co-opting legitimate governmental administrative and security functions. See Grayson, George W. (2010). *La Familia Drug Cartel: Implications for U.S.-Mexican Security*, Carlisle Barracks, PA: US Army War College, Strategic Studies Institute, December 2010. *Los Zetas* started providing similar social goods in 2010-2011 leading the author to observe that they were acting as 'accidental insurgents.'

[72] See Flanigan, Shawn Teresa (2011). "Violent Providers: Comparing Public Service Provision by Middle Eastern Insurgent Organizations and Mexican Drug Cartels," paper presented to *52nd Annual ISA Convention, Global Governance: Political Authority in Transition*, Montreal, Quebec, Canada, March 2011.

[73] Sullivan, John P. and Elkus, Adam (2008). "Mexico's Criminal Insurgency," *Defense and the National Interest* and *Small Wars Journal*, 09 November at http://smallwarsjournal.com/blog/2008/11/mexicos-criminal-insurgency/.

Leveraging the power gained by dominating the *plazas* and criminal enclaves, these criminal networks have the opportunity to expand their domain by exerting dual sovereignty or actual political control over their corrupt vassals to forge *narco*states.

The Political Economy of Violence

The emergence of *narco*states or *narco*-enclaves is fueled by the political economy of violence. Why is Mexico plagued by hyperviolence? For Viridiana Rios, a Harvard researcher, the answer is a self-reinforcing violent equilibrium forged by a triad of 1) competitive drug markets, 2) violence, and 3) enforcement operations (Rios, 2012). Certainly these factors come to play, but the hyperviolence and hypercompetition have deeper and perhaps more profound roots and potential outcomes.

I believe the political economy of violence in Mexico takes the following course. First, the decline of a "big man" or strong political moderator starts the cycle. Twin forces were at play here: the decline of the *PRI* and its control over political actors licit and illicit, and then the fragmentation of the *Guadalajara* Cartel. The loss of these moderating forces enabled competition between individual networks of cartels, gangs, and corrupt officials. Second, the influx of huge sums of money facilitated by the increasing primacy of Mexican gangsters in the *narco*-trade enhanced the value of trafficking for the fragmenting actors. Here the competition between cartels for control of the *plazas* kicks in. The newly independent actors seek to expand market share through new alliances and competition. Competition became violent as both enforcement action from the State and rivalry led to increased violence. As always, violence begets violence.

The competing cartels and gangs fought each other (again cartel v. cartel) for power and profit. This initially is solely instrumental, a means to gain power for a group (since power is always found in the group's collective expression). Yet, once violence is used to compensate for the vacuum of power it forms its own logic. Violence destroys power and a "banality of evil" environment—where tit-for-tat retaliation and raw, visceral emotive violence is the norm—becomes commonplace as actors use violence out of pride, frustration, and for vengeance rather than as a means to exert instrumental control. As the cartels battle among themselves, the State steps in and uses violence in an attempt to regain control of contested territory. Now, it becomes a battle of not only cartel versus cartel, but also cartels versus the State. The spiral continues, and acts become more barbaric as savagery gains the upper hand. Violence becomes commonplace and increasingly barbaric.

As Hannah Arendt succinctly and rightly observed, "the practice of violence, like all action, changes the world, but the most probable change is to a more violent world" (Arendt, 1970). Each new attack is more brutal then the next. Here the

violence becomes hyperviolence, and continues until it burns out or a new equilibrium is set. The new equilibrium is likely set when power once again replaces violence. Herein resides the latent State-making potential of the cartel challenge to the State.

Consider the case of the *Zetas,* one of the armed combatant groups. The *Zetas* operate in over 350 Mexican municipalities as well as in Central America. The *Zetas* have expanded their reach by an average of 33 new municipalities each year since 1998, while their rival the Gulf Cartel expanded at a lower rate of about 19.7 municipalities each year. By 2010 the *Zetas* operated in 405 municipalities (161 more than the Gulf Cartel) and were 2.3 times larger than their main competitor, the *Sinaloa* Cartel (Dudley & Rios, 2013). Certainly the *Zetas* were brutal, but they also brought military prowess, a desire to control territory, a willingness to adapt, and to embrace new markets and criminal enterprises. They also seem to understand geostrategic chokepoints and seek to control key terrain. Perhaps a final ingredient is their willingness to combine brute force with the provision of utilitarian social goods to consolidate their holdings. This lesson demonstrates strategic insights into how violence consumes power. Power can only be exploited when stability and a new equilibrium is established.

The question is: what will the new equilibrium look like, and when will it be established? Is the Mexican situation only the result of hypercompetition or is it a case of criminal insurgency and new statemaking?

In either case, the expanding reach of transnational gangs and cartels challenges nations, and polities at all levels, potentially ushering in new forms of stratified sovereignty. These may very well become network States. The outcome of Mexico and Central America's criminal insurgencies is likely to have profound global security consequences; first, and mainly, in the Western Hemisphere. These consequences may very well frame that future potential.[74] The challenge to States can be framed as a "criminal insurgency" that reconfigures State-organized crime interactions. Defining and understanding the nature of criminal insurgency is our next task.

[74] States are not so much declining, failing and yielding as transforming their very nature. The network is the right metaphor to grasping the new State's complexity; see Sullivan, John P. and Elkus, Adam (2009). "Security in the network-state," *openDemocracy*, 06 October at http://ads.opendemocracy.net/article/state-change-sovereignty-and-global-security.

5. The Rise of Criminal Insurgency/Texture of the Evolution of Conflict

This chapter describes the evolving drug war, its participants, and the political economy of narco-*violence. In addition, it introduces the concept of "criminal insurgency" and discusses its nature and characteristics. It also describes how "criminal insurgency" differs from (and is similar to) conventional insurgency and traditional crime. Territorial control, resource extraction, information operations, taxation (extortion), and the strategic application of violence (including the challenge to the state's monopoly on violence, provision of security, social, economic, and ultimately political goods) by cartels will be discussed. The texture, patterns, and logic of violence (and barbarization) are illustrated.*

This chapter essentially looks at transnational crime as a driver of State failure, transition, or change. Specifically, it looks at a process that I have defined as "criminal insurgency" as a mode of State transition. As mentioned in the previous chapter, TCOs challenge States in many ways. In the majority of circumstances, this involves corruption, diversion of public goods, and the instrumental use of targeted violence to sustain criminal enterprises and ward off State interference. In Mexico, and increasingly other parts of Central and Latin America, this narrow utilitarian violence has been replaced by direct assaults on the State. This chapter will formulate the view that some of this action is, in fact, ***insurgent*** in nature. Hence, the development of the concept of "criminal insurgency" (which I have articulated in several papers listed in the references) discussed here.

Criminal insurgency is a networked form of competition with the State. Criminal insurgents (gangsters, cartel *sicarios*, and their corrupt allies within the State) use violence, information operations, corruption, and the utilitarian provision of social goods to alter the role of the State. This includes the tools of conventional organized crime subversion coupled with direct violent assaults on the State and the tactical use of terrorist tactics. As a result, the cartels, gangs, and TCOs become powerful actors, not only within the illicit economy, but within the political fabric of the areas they contest.

Transnational Organized Crime and State Transition

Transnational criminal enterprises appear to be the early beneficiaries of the knowledge society. Manuel Castells outlined the rise of the networked, information society in the trilogy *The Information Age: Economy, Society, and Culture* (Castells, 2008). In that work, Castells envisioned the emergence of powerful global criminal networks as one facet of the shift to a new State/sovereignty structure where State no longer controlled all facets of the economy and society. The conflict and security dimensions of networks have given rise to the concept of netwar (Ronfeldt & Arquilla, 2001) and criminal netwarriors (Sullivan, 2008).

The shift of government authority from the State to “para-States” or non-State actors/non-State armed groups or criminal netwarriors is a consequence of globalization, networked organization, and the exploitation of regional economic circuits to create a new base of power. These new power configurations may result in the decline of the State (van Creveld, 2009), new forms of sovereignty or new State forms such as the “network state” (Castells, 2008, 2009) or “market state” (Bobbitt, 2002 & 2008). As such, criminal gangs and cartels may be acting as new State-making entities (Felbab-Brown, 2009 & 2010).

The capture, control or disruption of strategic nodes in the global system and the intersections between them by criminal actors can have cascade effects (Sassen, 2001, 2006 & 2008). The result is a state of flux resulting in a structural "hollowing" of many State functions while bolstering the State’s executive branch and its emphasis on internal security. This hollowing out of State function is accompanied by an extra-national stratification of State function with a variety of structures or *fora* for allocating territory, authority, and rights (TAR). These fora —including border zones and global cities—are increasingly contested, with States and criminal enterprises seeking their own “market” share. As a result, global insurgents, terrorists and networked criminal enterprises can create “lawless zones” (Bunker, 2005 & 2008), “feral cities” (Norton, 2003; Bunker and Sullivan, 2011), and “parallel states” (Briscoe, 2008). This process was discussed in Chapter 2.

The result has been characterized as a battle for information and real power (Manwaring, 2008 & 2009). These State challengers—irregular warriors/non-State combatants (*i.e.,* criminal netwarriors)—increasingly employ barbarization and high order violence, combined with information operations to seize the initiative and embrace the mantle of social bandit (Hobsbawn, 2000) to confer legitimacy on themselves and their enterprises. Sovereignty is potentially shifting or morphing as a result of these challenges. This shift could result in a potential “New Middle Ages” with fragmented authority, competing governmental structures, and a proliferation of chaos and violent non-State (and State) competition and conflict that challenges the primacy of the Westphalian State (Williams, 2008 and O’Hayon-Baudin, 2003). Power and sovereignty are challenged by globalization and may result in new State formulations (See Agnes, 2009 and Olson, 2000).

State Transition in Mexico and Latin America

Mexico and Latin America are currently experiencing a serious onslaught from organized crime (cartels and gangs/*maras*) that challenges and erodes State capacity to govern, negates the rule of law through endemic impunity, and drives humanitarian crises through high-intensity violence and barbarization. In Mexico, ~34,550 persons have been killed in the crime wars between 2006-2010 according to analysis by the Trans-Border Institute (Rios & Shirk, 2011).

Additional data from the Trans-Border Institute show that ~15,000 persons were killed in 2010, a 60% increase from 2009. This extreme violence is concentrated in four of Mexico's 32 states: Chihuahua, Sinaloa, Guerrero, and Baja California. Cities are particularly hard hit in this mayhem with 32% of the homicides in 2010 occurring in five cities: Ciudad Juárez (2,738), Culiacán (587), Tijuana (472), Chihuahua (670), and Acapulco (370).

Spikes of violence are being experienced elsewhere in Mexico, and in 2010 there were significant increases in attacks on civil society, including government officials, police, and journalists. Specifically, 14 mayors and 11 journalists were killed in 2010; military forces were also attacked with many of these attacks resulting in deaths. The violence is at levels that severely challenge civil police agencies; the state police in several states have requested authorization from SEDENA, Mexico's defense agency, to arm themselves with grenades to counter the frequent grenade attacks on police by the cartels' private armies.

The situation is also present (and/or spreading) to Latin America. Guatemala, Honduras, and El Salvador are particularly challenged (UNDOC, 2010). The cartel war spillover in Guatemala threatens institutional collapse as cartels align with already virulent gangs to strike out with impunity. As a result, Guatemala City is subject to brutal murders of bus drivers, who refuse to pay extortion taxes to the *maras*, and the *Zetas* have waged an invasion on Guatemala's northern departments, resulting in the government declaring a "State of Exception" to bring martial means to bear against the criminal incursion. The alliances of cartels and gangs are "hollowing" out the state, controlling turf, roads, and establishing training camps. In addition, they are starting to provide social goods to the communities where they operate. The cartels are also actively pursuing information operations (info ops) to secure their freedom to operate.

According to the UN Office for Crime and Drugs (UNDOC, 2010) organized crime has diversified, gone global and reached macro-economic proportions: illicit goods are sourced from one continent, as the report neatly puts it, trafficked across another, and marketed in a third. Mafias are today truly a transnational problem: a threat to security, especially in poor and conflict-ridden countries. Crime is fueling corruption, infiltrating business and politics, and hindering development. Essentially, transnational organized crime (TOC) and gangs are undermining governance by empowering those who operate outside the law:

- drug cartels are spreading violence in Central America, the Caribbean and West Africa;
- collusion between insurgents and criminal groups (in Central Africa, the Sahel and South-East Asia) fuels terrorism and plunders natural resources;
- smuggling of migrants and modern slavery have spread in Eastern Europe as much as South-East Asia and Latin America;

- in many urban centers authorities have lost control to organized gangs;
- cybercrime threatens vital infrastructure and state security, steals identities and commits fraud;
- pirates from the world's poorest countries (the Horn of Africa) hold to ransom ships from the richest nations;
- counterfeit goods undermine licit trade and endanger lives;
- money-laundering in rogue jurisdictions and uncontrolled economic sectors corrupts the banking sector, worldwide.

In many cases, such as Mexico and parts of Central and Latin America, these criminals are more than simple brigands; they are challenging the fabric of the State and civil society within the areas they operate. This phenomena is described in the essay “Criminal Insurgencies in the Americas” (Sullivan, 2010).

Transnational criminal organizations and gangs are threatening State institutions throughout the Americas. In extreme circumstances, cartels, gangs or *maras*, drug trafficking organizations, and their paramilitary enforcers are waging *de facto* criminal insurgencies to free themselves from the influence of the State.

A wide variety of criminal gangs are waging war amongst themselves and against the State. Rampant criminal violence enabled by corruption and weak State institutions has allowed some criminal enterprises to develop virtual or parallel States. These contested or “temporary autonomous” zones create what theorist John Robb calls “hollow states” with areas where the legitimacy of the State is severely challenged. These fragile, sometimes lawless zones (or criminal enclaves) cover territory ranging from individual neighborhoods, *favelas* or *colonias* to entire cities—such as Ciudad Juárez—to large segments of exurban terrain in Guatemala’s Petén province, and sparsely policed areas on the Atlantic Coast of Nicaragua.

As a consequence, the Americas are increasingly besieged by the violence and corrupting influences of criminal actors exploiting stateless territories (criminal enclaves and mafia-dominated municipalities) linked to the global criminal economy to build economic muscle and, potentially, political might. The cartels and gangs are not only criminal actors, but they have several political dimensions. As recently stated by Sullivan and Rosales (2011):

> *The cartels may not seek a social or political agenda, but once they control turf and territory and effectively displace the state they have no choice—they become “accidental insurgents.”*

Criminal Insurgencies

Criminal Insurgencies are one way to characterize these activities. Criminal insurgencies challenge the State by generating high intensity criminal violence

that erodes the legitimacy and solvency of State institutions. Criminal insurgencies can exist at several levels:

- **Local Insurgencies:** First, criminal insurgencies may exist as "local insurgencies" in a single neighborhood or "failed community" where gangs dominate local turf and political, economic and social life. These areas may be 'no-go zones' avoided by the police. The criminal enterprise collects taxes and exercises a near-monopoly on violence. A large segment of the extreme violence in Mexico is the result of "local insurgencies." Municipalities like Ciudad Juárez or portions of some states, like Michoacán, are under siege. The cartels and other gangs dominate these areas, by a careful combination of symbolic violence, attacks on the police, corruption, and fostering a perception that they are community protectors (i.e., "social bandits"). Here the criminal gang is seeking to develop a criminal enclave or criminal free-State. Since the nominal State is never fully supplanted, development of a parallel State is the goal.

- **Battle for the Parallel State:** Second, criminal insurgencies may be battles for control of the 'parallel State.' These occur within the parallel State's governance space, but also spill over to affect the public at large and the police and military forces that seek to contain the violence and curb the erosion of governmental legitimacy and solvency that results. In this case, the gangs or cartels battle each other for domination or control of the criminal enclave or criminal enterprise. The battle between cartels and their enforcer gangs to dominate the *'plazas'* is an insurgency where one cartel seeks to replace the other in the parallel State.

- **Combating the State:** Third, criminal insurgencies may result when the criminal enterprise directly engages the State itself to secure or sustain its independent range of action. This occurs when the State cracks down and takes action to dismantle or contain the criminal gang or cartel. In this case, the cartel attacks back. This is the situation seen in Michoacán where *La Familia* retaliated against the Mexican military and intelligence services in their July 2009 counterattacks. Here the cartels are active belligerents against the State.

- **The State Implodes:** Fourth, criminal insurgency may result when high intensity criminal violence spirals out of control. Essentially this would be the cumulative effect of sustained, unchecked criminal violence and criminal subversion of State legitimacy through endemic corruption and co-option. Here the State simply loses the capacity to respond. This variant has not occurred in Mexico or Central America yet, but is arguably the situation in Guinea-Bissau where criminal entities have transitioned the State into a virtual *narco*-state. This could occur in other fragile zones if cartel and gang violence is left to fester and grow.

Assessing the situation

Traditional measures that may inform understanding of the situation include the work of the Political Instability Task Force (PITF) (Goldstone, Bates, Epstein, Gurr, Lustik, Marshall, Ulfelder & Woodward, 2010), and data sets from the World Bank (and World Bank Institute) on indicators of "governance" which aid the assessment of the impact on the State—*i.e.,* State capacity and governability. The World Bank "Worldwide Governance Indicators" assesses six "governance" dimensions. These are: 1) Voice and Accountability; 2) Political Stability and Lack of Violence/Terrorism; 3) Government Effectiveness; 4) Regulatory Quality; 5) Rule of Law; and 6) Control of Corruption (World Bank, 2009).

In this case study, pertinent units of analysis are the cartels and the Mexican State (the Government of Mexico, and its constituent states and municipalities), and the Mexican public. In a broad sense, the variables are violence, corruption, intimidation, and State capacity. Specific variables/indicators that are germane to understanding the contours of criminal insurgency include: violence (assassinations of police, public officials, beheadings, etc.); specifically, violence among cartels (criminals); violence directed toward State officials (including armed cartel-police/military engagements), corruption, degree of transparency, cartel/gang reach, effectiveness of governance/policing, community stability, effectiveness of economic regulation, and the degree of territorial control (loss or gain by State v. cartels).

The impact of transnational criminal enterprises on State capacity, control of territory and legitimacy is critical. All of these activities occur across time. Some changes are slow-moving, some are rapid in their expression. Specifically, these factors include:

- Social/environmental modification (such as the use of social networking media—Facebook and Twitter—propaganda/information operations, *e.g., narcomantas*, and *narcocorridos*) to further a criminal gang's perceived social legitimacy.

- Connections (or network connectivity) between and among criminal enterprises (*i.e.,* nodal analysis, social network analysis).

- Impact of illicit economic circuits (including connections among criminal actors) on the legitimacy of borders in global cities and border zones, as well as criminal penetration and reach.

- Usurpation of State fiscal roles (taxes, tariffs) by criminal enterprises through street taxation, protection rackets, and other diversion of public goods or funds.

- Force, including the use of instrumental and symbolic criminal violence (armed attacks, terrorist campaigns, "corpse messaging," kidnapping, attacks on police, attacks on journalists and public officials, as well as the development and employment of private armies) challenging the State's monopoly on legitimate force.

The impact of "para-States" on the existence of contested "parallel State" structures, such as "no-go" and "lawless" zones (including connectivity among such contested zones) in the context of criminal insurgency influences cartel impact on the State. In contested areas the cartels and gangs provide the context for security. The impacts on civil society, State institutions (governance, corruption, co-option, transparency), and security institutions (police, military, intelligence, judiciary) are expressed through:

- Direct assault on State capacity (*i.e.*, criminal insurgency)
- Corruption/co-option of State officials
- Increased securitization (and surveillance)
- Decreased transparency
- Increases/decreases in connectivity and reach
- Changes in legal structure and rule of law institutions.

As we will see in the following chapters, cartels are in many cases waging a direct assault on State capacity. This criminal insurgency relied on corrupting and co-opting State officials, as well as intimidation of State officials, the media and civil society. Police, military and mayors have been killed. Journalists have been murdered and media outlets attacked to shape public perception of the cartels. In response the State enhanced security by introducing the military to the conflict and reconfiguring police forces. Enhanced surveillance and intelligence became central to the State response, while public discussion of the drug war is being discouraged. Transparency is on the wane due to the twin forces of cartel information operations (including attacks on traditional and new media) and State secrecy and *de facto* censorship. Connectivity and reach of police and intelligence are generally expanding as Mexican officials forge cooperative agreements with both US and regional partners. Many of these partnerships are likely to be kept under a veil of secrecy as the State seeks to decelerate perceptions of decreased solvency. Finally, new security structures are emerging as Mexico stands up a gendarmerie to complement local and federal police. New judicial structures and practices are also emerging. The net result is social/environmental modification.

Narcocultura and Social/Environmental Modification

In order to assess the profound potentials for change within this criminal insurgency, it is valuable to view *narcocultura* as an enabling narrative of social change (or environmental modification). Guillermoprieta (2009) defines *narcocultura* as:

> the production of symbols, rituals and artifacts - slang, religious cults, music, consumer goods - that allow people involved in the drug trade to recognize themselves as part of a community, to establish a hierarchy in which the acts they are required to perform acquire positive value and to absorb the terror inherent in their line of work.

According to Bunker & Bunker (2010), social environmental modification is an element of non-state warfare; specifically:

> *This warfare—manifesting itself in 'criminal insurgencies' derived from groups of gang, cartel, and mercenary networks—promotes new forms of state organization drawn from criminally based social and political norms and behaviors.*

Key elements of social/environmental modification by the aforementioned authors include alternative worship or veneration of "*narco*saints," symbolic violence (including beheadings and corpse messaging—*i.e.,* attaching a message to a corpse), the use of *narcocorridos* (epic folk songs) and social media to spread messages and confer legitimacy of a cartel.

Key indicators (or transactions/signatures, which can be applied to the Transaction Analysis Cycle described below) are used to gauge the impact of social/environmental modification at various levels of Mexican society. These factors, which are essentially components of information operations, include:

- Alliance statements
- Arrests/counter-force raids
- Belligerence claims
- Control claims/turf claims
- Corpse-messaging
- *Narcocorridos*
- *Narcomantas* (placards/banners)
- *Narcomensajes* (communiqués)
- *Narcobloqueos* (blockades/barricades)
- Beheadings
- *Manifestaciones* (demonstrations)
- *Targeted assassinations*
- Social cleansing/refugees, internally displaced persons

Red Teaming State Transition and Criminal Insurgencies

Red Teaming is a viable tool for building an understanding of the dynamics of conflict (regular and irregular) and the *plazas* (or key drug transshipment nodes). In "Red Teaming Criminal Insurgency" (Sullivan & Elkus, 2010) it is suggested that "geosocial" dynamics (demographics, social factors, terrain, etc.) when combined with an assessment of political and economic influences can inform understanding of criminal insurgencies. This includes an assessment and modeling of market imperatives. Red teaming in this context involves an iterative assessment of adaptive factors, including key market drivers, competitors, corruption/co-option, and gang/cartel evolution.

In this chapter, I introduce an exploration of the operational dynamics (and associated indicators) of cartel warfare against the State. These dynamics include the employment of infantry tactics, use of armored vehicles (improvised infantry fighting vehicles), ambushes, car bombings, and urban siege (resulting in refugees and internally displaced persons) that destabilize the State. The cartels are waging war against themselves (cartel v. cartel) and the State (Sullivan & Elkus, 2010). Ambushes and small unit infantry tactics supplement traditional organized crime hits. Groups of formed and tactically proficient *sicarios* battle in urban streets and rural enclaves to gain relative superiority in the cartel war. Columns of SUVs engage adversaries in running street battles punctuated by blockades (*narcobloqueos*) and assaults (Sullivan & Elkus, 2011). Narco-tanks (*narcotanques*), essentially improvised infantry fighting vehicles (known as *monstruos)* are built and deployed to support cartel operations. Running gun battles lead to fear, community insecurity, and internally displaced persons and refugees as the populace flees embattled zones.

Operational indicators for understanding the battle for the *plazas* and sensing shifts in State capacity or cartel intentions (at tactical, operational, and strategic levels of inquiry) include:

- Increases in violence and barbarization
- Criminal targeting of critical infrastructure
- Changes in tactics, techniques and procedures (TTPs)
- Escalation or de-escalation of operational tempo
- Criminal assaults on police, government and corporate officials
- Attacks on journalists
- Information operations (including cyber mobilization)
- Street taxation
- Direct challenges/statements challenging state solvency or rule of law
- Growth of criminal enclaves
- Provision of social goods (*i.e.,* "social banditry")
- Control of territory
- Increased politicization (*i.e.,* "accidental insurgents")
- Expanding reach

- Alliances
- Shifts in targeting
- Resource extraction (*e.g.,* clandestine thefts/targeting of PEMEX).

The cartels even deploy their own information infrastructure, including social media, radios, and radio towers to coordinate their battles and occupation of contested enclaves. Resources at all levels are extracted from the public to support their criminal quest for dominance. Specific attention should be given to the extraction of resources by the cartels; especially important here is the exploitation of PEMEX, Mexico's national oil company.

Transaction Analysis Cycle

The Transaction Analysis Cycle (Sullivan, 2005 & 2008) is depicted in Figure 2. Individual transactions (such as acquiring finances, expertise, acquiring materiel, munitions or capability, recruiting members, conducting reconnaissance, mission rehearsal, conducting an attack, etc.) have signatures that identify them as terrorist or criminal acts, or consistent with the operations of a specific cell or group. These transactions and signatures (T/S) can then be observed and matched with patterns of activity that can be expressed as trends and potentials (T/P), which can ultimately be assessed in terms of a specific actor's capabilities and intentions (C/I).

At any point, the analytical team can posit a hypothesis on the pattern of activity and then develop a collection plan to seek specific transaction and signatures that confirm or disprove its hypothesis. The transaction analysis cycle provides a common framework for assessing patterns, hypotheses and social network links among a range of actors within a broad spatial and temporal context, making co-production of intelligence and situational understanding viable. I will now summarize the future potentials of the cartels' criminal insurgencies by placing their actions into context through the lens of the transaction analysis cycle.

A number of individual transactions are present in Mexico's criminal cartel conflict. These include extreme violence**.** Brutal murders, including beheadings, dismemberment, and the employment of torture, are used to intimidate and demonstrate raw power. These acts are often taped and broadcast on new media (Twitter and Facebook pages) and via *narcomantas* (or banners). The messages are often carved, etched, or pinned on the victim ("corpse-messaging") to claim the act and send a message (hence a signature). These individual acts could signal a new rivalry, the start of a campaign for turf, or be used to ward off government interference.

Together these acts can be grouped to demonstrate specific trends and potentials. For example, a series of murders extolled via *narcomantas* and posted on new media could signal a new incursion to capture turf or a key *plaza.*

It could also signal the fracturing of alliances. These examples have been seen in Monterrey, along the border in Tamaulipas, and in Michoacán.

Both "transactions and signatures" and "trends and potentials" can be used to interpret the emerging situation. For example, we see that illegal PEMEX taps are on the rise throughout Mexico as cartels expand to seek new sources of revenue and dominate both the licit and illicit economies in the areas they control. *InSight Crime* reports that hydrocarbon theft in Mexico rose to 730 illegal taps (*tomas*) in the first four months of 2013 compared to 377 in the previous year. The hardest hit states were Tamaulipas, Veracruz, and Sinaloa (Bargent, 2013). As Sullivan and Elkus (2011) note:

> Mexican cartels and gangs are forging a petroleum black market that augments its lucrative drug trade and extends their array of criminal enterprises. While the gangs are not actually taking control of Petróleos Mexicanos—the state oil monopoly known as PEMEX—they are challenging its economic wellbeing and the State's political base. Understanding PEMEX targeting and resource extraction provides a means for understanding the dynamics of State capture and the economies of violence in Mexico's cartel wars. This has both an economic and highly symbolic political impact.

The economic rape of PEMEX is fuelled not only by resource extraction by cartels exerting parallel power, it is also fueled by corruption and the co-option of PEMEX officials who collude with the gangsters. Violence in the form of kidnappings of PEMEX workers augments the cartel incursion into one of Mexico's prime economic drivers. Oil smuggling is worth at least $7.7 Billion to the *narcos* (Sullivan & Elkus, 2011). The extracted resources help fund the cartel war machine and sustain cartel penetration of State and economic institutions. Here the trend is clear: the cartels are challenging PEMEX and have the capability and intention of dominating the areas they control.

Capabilities and intentions are also expressed in the assassinations of mayors and public officials. Consider the following: 34 mayors (*alcaldes*) and 1,200 other municipal officials were killed by cartels during Calderón's sexenio according to Fenamm (*Federación Nacional de Municipios de México*), demonstrating a clear intent to co-opt or reconfigure municipal governance toward their favor.[75]

One illustrative example of cartel capability and intentions to penetrate and manipulate political action is found in a brief exchange by two gangsters discussing their relationship with then governor of Michoacán, Leonel Godoy.

[75] Cabrera, Manuel (2013). "Muertos 34 alcaldes y 1200 funcionarios municipales con Calderón: Fenamm, enlagrilla.com, 15 May at http://www.enlagrilla.com/not_detalle.php?id_n=22717#.UZRIyY7A9bM.facebook

A transcript of the audio tape follows:

El Tio: is Godoy also going to be there?

La Tuta: well yeah, he says he´s already there…

El Tio: what´s with that dude then? What is he doing?

La Tuta: Tio, Tio, it´s not his thing, it´s the military and since he´s the governor of the state, he has to be there. They also sent the guy from PFP (Federal Preventive Police) in Morelia, the one from the Navy in Lazaro, all the division Generals, there in the annual reunion…Today and tomorrow, it´s not up to him, *Tio.* I mean, he as state governor has to be close, it´s not like he shouldn´t, he is supposed to be the state´s authority...

El Tio: Mmmm...

La Tuta: No, no, *Tio,* this son of a bitch has to be close to them, but they noticed us early...

El Tio: Ok, call him, call my *compadre* and let´s see how he can help us with this.

La Tuta: Ok, for now I have 150 thousand on hand, so you can add it there and I wanted to be lent a car so I can take it to him...

El Tio: We don´t have with crosses? Almost none…we´ll see, we´ll see, talk to my *compadre*…And whatever he tells you, that´s what it is. Hey, because maybe he has papers with him...

La Tuta: OK then, OK *Tio.*

El Tio: OK.

Here we see that the gangsters believe they have co-opted the governor, and one—*"El Tio,"* Dionisio Loya Plancarte, leader of the *Knights Templar* cartel—raises concerns that their man is meeting with State security officials.[76]

The logic of violence in the cartel war follows both the unpredictable and raw emotive force of the political economy of violence and an instrumental attempt to

[76] ""La Tuta' y 'El Tio' hablan de Godoy," Mundonarco.com at http://www.youtube.com/watch?feature=player_embedded&v=gLMowvIy2jQ. Translation at Borderland Beat: "Knight Templar´s Dionisio Loya challenges Communitarian Police leader to a death match," *Borderland Beat*, 11 May 2013 at http://www.borderlandbeat.com/2013/05/knight-templars-dionisio-loya.html

shape power relations by eroding the legitimacy of rivals. This brief conversation leads our way to a discussion of the penetration of criminal cartels into the State, and state transition.

6. State Transition and the Challenge to Sovereignty

This final substantive chapter looks at the changes to State structures as a consequence of the drug war/criminal insurgency. It will describe how the rise of criminal insurgency poses a challenge to sovereignty (and State structure) in Mexico (and potentially elsewhere, i.e., *Guatemala) as a result of the conflict. The rise of para-political private (cartel/gang) armies (violent non-state actors); the establishment of criminal (or other governed) enclaves; new State-making potentials, and impacts of globalization (of illicit economic/political circuits) will be assessed to explore the prospect of the emergence of new State forms—including the potential rise of the "network State."*

In addition, this chapter will specifically analyze Calderón's attempt to repress organized crime and the consequences of the drug war. These consequences include displacement of cartels to new areas, State overreach resulting in employment of extreme means (including torture, extra-judicial executions, repression of liberties, corruption, and direct assaults on State institutions and the rule of law). These culminate in endemic high order violence, increasing barbarization and reprisals, militarization of the conflict and State security/police organs and, as recently seen, the rise of an 'anti-drug war' movement. The potential for accommodation or a narco-*State during the Sexenio of Enrique Peña Nieto will be explored. Will negotiation with cartels stop the violence and contain the cartels?*

While many may disagree that Mexico's drug war has rocked its political foundations, few can disagree that it has shaken Mexico's soul. While drug trafficking, cartels, gangs, and organized crime are not new, they have reshaped Mexico's political landscape in profound ways. The Mexican drug war exemplified by Calderón's "*sexenio de sangre*" (bloody term) has reconfigured Mexican politics and the action of the State. In this chapter, I will describe that process and the implications for States themselves.

The cartels, as many analysts remind us, are primarily economic actors; in the traditional view, cartels don't overtly seek political power or have radical agendas.[77] For our purpose, it is useful to consider the changes in cartel configuration due to economic and political pressures since the 1970s. Initially, we have a dominant *Guadalajara* cartel which is given freedom of action from the single party government ruled by the *PRI* (*Partido Revolucionario Institucional*). The *Guadalajara* cartel controls Mexican *narco*trafficking, but is subordinate to Colombian cartels in the global illicit flow of cocaine. Pressure from the United States weakens the Colombians and narrows Caribbean trafficking routes; the ensuing shift to Mexican routes gives the Mexicans greater leverage. Ultimately the Mexican cartels (all descended from the *Guadalajara* cartel in one way or

[77] See for example Stewart, Scott (2013). "Mexico's Cartels and the Economics of Cocaine," *Stratfor*, 03 January.

another) gain the upper hand and dominate the global flow of narcotics. Along the way the cartels morph from trafficking entities into powerful criminal syndicates or mafias that dominate many aspects of Mexican economic and political interaction. The economic realm is the primary driver but political action becomes the tool of control of lucrative *plazas* and territories. The cartels arm themselves and form paramilitary sections to battle each other and the State. The hypercompetitive market becomes a "bloodfield" as the cartels wage war against each other and elements of the State.

Armed, violent non-State actors (NSAs) gain political might derived from the spoils of war. As we will see, the Mexican cartels and their gang proxies and network partners are influencing the political process in their quest for *narco*-profit. The Mexican cartels/NSAs control and/or heavily influence the communities in which they operate, in social, economic and political terms. Civilians are at risk from the resulting conflict, insecurity, and predatory behavior of these criminal groups and their armed bands. While not rebels in a traditional subversive sense, these groups are essentially private armies controlled by warlords who seek to shape their operating environment to further their goals. Ethnic cleansing (resulting in refugees and internally displaced persons), information operations, and violent action are joined by the utilitarian provision of social goods and 'social banditry' to shape the "*narco*scape."[78] The result is the development of areas outside effective State control, essentially "independent fiefdoms" where violence, crime and impunity reign (Davis, 2010).[79]

As the cartel war matures, we see a distinct fragmenting of cartels into small and arguably less potent organizations. This fragmentation (See Tables 3 & 4) is the result of both internal competition and reaction to state enforcement activities. The initial reaction that this is a good outcome since state challengers are weaker is naïve. The smaller fragments still elude State control in their own zones of operation and increasingly network their operations with others. The overall result is an elusive and adaptive network of cartels and gangs that individually and collectively challenge State solvency (that is, the combined impact of capacity and legitimacy). A good example here is the *Sinaloa* (Pacific) cartel or Federation that deploys its enterprise in a non-hierarchical federative network configuration.[80]

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[78] See Sullivan, John P. (2012). "Criminal Insurgency: Narcocultura, Social Banditry, and Information Operations," *Small Wars Journal*, 03 December.
[79] Davis, Diane E. (2010). "Irregular armed forces, shifting patterns of commitment, and fragmented sovereignty in the developing world," *Theory and Society*, 39, p. 408.
[80] Bagley, Bruce (2012). "Drug Trafficking and Organized Crime in the Americas: Major Trends in the Twenty-First Century," Woodrow Wilson Center *Update on the Americas,* August.

This fragmentation into smaller, ultraviolent factions challenges both local security and governance. The result is a low-grade civil war where shifting loyalties strengthen the hand of gangsters. As César Gaviria, Colombia's former president said, "The power of the drug cartels is leading to the criminalisation of politics and the politicisation of crime."[81]

Changing State Structure and Accommodation

As journalist William Finnegan reports, "The 'government' has innumerable faces—it has more than two thousand police agencies, for a start—and its corruption controls are too weak to counter the power of *narco* billions. Every local commander, every official, and every community must work out an accommodation with organized crime."[82] The impact of organized crime confrontation with the State is differential depending upon the level of government: local, state, federal, and transnational. Insecurity, fear, and corruption have the greatest impact at the lower levels.

In Mexico, the equation and allocation of power between the State and *narcos* was dramatically altered with the "fundamental power shift between the Mexican state under PAN [Partido Acción Nacional] and Mexican organized crime."[83] Under the *PRI,* cartels prospered but were constrained. With the transition to multi-party governance, they exploited fractures in traditional power relationships and began to challenge the State. As a result, "No one believes the government is calling the shots today in Mexico."[84] *Narcobloqueos* (blockades), *narcomantas* (posters), and instrumental and symbolic violence and barbarization show the public that insecurity reigns. Corruption and impunity amplify that perception.

After the Colombian cartels were weakened (Pablo Escobar of the *Medellín* cartel was killed in 1993 and *Cali's* Gilberto and Miguel Rodriguez Orejuela were extradited to the US), the Mexican cartels gained strength. First the *Guadalajara* Cartel under Angel Félix Gallardo *("El Padrino"* or the Godfather) seized control of North America's drug trade. *"El Padrino"* established the tributary *plaza* system where *"piso*" or toll was paid by all organizations moving through a *plaza* (*derecho de piso*).[85] Watt and Zepeda note that official corruption and complicity

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[81] Quoted in Carroll, Rory (2009). "Cocaine production surge unleashes wave of violence in Latin America," *The Guardian*, 08 March at http://www.guardian.co.uk/world/2009/mar/09/cocaine-production-united-nations-summit

[82] Finnegan, William (2012). "The Kingpins: The Fight for Guadalajara," *The New Yorker*, 02 July 2012 at http://www.newyorker.com/reporting/2012/07/02/120702fa_fact_finnegan

[83] *Ibid.*

[84] *Ibid.*

[85] Kellner and Pipitone (2010). "Inside Mexico's Drug War," *World Policy Journal*, Vol. XXVII, No. 4, Spring 2010, 29-37.

contribute to the influence and power of the cartels (2012, p. 3, 63). Without this complicity, and support from politicians, police chiefs, the military and security agencies, cartel reach couldn't have grown (Watt and Zepeda, p.6). Indeed, traffickers have always benefited from official corruption and during the classic period of *PRI* rule, "it would appear that the government actually controlled much of the trade and entered into pacts with traffickers to ensure the state took its share of the profit."[86] Luis Astorgia (1999) echoes this point noting that the *PRI* exercised an unofficial *de facto* monopoly on the drug trade. As such, the *PRI* exercised control of the *plaza* system; with politicians providing protection to the traffickers, mayors and police chiefs appointed to a *plaza* could earn large sums of money protecting drug shipments.[87]

Sinaloa is the heartland of *'narco*-Mexico.'[88] From Sinaloa we see the affects of changes in governance and shifts in *narco*-market dynamics. These changes soon engulf major swaths of the Mexican State as the *Sinaloa* Cartel (*Cartel del Pacifico*) battled challengers on both coasts and in the *plazas* along the northern frontier. During the late *PRI* era, government security forces collected unofficial taxes from the *narcos* that controlled or moderated cartel activity. At that time the Colombians dominated the drug trade. US maritime interdiction in the Caribbean made moving cocaine across Mexico into the US necessary.

Initially the Colombians paid the Mexican *narcos* in cash to move the shipments. Later, the Mexican cartels demanded payment in cocaine to lower transaction costs, a move that allowed the cartels to seize control of the transnational enterprise. The resulting Mexican dominance allowed the cartels to expand their reach into the US, increase local Mexican drug use (creating a new market), and the expansion of *narcos* into other criminal enterprises. Payment in product allowed the Mexican cartels to become involved in more than transport. The Mexican *narcos* were able to capture the entire wholesale process and extract huge profits, allowing them to expand their control over the supply chain.[89]

The decline of the *PRI* (as seen in their 2000 electoral defeat) decentralized power and empowered governors, mayors, and *narcos*. The regulation of organized crime by the State had eroded. According to Watt and Zepeda (2012, p.142), "Perhaps the most significant change in narcotrafficking as the new millennium began was that the cartels now started to treat members of the army, police forces, bankers and political officials as their employees, a reversal of the relationship." The equilibrium between State and organized crime had unraveled. Violence and competition entered the market in response to the power vacuum, fueling the drug war. The seeds of the conflict were seen by the mid-1990s, but

[86] Watt and Zepeda, p. 8.
[87] Watt and Zepeda, p. 57.
[88] Krauze, Enrigue (2012). "Mexico at War," *New York Review of Books*, Vol. LIX, No. 14, 27 September 2012, pp. 66-69.
[89] Kelner and Pipitone, "Inside Mexico's Drug War."

by 2004 *"El Chapo's* Boys" (*Sinaloa*) was at war with other cartels. Mass graves (along with *pozoleados*)[90] began to appear.[91] As Watt and Zepeda (2012, p. 79-80) note, "competition between rival drug trafficking organizations was by nature exercised in an extra-legal environment in which those best able to resort to force and violence and willing to employ them with the utmost brutality, and those with the largest stock of armaments, would dominate a market unregulated by the rule of law."

The drug war became a war of "all against all" with fragmenting cartel alliances ('fractilization'),[92] hyperviolence, barbarization, and increasing discontent among the public and elites.[93] Violence and barbarization are an inevitable result of this fragmentation as seen in the Gulf-*Zeta* war which resulted from the split of the *Zetas* from the CDG and the split of *Los Cabelleros Templarios* from the LFM.[94] The drug war not only hinders the fundamental development of democratic institutions (by fostering non-democratic alternative power structures), it bolsters State authoritarian responses, challenges judicial reform, and undermines federalism (by strengthening the federal executive and increasing central power at the expense of states and municipalities). Most importantly, it fosters corruption and impunity (Lindau, 2011).

Cartels (and allied gangs) exert territorial control over areas ranging from a few city blocks to large swaths of contested states. A popular YouTube news clip "*11 Cárteles de Narcotráfico hacen funciones de Estado*" announces that eleven cartels, including the *Cártel del Golfo, Los Zetas, Cártel del Pacífico (Sinaloa), La Familia Michoacana,* and *Los Caballeros Templarios (Knights Templar)*

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[90] *Pozoleados* or *guisados* are persons dissolved in acid. The term comes from the name of a Mexican soup. Other forms of violence include *decapitados* (decapitation) and *descuartizados* (quartered/carved bodies).
[91] Kelner and Pipitone, "Inside Mexico's Drug War."
[92] See Tables 1 and 2 for a graphic depiction of this fragmentation/fractalization.
[93] See "Sullivan, John P. and Elkus, Adam (2010). "Cartel v. Cartel: Mexico's Criminal Insurgency," *Small Wars Journal*, 01 February 2010; Grillo, Ioan (2011). *El Narco: Inside Mexico's Criminal Insurgency*, New York: Bloomsbury Press; Sullivan, John P. (2012). "Barbarization in Mexico Punctuated by Hyper Violence," IVN, 25 September at http://ivn.us/2012/09/25/barbarization-in-mexico-drug-war/; and Sullivan, John P. (2012). "Extreme narco violence in Mexico," *Baker Institute Blog/Chron (Houston Chronicle),* 09 October at http://blog.chron.com/bakerblog/2012/10/extreme-narco-violence-in-mexico/
[94] See Logan, Samuel and Sullivan, John P. (2010). "The Gulf-Zeta Split and the Praetorian Revolt," ISN Security Watch, ETH Zurich, 07 April at http://www.isn.ethz.ch/isn/Digital-Library/Articles/Detail/?id=114551 and Sullivan, John P. (2012/2013). "'Los Cabelleros Templarios' 'Social Bandits'," *The CounterTerrorist*, Vol. 5, No. 6, December /January, p. 48-57.

effectively rule large parts of the State.[95] Calderón himself has acknowledged that the cartels have moved beyond drugs and are attempting to supplant the government in some parts of Mexico. In his words, "This has become an activity that defies government, and even seeks to replace the government." He continued, "They are trying to impose a monopoly by force of arms, and are even trying to impose their own laws; their business is dominating other people."[96] Here we essentially see 'para-political' private armies.

In the current conflict between *Sinaloa* and *Los Zetas* we see examples of violence and corruption leading to State reconfiguration. Kellner and Pipitone (2010) tell the story of the *Zetas* seizing territory. In their account, the *Zetas* seize the town of *Aguas Calientes* (capital of the state with the same name). Their assault started on "Black Thursday" (15 February 2007) when four police were killed by *sicarios* in an ambush. Within six months 11 police were killed and kidnappings were rampant. In December 2009, 40 cartel gunmen attacked a police station with automatic weapons and grenades. The State responded with a unique outsourcing of security. The mayor of *Aguas Calientes* hired the quasi-public State Police Intelligence Corps (CIPOL) from Chihuahua to protect the city. The heads of CIPOL, Rául Grajeda Domínguez, a politician, and Jesús García Salcido (former head of Chihuahua's municipal police) operated CIPOL like a private police force. García Salcido was appointed chief of police for *Aguas Calientes* when CIPOL was retained. His tenure was short since he was arrested by federal SIEDO agents for alleged cartel ties. Co-opted private, public, vigilante, and hybrid security forces are joining the cartels in exercising privatized violence and State reconfiguration. While I view this process as "insurgent," others such as Paul Rexton Kan (2012) view the situation as "high intensity crime." Despite that dismissal, Kan acknowledges that part of the "*narco*logic" includes the development and use of soft power, cultivation of community support, and *narcocultura*.

Governance is essentially a function of social control and interactions by both State and non-State actors defined by the ability to coerce within a defined territory (Mampilly, 2011 and Rosenau, 1992). Within rebel or contested territories, governance includes the provision of security, social goods, employment, the allocation of resources and market functions, and the settling of disputes. Since both the Mexican State and the various cartels perform these functions (to varying degrees at various times in various spaces), the result is the creation of "parallel hierarchies" among the rebels (here the cartels and gangs acting as rebels) and the State (Mampilly, 2011). This situation is what Hobbes in the *Leviathan* called a "state of plural governance" (Hobbes, 1997).

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[95] "11 Cárteles de Narcotráfico hacen funciones de Estado," YouTube, 21 April 2012 at http://www.youtube.com/watch?v=CXu1EoGxWKM

[96] "Mexican cartels move beyond drugs, seek domination," NBC News, 04 August 2010.

Criminal Enclaves and Other Governed Zones (of Impunity)

Over half of all Mexico's municipalities are influenced by organized crime to varying degrees. Figure 1 describes the range of governance failure potentials. An estimated 60-65% of Mexican municipalities are impacted by cartels, gangs and *narco*-trafficking groups. Drug cartels have reportedly infiltrated over 1,500 Mexican cities, and use them as the base for kidnappings, extortions, and vehicle thefts. In addition, or perhaps as a consequence, 980 "zones of impunity" where criminal bands operate unchecked were reported in 2009. In these 980 "zones of impunity" or "criminal enclaves," organized crime has more control than the Mexican State. This contrasts with earlier assertions by the government that it has effective control over every part of Mexico.

In Mexico, some (likely conservative) estimates have suggested that *narcos* effectively control 30% of Mexico's territory.[97] The Mexican State vehemently denies that it has lost control of its territory (which is problematic given the actual situation), but it is my assertion that Mexico is falling victim to a potent '*narcoligopolio*' or parapolitical challenger.[98] The challenger to the State in this case is violent non-State actors (VNSAs) or "criminal soldiers"—gangs and cartels. As these actors evolve they increasingly challenge the status of State and political organization. States are, at least in the current international political community, entities that possess a legitimate monopoly on the use of violence within a specified territory. Criminal states—that is, criminal free states or free enclaves—essentially act as "statelets" or para-states; in effect, entities that challenge that monopoly. This is much the same condition as that created by warlords within failed states. In the "other governed space," gangs, criminal enterprises, insurgents, or warlords dominate social life and erode the bonds of effective security and the rule of law.[99]

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[97] El Narco controla el 30% del territorio Mexicano," *El Blog del Narco*, 22 April 2010 at http://www.blogdelnarco.com/el-narco-controla-el-30-del-territorio-mexicano/.

[98] "México es una potencia víctima de un 'narcoligopolio," *El Universal*, 12 April 2011.

[99] See Bunker, Robert J. and Sullivan, John P. (1998). "Cartel Evolution: Potentials and Consequences," *Transnational Organized Crime*, Vol. 4, No. 2, Summer, pp. 55-74 and Sullivan, John P. and Bunker, Robert J. (2002). "Drug Cartels, Street Gangs, and Warlords," in *Small Wars and Insurgencies*, Vol. 13, No. 2, 2002, pp. 40-53 and Bunker, Robert J. (2003). (Ed.*), Non-State Threats and Future Wars*, Portland, OR: Frank Cass, pp. 40-53 for a comprehensive discussion of the effects of non-State criminal actors in the deterioration of civil society and the rule of law in areas of conflict and high intensity crime. This process is also described in Sullivan, John P. (2012). "From Drug Wars to Criminal Insurgency: Mexican Cartels, Criminal Enclaves and Criminal Insurgency in Mexico and Central America. Implications for Global Security,"

Understanding the dynamics of other governed spaces requires an understanding of the actors occupying them. John Rapley in his *Foreign Affairs* essay "The New Middle Ages" gave an account of what he called "gangsters' paradise." In that essay, he described how local gangs maintain their own system of law and order, "tax" residents and businesses, and provide rudimentary social services. These criminal enclaves coexist in a delicate, often symbiotic relationship with a larger State. The cement for that relationship is corruption and co-option of legitimate government actors. This situation is operational and flourishes throughout Mexico.[100] Drug-trafficking and mafia ridden municipalities are depicted in Figure 3.[101]

The Cartels and Gangs

Several cartels and a multitude of subordinate or networked local and transnational gangs are involved in the war for *narco* domination. According to the US Congressional Research Service (Beittel, 2012), seven cartels are dominant in 2012. These are the *Sinaloa* Cartel (*Pacifico*), Gulf Cartel (CDG), *Caballeros Templarios, Juárez Cartel, Los Zetas*, the *Beltrán-Leyva* organization (BLO), and the *Tijuana* cartel (AFO or *Arellano-Felix* organization). Cartel areas of influence are depicted in Figures 4 and 5.[102]"

In the early 2000s the Sinaloa "Federation" of the *Sinaloa* Cartel, *Juárez* Cartel (*Vincente Carillo Fuentes* Organization), *Beltrán Leyva* Organization, and *La Familia Michoacana* (LFM) countered the *Arellano Félix* Organization (*Tijuana* Cartel) and Osiel Cárdenas' Gulf Cartel (*Cartel del Golfo*). By 2003 the "Federation" splintered and the war with the CDG in Ciudad Juárez and Nuevo Laredo accelerated. The *Zetas* were part of the CDG—an elite enforcement group. By 2007 (actually 11 December 2006) Calderón declared war on the *narcos* and intervened with federal troops in Michoacán to confront LFM.[103]

The cartels can roughly be broken down into two types of organizations or "profit-seeking illicit networks" (PSINs): transactional and territorial (Jones, 2011). Transactional cartels are exemplified by the *Sinaloa* cartel. Transactional cartels

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Paris: Working Paper, *Fondation Maison des sciences de l'homme* FMSH-WP-2012-09, April.

[100] Rapley, John (2006). "The New Middle Ages," *Foreign Affairs*, Vol. 85, No. 3, May/June, pp. 95-103.

[101] See Guerro-Gutiérrez, Eduardo (2011). "Security, Drugs, and Violence in Mexico: A Survey," 7th North American Forum, Washington, DC. Mafia ridden areas are subject to intense information operations while drug-trafficking areas are violence-intense information operations in addition to violence for control of the *plaza*.

[102] Table 3 reflects splinter groups and the current state of influence as of December 2012.

[103] Krauze, Enrique, "Mexico at War."

are resilient[104] and capable of forming alliances of collusive corruption with States. They are an insidious threat that constrain and pervert democratic consolidation, economic development, and the rule of law (Jones, 2011). Territorial cartels threaten state solvency by inhibiting the ability to govern, creating insecurity, and directly challenging States through violent assault, taxing the local population, and usurping the State's monopoly on violence.

Other ways of describing cartels are by defining their reach/function. In this schema they can be described as National cartels (*e.g.,* the *Sinaloa,* Gulf, and *Los Zetas* cartels); "Toll Collector" cartels (*e.g., Tijuana* and *Juárez* cartels); Regional cartels (*e.g., Los Caballeros Templarios*), and Local organizations (including gangs) (See Table 5).

Similarly, Samuel Logan and Southern Pulse describe the cartel-gang configuration in three tiers:[105]

- ***Tier-one:*** Transnational criminal organizations (TCOs), *e.g.,* the *Sinaloa* Federation or *Los Zetas*
- ***Tier-two:*** Regional trafficking organizations, aka *superpandillas, e.g., Los Aztecas,* who serve as local operators, frequently working on behalf of a tier one ally.
- ***Tier-three:*** Localized street gangs – small time criminal opportunists that dispute territory and operate in line with their tier-one or tier-two allies.

In addition, the cartels and gangs are linked through a variety of arrangements including alliances. Examples of these networked links—many cross-border and transnational (reported by Kan, 2012)—follow:

- **Tijuana Cartel (AFO):** *Fuerzas Especiales del Mulettas (FEM), Eme (Mexican Mafia), Logan Calle 30, 18th Street, Varrio Chula Vista, Sur-13*, Wonder Boys, Border Brothers
- **Gulf Cartel (CDG):** *Grupo Tarasco, Los Numeros,* Texas Syndicate, *Mexikanemi, Hermanos Pistoleros Latinos (HPL),* Tang Blast
- **Sinaloa (Pacific/Guzman-Loera) Cartel:** *Los Numeros, Los Pelones, La Gente Nueva, Los Lobos, Fuerzza Especiales de Arturo, Mexicles, Artista Asesinos*
- **Beltrán-Leyva Organization (BLO):** *Los Negros*

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[104] Resilience for a cartel or gang is the ability to sustain operations in the face of competition from rival criminal enterprises, the State, and civil society. Essentially, it is the ability of a cartel to avoid being dismantled. See Salcedo-Albarán and Salamanca (2012). "¿Por qué es más difícil desarticular las actuales redes criminales mexicanas que los carteles colombianos de los años noventa? Análisis comparado a partir del concepto de resiliencia de redes sociales," VORTEX Working Papers No. 7, Scientific Vortex Foundation, Bogotá, April at http://www.scivortex.org/7ResilienciaTCN.pdf.

[105] *Ciudad Juárez Criminal Environment*, Southern Pulse, October 2012.

- **Juárez Cartel (VCF Organization):** *Los Linces, La Línea, Barrio Azteca, Sureños, Syndicato de Nuevo México,* Mexican Clique Killers.
- **Los Zetas:** *MS-13, M-18 (Mara 18)*

These cartels and gangs are adaptive enterprises that reconfigure their organization, alliances and criminal enterprises in response to external and internal forces. Their adaptive nature forms what I call '*recombinant delectiva*.' These enterprises include drug trafficking, extortion, counterfeiting goods, resource extortion (petro, timber, cattle, mining), human trafficking, money laundering, sale of body parts, selling rights to cross their territory (*derecho de piso*), murder for hire, prostitution, running legitimate businesses, and auto theft.[106] This range of activity significantly differs from the classic Colombian cartels in the 80s and 90s which were heavily *narco* focused. An example of the protean nature of inter-cartel conflicts and alliances (between 2010-2011) is found in Table 6. These shifting alliances and battles contesting the criminal allocation of power generate a high degree of violence. Table 7 describes the results of cartel v. cartel killings between 2006-2011.

The cartels' functions in cartel dominated space (criminal enclaves) parallel government functions, resulting in what Grayson and Logan (2012, p.69) call "dual sovereignty." These include:

- Leadership (*plaza* chief)
- Security (enforcers/*sicarios*—sometimes uniformed)
- Resource Collection (war and street taxes, extortion)
- Prisons (control of activity within state prisons)
- Economic activities (creating jobs and illicit and licit enterprises)
- Cultural affairs (sponsoring *narcocorridos*)
- Information Operations, including mass media and street propaganda (*narcocultura*, attacks on journalists, *narcomantas* (banners), use of new media/ICTs)
- Judiciary (corrupt and intimidate judges and conduct own tribunals for extra-judicial punishment)
- Elections (provide resources to favored candidates, intimidate their rivals)
- Credentials (develop own identity documents and scrip, including counterfeiting state documents).

For *Los Zetas,* operating a multi-enterprise, territorial based cartel involves a range of expenses. According to Grayson and Logan between January-

[106] See Table 4 in Grayson and Logan (2012). *The Executioner's Men: Los Zetas, Rogue Soldiers, Criminal Entrepreneurs, and the Shadow State They Created*. New Brunswick: Transaction Publishers. Grayson and Logan note that *Los Zetas* were the first cartel to branch out to such a wide scope of enterprises.

September 2007 in the Monterrey *plaza*, the *Zetas* spent US $18,400 for administration and lookouts (2.85%), US $ 1,100 for security (.17%), US $ 50,000 for gifts (7.73%), US $25,000 for raffles (3.86%), and US $552,350 for payouts to police (85.39%); totaling US $646,850.[107]

The leadership of a cartel revolves around a *capo* that has both internal and external support elements. Internal elements include: a protective detail, lieutenants, regional bosses, heads of enforcement squads, enforcement squads (*sicarios*), lookouts (*halcones)*, as well as auditors, training camps and safe houses. External elements include: co-opted government officials (including police) at federal, state, and municipal levels, co-opted media outlets, businesses for laundering money, lawyers, and international links to crime groups.

Cartel activities include the use of symbolic and instrumental violence to achieve their ends. Violence includes assassinations of police, military and public officials, especially mayors; beheadings; and assassinations and attacks on journalists. In addition the cartels extract street taxes. This form of extortion essentially amounts to the usurpation of State fiscal roles. Resource extraction in the form of petro extraction (fuel thefts from pipelines),[108] timber, cattle diversion and running coal-mining operations[109] are used to generate revenue. A portion of these funds is diverted to the utilitarian provision of social goods (*i.e.,* the cartel offers social goods to strengthen its influence on the community and its hold on power).

Beyond that, in their quest to control turf and territory, they engage in social/environmental modification through the use of information operations and *narcocultura*. For the LFM and Knights Templar, information operations includes a unique blend of spiritual and political discourse known as the "*Movimiento Templario*" that includes veneration of Nazario Moreno, founder of the LFM, as "San Nazario," the "Palabra de Cabellero" (word of the knights). In addition a high degree of criminal-State collusion and interaction occurs at times. The connectivity involves corrupting and co-opting public officials and results in *narco*politics.

The result is a challenge to State solvency (legitimacy and capacity to govern). In short, lack of solvency is ingovernability (*ingovenabilidad*). This results from the combination of weak or token State presence, as well as the impact of

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[107] See Table 2 in Grayson and Logan (2012).

[108] PEMEX loses between US $1-2 Billion per year from theft and extortion. See Sullivan, John P. and Elkus, Adam (2011). "Open Veins of Mexico: The Strategic Logic of Cartel Resource Extraction and Petro-Targeting," *Small Wars Journal*, 03 November at http://smallwarsjournal.com/jrnl/art/open-veins-of-mexico. The *Sinaloa, Los Zetas,* Gulf, and *Tijuana* Cartels are reported to have illegal *tomas* or pipeline taps.

[109] Cartels, especially *Los Zetas* in Coahuila buy the coal and resell it at large profit margins—often 30 times the initial investment. The *Zetas*' coal operations are reported to earn between US $ 22-25 million annually. See "Mexican druglords strike gold in coal," FRANCE 24 News, 17 November 2012.

corruption and impunity that leads to insecurity (*insecuridad*) and ultimately ingovernability. Essentially, the *narcos* permeate all aspects of society and community life, resulting in *narcosociedad* (*narco*-society), *narcogobierno* (*narco*-government), and *narcocultura*, (*narco*-culture), impacting public security at local, national, and hemispheric levels.

Sexenio de Sangre (Calderón's Blood Term)

When Calderón came into office the cozy *plaza* system had essentially disappeared and the cartels sought to seek new terms with the State and among themselves. The well-funded, autonomous organizations manipulated the rule of law (or lack thereof) and insecurity to secure gains in power, especially in the current states of Mexico in which more violent *confrontarios* are observed today, such as Sinaloa, Nuevo León, Michoacán and Guerrero, among others. The power vacuum created by the transition from a single party State had altered the relationship between organized crime and the State, culminating in criminal resistance, rebellion and criminal insurgency.[110] Levy and Bruhn's observation (2006, p. 223) that "the drug trade brings wealth so vast that it creates alternatives to central power" was realized. He reacted to the usurpation of State authority and the challenge to State sovereignty with an expansion of counter-cartel operations. He expanded the State's security structure, enlisted the support of the army and navy, and directly attacked the cartels. More than 50,000 troops were deployed across the country.[111] The cartels fought back.

"The merger of political power, corruption and narcotrafficking, have triggered disastrous consequences for the population: extortion, kidnapping, torture and impunity are among the most common crimes in the country," according to Nubia Nieto (2012). Attacks on police, mayors, and journalists are a common event. Beheadings, at least one crucifixion, disappearances, mass graves (*narcofosas*), and internally displaced persons[112] are another consequence of the hyperviolence and barbarism. No one knows the full extent of the violence, as it is severely underreported. (Table 8 recounts major *narcofosas* discovered between 2010-2012.)

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[110] See especially Astorga, Luís (1999). "Drug Trafficking in Mexico: A First General Assessment," *Management of Social Transformations – MOST, Discussion Paper No. 36*, UNESCO at http://www.unesco.org/most/astorga.htm for a discussion of drug trafficking and political power.

[111] Redaccion de La Jornada (2012). "Van 150 mil muertos en México por la narcoviolencia: Panetta," *La Jornada*, 28 March.

[112] Internally displaced persons (IDPs) in Mexico are discussed at "Displacement due to criminal and communal violence," Internal Displacement Monitoring Centre, 25 November 2011. For a discussion of refugees see Kan (2011). *Mexico's "Narco-Refugees": The Looming Challenge for U.S. National Security*, Strategic Studies Institute, Carlisle Barracks: US Army War College.

Questionable Statistics

Somewhere between 80,000-120,000 persons have been killed as a result of the drug war between 2006-2012. *Mexico Evalua*, a think tank, estimates that 101,119 took place during Calderón's *sexenio* (through the end of October 2012), a 35.7 percent increase over Vicente Fox's term.[113] Impunity is a major factor in this dire toll. According to *Mexico Evalua*, Chihuahua has the highest percentage of impunity at 96.4%, followed by Durango (95.4%), Sinaloa (93%), and Guerrero (91.5%). These states are key drug trafficking and production regions.[114]

Getting accurate death toll numbers is problematic; as recounted in a *Truthout* report, *Le Monde* posted an editorial in August 2012 citing perhaps 120,000 or more deaths due to the drug war, more than double the official figures released.[115] The *Le Monde* article cited at *Truthout* was entitled "Mexique, la spirale de la barbarie," or "The Spiral of Barbarity."[116] It stated:

> Limited to one term of six years, Calderon will hand Enrique Peña Nieto the presidency at the end of the year (December 1), leaving him with a damning balance sheet of death. The National Institute of Statistics and Geography of Mexico has released startling figures: 27,199 homicides were recorded in 2011; between 2007 and 2011, the total came to 95,632 murders. On the basis of the trend in recent months, an estimated 120,000 homicides will have occurred during the term of Calderon. This is more than double the figure often mentioned - already staggering - of 50,000.
>
> This carnage is by far the deadliest conflict in the world in recent years. The official homicide statistics are an implacable revelation that gangrene has overtaken the nation. But beyond the number of deaths allegedly related strictly to the fight against drugs there has developed a number of industries engaging in kidnapping, extortion, prostitution, trafficking of persons and bodies - and widespread disappearances. The map of the homicides in Mexico shows that homicides are no

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[113] Reported by Washington, Diana Valdez (2012). "Experts fear new wave of violence in Mexico: President Felipe Calderón's exit creates lull before 'next narco storm'," *El Paso Times*, 10 December at http://www.elpasotimes.com/news/ci_22159407/experts-fear-new-wave-violence

[114] *Ibid.*

[115] Karlin, Mark (2012). "Fueled by War on Drugs, Mexican Death Toll could Exceed 120,000 As Calderon Ends Six-Year Reign," *Truthout*, 28 November at http://truth-out.org/news/item/13001-calderon-reign-ends-with-six-year-mexican-death-toll-near-120000

[116] "Mexique, la spirale de la barbarie," *Le Monde*, 23 August 2012 at http://www.lemonde.fr/idees/article/2012/08/23/mexique-la-spirale-de-la-barbarie_1749042_3232.html

> longer only confined to the regions of strong presence of gangs, but tend to spread over most of the territory. (*Translated from the French*)

The *Truthout* article also noted that impunity and disappeared persons were a key concern, quoting the head of Mexico's National Human Rights Commission (CNDH) on impunity: "In Mexico, where just eight of every 100 crimes committed are reported and only 1 percent of crimes are investigated by prosecutors, [this allows] 99 percent of crimes to go unpunished, CNDH chairman Raul Plascencia said." It also addressed disappearances, quoting Sandra Ley:[117]

> Finally, all the [Mexican government] databases ... ignore other fundamental aspects of the violence: the wounded, the missing, displaced, threatened.... For its part, the Center for International Monitoring estimated a total of 230,000 displaced by drug violence since 2007. However, even these figures are uncertain because of the lack of data, and we do not know where to begin to count.

Molly Molloy, a researcher and librarian at New Mexico State University who was quoted in the article, notes that "if you add up the homicide numbers reported by INEGI and SNSP since 2007, you get a number that is at least twice as high as the "drug war deaths" or "deaths due to criminal rivalries" that have become the officially reported numbers in the US and international media."[118] Molloy also questioned the drug death data in a *Phoenix New Times* article.[119] Shortly thereafter the Mexican government stopped reporting drug war death tolls. According to Molloy, "the Mexican government itself said that it would no longer try to report "drug war related" deaths separately from the actual numbers of homicides because it admitted that the criteria they had been using were bogus."[120] Estimated drug war death data for 2006-2011 is found at Table 9. The INEGI homicide data is presented in Table 8. *Zeta*, the Tijuana tabloid estimated that between 71,000-109,142 drug deaths were noted from 2007-30 April 2012 with 36% of *narco*-homicides recorded occurring in the territory of *"El Chapo," i.e.,* the *Sinaloa* Cartel.[121]

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[117] The quote originally appeared in Ley, Sandra (2012). "El desafío de contar a nuestros muertos," *Letras Libres*, 12 September at http://www.letraslibres.com/blogs/polifonia/el-desafio-de-contar-nuestros-muertos

[118] Molly Molloy, personal communication, 07 January 2012.

[119] Molloy, Molly (2012). "Mexican Death Toll in Drug War Likely Higher than reported," *Phoenix New Times*, 26 July 2012 at http://www.phoenixnewtimes.com/2012-07-26/news/mexico-s-unknown-drug-war-death-toll/

[120] Molly Molloy, personal communication, 07 January 2012.

[121] "Sexenio de Calderón: 71 Mil Ejucuciones," *Zeta*, 31 May 2012, p. 14A.

Attacks on Military and Police

During this time frame SEDENA reports that the army detained more than 50,000 persons.[122] The impact on the military has been profound with 395 soldiers killed and 137 disappeared during the *narco*-conflict.[123] Attacks on troops increased from 0 in 2006 to 628 in 2011 (See Table 10).[124] Meanwhile, the numbers of police killed in ambushes increased from about 625 in 2010 to 817 in 2011; in 2010 there were 15 Mexican states on average experiencing attacks on government officials, by 2011 that number was 18 and in most of 2012 it jumped to 20.[125] As a consequence, the Institute of Citizens' Action for Justice and Democracy assessed that organized control over the Mexican State increased from 34% in 2001, to 53% in 2006 at the start of the drug war, and rose to 71.5% in 2011, largely as a result of the complicity between political leaders and the cartels.[126] Regini (2012) reported that Guillermo Galvan Galva, Mexico's defense secretary acknowledged in February 2012 that some areas of Mexico were no longer under government control and that organized crime has penetrated government and society alike.[127] Human rights allegations against the army (SEDENA) are another side effect of the cartel war and militarization of public security (see Figure 9).

Assassinating mayors

Assassinations of public officials, especially mayors, are an important part of the picture. Mayors control local security and the local police. If mayors don't work for the cartels or work for a rival cartel, they are at risk. Between 2006-2012 a total of 39 Mexican mayors were assassinated, presumably by cartels; Michoacán led the tally with 8 mayors killed, Chihuahua and Oaxaca following with 5 each (see Table 11).[128]

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[122] "La SEDENA detiene a más de 50 mil en seis años," Informador.com.mx, 29 December 2012 at http://www.informador.com.mx/impresion/427136

[123] Marcos Muedano, "Deja sexenio 395 militares muertos; 137 desaparecidos," El Universal, 23 November 2012 at http://www.eluniversal.com.mx/notas/884857.html

[124] Aranda, Jesús (2011). "Ataques al Ejército cobran la vida de 253 soldados desde 2006," *La Jornada*, 01 August.

[125] Numbers cited by Regini, Charles (2012). "Security Implications for Multinational Corporations Operating in Mexico," *CTC Sentinel*, United States Military Academy, Countering Terrorism Center at West Point, 28 November 2012.

[126] Reported by Regini, *ibid.*

[127] Regini cited Ramsey, Geoffrey (2012). "Mexico Official Admits Some Areas Out of Govt Control," *InSight Crime*, 10 February.

[128] Data from the Trans-Border Institute database, personal communication (December 2012).

Media Attacks/Assassinating Journalists

Assassinations of journalists and attacks on media outlets (including new media or citizen journalists) are a key component of the cartel war.[129] At least 67 journalists have been killed and another 14 are missing since 2006.[130] Article/*Articulo* 19 (A-19) reports 95 journalists killed between 2006-2012, while the Committee to Protect Journalists lists 52 (including both confirmed and unconfirmed motives and media workers) (see Table 12). In addition, A-19 reports that 41 attacks against media with firearms and explosives occurred between 2006 and July 2012 (see Figure 10). Figure 11 shows the attacks and assassinations that occurred in 2012. An assessment of attacks on journalists is presented in the next subsection.

Beheadings/Decapitations (Decapitaciones)

Beheading, or decapitations (*decapitaciones*), as well as other acts of dismemberment, including at least one crucifixion, are a core feature of extreme symbolic cartel violence. These acts are used to intimidate and force compliance. Between 2007-2011 incidences of decapitation were logged in 29 Mexican states and the Distrito Federal (DF); that is 29 of 32 jurisdictions. A total of 643 or 50% of these decapitations occurred in five states (Chihuahua, Guerrero, Tamaulipas, Durango, and Sinaloa) (all were contested spaces in the cartels war) (See Table 11). The remaining states accounted for the other half. The conflict between the CDG and *Zetas* yielded 119 decapitations in Tamaulipas (a virtual failed State); the conflict between the *Zetas* and *Sinaloa* yielded 115 *decapitados* in Durango and 89 in Sinaloa. A single brutal example of beheadings is a 14 May 2012 attack in Nuevo León where 49 *decapitados* were found on a highway in Cadereyta. The attack was attributed to the *Zetas.*[131]

As eluded to earlier, violence is a mechanism or means of negating power. In order to decimate rivals—be they gangsters or the state—a new paradigm must be established. Cartels use information operations to translate violence into a salient assault on State solvency by eroding legitimacy and demonstrating lack of capacity. They also diminish the standing of rival criminals by demonstrating their own prowess. Attacks on journalist and media are ways to wage this battle of perception. For that reason, we now turn to a discussion of cartel information operations and attacks on the media.

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[129] An excellent ethnographic recount of this impact is found in Moncada Ochoa, Carlos (2012). *Oficio de Muerte: Periodistas asesinados en el país de la impunidad*, Mexico, DF: Grijalbo.

[130] These figures originate with Mexico's special prosecutor for crime against journalists, see "Mexico says 67 journalists killed since 2006," AP, *Boston Globe*, 17 July 2012.

[131] Data for this segment was derived from Muedano, Marcos (2012). "Decapitaciones se desten este sexenio," *El Universal*, 28 October 2012. The article ran on the first page.

Assessing Attacks on Journalists: Information Operation and Power-Counterpower Struggle[132]

An increasingly significant component of this violence has been directed against journalists and media outlets in an effort to silence the media so the cartels can operate with impunity. Television stations (such as *Televisa* in Tamaulipas and Nuevo León) have been attacked with grenades, and journalists assassinated, kidnapped or disappeared. According to the Committee to Protect Journalists (2010), at least 30 journalists have been killed or disappeared in Mexico in the past four years, and 11 have been killed this year alone. A detailed map tracking violence against Mexican journalists has been developed by The Knight Center for Journalism in the Americas at the University of Texas, Austin (Knight Center, 2010).

Communications Theory and Narco-conflict

Agenda-setting theory (McCombs and Shaw, 1972) postulates that the media influences audiences through their choice of coverage. This is widely described as "salience transfer" where the media transfers its agenda to the public through the media's emphasis of various issues. In this framework, media, public, policy, and corporate agendas are determined in part through media reportage. As we will see, cartel info ops negate (or at least severely challenge) the media's agenda setting capacity.

Communication power (Castells, 2009) and counter-power are key components of the evolution of the network society. Castells (2007) argued that the media has become the social space where power is decided. As a consequence, politics, media politics, and political legitimacy are at stake in the global competition for power in the network society. Indeed, communication and information are now fundamental sources of power and counter-power, domination and social change.

In Castells's view power is the structural capacity of a social actor to impose its will over other social actors. The State, traditionally a main locus of power, is being challenged globally by a number of factors, including globalization, market forces, and crises of legitimacy. Mexico's drug war is a salient example of the challenges faced by States from one variety of globalization: transnational organized crime. Mind framing is the process through which power is exercised. In the Mexican situation, I believe we see evidence that cartels are exerting raw power (symbolic and instrumental violence) as part of their efforts to shape their operating environment(s). Cartel power-making includes mind framing, and by

[132] This section is extracted and updated from Sullivan, John P. (2011). "Attacks on Journalists and "New Media" in Mexico's Drug War: A Power and Counter Power Assessment," *Small Wars Journal*, 09 April which was republished as Chapter 14 in Sullivan, John P. and Bunker, Robert J. (2012). *Mexico's Criminal Insurgency: A Small Wars Journal-El Centro Anthology*, Bloomington: iUniverse.

influencing or censoring media reportage, cartels are shaping the media space where power is decided.

New media is an emerging component of this battle for ideas, the power-counter-power contest. A range of actors (*i.e.,* the media, citizens, bloggers, and cartels) is reportedly appropriating new forms of communication (blogs, wikis, micro-blogs, etc.) to navigate the cartel wars. As a result, the rise of "mass self-communication" forecasted by Castells is an integral element of the drug war and has the potential to become an important medium of transmitting information and shaping the outcome of the conflict. Here, Castells's concept of "counter-power" or the capacity of social actors to challenge and eventually change institutionalized power relations is a critical component of understanding the cartels' information operations. As Castells (2007) observed, "The emergence of mass self-communication offers an extraordinary medium for social movements and rebellious individuals to build their autonomy and confront the institutions of society in their own terms and around their own projects." For the drug cartels, this means to control the *plazas* for the trans-shipment of drugs, limit competition from other cartels, and eliminate interference from the State.

Censoring the News

It is widely reported that cartels are conducting information operations to further their campaign to dominate Mexico's illicit economy. For example, in a recent essay "Analysis: A PR department for Mexico's narcos" at *GlobalPost*, Mike O'Connor notes that newspapers in Ciudad Victoria, Tamaulipas are running press releases for the *Zetas*. This development, occurring in the midst of a battle for supremacy between *Los Zetas* and their former allies the *Cartel del Golfo* (Gulf Cartel), seeks to shape public perception and intimidate adversaries.

Essentially, it is a battle for social legitimacy—to determine who rules. *Zetas* promote stories of military human rights abuses to turn the public against federal intervention and stories about police prowess to support co-opted police allied to their cartel. As O'Connor noted, "Cartel control is growing across Mexico, and the press is often one of the cartels' first targets. Their objective is to keep the public ignorant of their actions." This paper seeks to frame this situation with theory and empirical observations.

Assault on the Press: Assassinations, Kidnappings and Attacks

On 18 September 2010, *El Diario*, Ciudad Juárez's newspaper (currently edited across the international frontier in El Paso) printed an unprecedented editorial *¿Qué quieren de nosotros?* In English, simply "What do you want from us?" Published the day after one of its photographers was murdered, the editorial provides a stark illustration of the intense assault against Mexico's free press by cartel gangsterism. The *El Diario* editorial (translation at *Los Angeles Times, La Plaza*) read in part:

> Gentlemen of the different organizations that are fighting for the Ciudad Juarez plaza, the loss of two reporters of this news organization represents an irreparable breakdown for all of us who work here, and in particular, for our families.
>
> We'd like you to know that we're communicators, not psychics. As such, as information workers, we ask that you explain what it is you want from us, what you'd intend for us to publish or to not publish, so that we know what is expected of us.
>
> You are at this time the *de facto* authorities in this city because the legal authorities have not been able to stop our colleagues from falling, despite the fact that we've repeatedly demanded it from them. Because of this, before this undeniable reality, we direct ourselves to you with these questions, because the last thing we want is that another one of our colleagues falls victim to your bullets.

Attacks against journalists in Mexico have been rising throughout the drug war and the consensus in the media and among journalists is that it has reached a critical mass. In its report "Silence or Death in Mexico's Press," the Committee to Protect Journalists (CPJ) (2010) suggested that attacks on journalists are not simply a matter of cartels suppressing some damaging stories, rather "their motives are much more complicated and sinister."

According to the CPJ, cartels suppress stories about their own violence while paying journalists to play up the savagery of their rivals and damage competing operations by planting stories about corrupt officials. The CPJ observes that competing cartels throughout Mexico have developed aggressive media tactics as a component for their battles for the *plazas*. As a result, "The traffickers rely on media outlets they control to discredit their rivals, expose corrupt officials working for competing cartels, defend themselves against government allegations, and influence public opinion." Consequently, "Competing criminal organizations are controlling the information agenda in many cities across Mexico" (CPJ, 2010, p. 2).

Violence is one means of gaining this control. According to CPJ, 22 journalists have been murdered since December 2006, at least eight in direct reprisal for reporting crime and corruption. In addition, three media support workers have been slain and at least seven journalists have gone missing (potentially "disappeared"), while dozens of other have been attacked, kidnapped, or forced into exile. The impact of this operation seems concentrated in specific contested areas. For example, "In Reynosa, the Gulf criminal group controls the government, the police, even the street vendors. You won't see that story in the local press. The cartel controls the media, too" (CPJ, 2010. p. 15).

As a result, Mexican journalists are facing a serious emergency and threat to their safety and profession. According to the Knight Center's report *Journalism in Times of Threats, Censorship and Violence* (Medel, 2010) a cartel news blackout in Reynosa in March 2010 involved a cartel blockade on entry of foreign journalists into the contested region. In August 2010, four reporters in La Laguna were kidnapped (Medel, 2010). According to the Knight Center: "Mexico is going through a phase of open warfare and shifting alliances among seven or eight large criminal groups (and many small ones) that each have a capacity for damage and corruption." For the media, this means, "The *narcos* impose totalitarian regimes on local communities under their control, and freedom of the press is their first victim. Mexico is home to dozens of "zones of silence"—and in some cases, entire regions—where, if news is published it is only if 'spokespersons' designated by the narcos gather journalists, authorize what to say and what to censor, and dictate to editors by phone even how to frame photographs in their newspapers" (Medel, 2010).

Assessing News Blackouts

News blackouts have become a feature of the Mexican drug war. This has two facets: government information operations and cartel info ops. According to the Knight Center, "coverage of drug trafficking in Mexico has been based generally on an official view of the facts…Releasing information a bit at a time allows Mexico's government to construct a public image of winning the war" (Medel, 2010, p. 22). Coupled with cartel efforts to obscure their hand through instrumental attacks and threats against journalists, the resulting pressure has resulted in near complete media blackouts in some areas.

The Fundación MEPI (*Fundación Mexican de Periodismo de Investigación*) completed a six-month study of 11 regional newspapers in Mexico to gauge the impact of cartel interference or influence on reportage of cartel crime. The Fd. MEPI study relied on content analysis of the papers' coverage and interviews with journalists. The report found that the regional newspapers were failing to report many cartel/*narco* crimes. In order to conduct the study, Fd. MEPI constructed a list of execution-style murders tied to cartel actions and then compared it to regional coverage. In all regions, the number of stories mentioning cartel violence from January to June 2010 amounted to a small fraction of the actual incidents. Consider for example that cartel murders in Ciudad Juárez averaged an estimated 300 per month in 2010, but during the study period *El Norte*, the regional paper, mentioned less than 10% or 30 per month. The impact appears even greater in eastern Mexico, where *El Mañana* in Nuevo Laredo published only 3 stories out of a potential 98 in June. Areas controlled by the Gulf and *Zeta* (*e.g.*, Tamaulipas) cartels appear particularly impacted by the cartel blackout effect with between 0-5% of cartel violence stories reported. (Drug Killings in Mexico by State for the same time period are displayed in Table 4.)

The Fd. MEPI analysis is presented in Table 13. Specifically, it reviewed the crime stories published in January-June 2010 from the following newspapers: *El Noroseste* (Culiacán), *El Norte* (Cd. Juárez), *El Dictamen* (Veracruz), *Mural* (Guadalahara), *Pulso* (San Luis Potosi), *El Mañana* (Nuevo Laredo), *El Diario de Morelos* (Morelos), *El Imparcial* (Hermosillo), *La Voz de Michoacán* (Morelia) and *Milenio* (Hidalgo). In eight of the 13 cities studied, the papers reported only one of every ten *narco* violence stories; in the cities with more reportage, only three out of ten were published.

Out of concern over the situation facing journalists in Mexico, the Knight Center for Journalism in the Americas developed a Google map tracking attacks against journalists (Knight Center, 2010). Thus far this year the map tracked 24 incidents (including 10 murders, 5 kidnapping incidents—including multiple victims in some cases—and 9 "other" type attacks). A comparison of Fd. MEPI reports of gangland executions and Knight Center incidents tracked between January-June 2010 is contained in Table Four. Specifically, attacks on journalists were found at *El Norte* in Monterrey (Nuevo León), *El Mañana* in Nuevo Laredo (Tamaulipas), *La Voz de Michoacán* in Morelia (Michoacán), *El Noroeste* in Culicán (Sinaloa), and *El Dictaman de Veracruz* in Xalapa (Veracruz).

The impact of reportage at the 11 papers studied is depicted in Tables 14 & 15. The specific results at the papers that experienced attacks is as follows:

***El Norte*: Monterrey, Nuevo León** experienced a rise in violence and a decrease in coverage. Nuevo León has seen an increase in *narco*-executions from 217 in the first half of 2009 to 552 during the first half of 2010. *Los Zetas* and the Gulf cartel both operate in the state and are engaged in a bloody contest for control of the territory. Local reporters no longer use individual bylines. During the study period 43 stories mentioned gangland executions; one journalist was killed, and journalists were subjected to one other attack.

***El Mañana:* Nuevo Laredo, Tamaulipas** experienced a rise in violence and a decrease in coverage. During the first half of 2010 it experienced a major rise in executions: 379 in January-June 2010 versus 49 in all of 2009. The area is considered a Gulf cartel stronghold. The paper's editor was killed outside his home in 2004 and in 2006 two hooded gunmen attacked the newsroom, paralyzing a reporter. The paper admits self-censorship after these attacks. It ran no stories about gangland executions during the study period and eight journalists were kidnapped in the state during the study period.

***La Voz de Michoacán*: Morelia, Michoacán** experienced a rise in violence and a decrease in coverage. During the first half of 2010 executions rose significantly to 1,605, up from 220 in 2009. The area was involved in a ballet between *La Familia* and the *Milenio* cartel. Two staff members of the paper were killed between April and July of 2010, both following cartel threats. The paper ran 17 stories about gangland executions during the study period. Five journalists were

killed and one kidnapped in the state during the same period.

***El Noroeste*: Culicán, Sinaloa** experienced a decrease in both violence and coverage during the study period. While Sinaloa is firmly under the control of the Sinaloa Cartel, it experiences high levels of violence. The paper ran 113 stories about gangland executions, while the state had one journalist killed and experienced two other attacks on journalists during the first six months of this year. After the study period (in September 2010), gunmen attacked the paper's office in Mazatlán.

***El Dictamen*: Xalapa, Veracruz** experienced a rise in violence and a decrease in coverage during the first six months of 2010. The state also experienced a significant rise in executions during the first six months of this year with 45 incidents compared to 55 for all of 2009. The *Zetas* are believed to exercise complete control over the region. During the study period nine stories on gangland executions were printed and one journalist was kidnapped in the state. In 2008, 96 complaints of attacks against journalists were filed with state authorities.

These papers' experiences appear to be illustrative of the crisis in Mexican journalism in the face of the drug war. After the study period (January to June 2010) the assault against journalists and the media continued. According to the IAPA (Inter American Press Association) armed men attacked the *Televisa* facility in Torreón with AR-15 rifles; in July four journalists were kidnapped after covering a prison mutiny in Durango; in September the Mazatlán newspaper *Noroeste* was victim of a drive-by shooting. In October *El Debate* in Mazatlán was attacked with assault weapon fire. IAPA notes that seven journalists were murdered between May and November 2010. In total, 65 journalists have been reported murdered in Mexico since 2005, 12 are suspected "disappeared" and 16 news media buildings have been attacked (IAPA, 2010).

Information Operations and Attacks on Journalists

The Knight Center found that: "Journalists, especially those who work for local news outlets in cities that are most affected by drug violence have become the preferred targets of criminal organizations. Pressures, beatings, kidnappings, torture and killing are all tools that are frequently used to intimidate and silence independent investigations into drug trafficking in certain zones and its relationship with power" (Medel, 2010). Cartel censorship and control is enforced with threats, attacks, and bribes (CPJ, 2010, p. 16).

Not only do the cartels seek silence and impunity, they increasingly seek to influence perception, using a type of "*narco*-propaganda." This strategy employs a range of tools. These include violent means—beheadings, *levantóns* (kidnappings), assassinations, bombings and grenade attacks—and informational means—*narcomantas* (banners), *narcobloqueos* (blockades),

manifestaciónes (orchestrated demonstrations), and *narcocorridos* (or folk songs extolling cartel virtues). Simple methods such as graffiti and roadside signs are now amplified with digital media. These attacks continue into the new *sexenio.* The newspaper *El Siglo de Torreón* has been attacked repeatedly in the first months of 2013 and five of its employees have been kidnapped.[133] The *Zócalo*, a publication out of Coahuila's capitol, Saltillo, suspended reports on cartel news in March 2013.[134]

As a consequence, the cartels employ a virtual "public relations" or "information operations" branch to further their economic and increasingly tangible political goals. In some cases (for example, *La Familia Michoacana*) cartels are trying to assume the mantel of "social bandit" (Hobsbawn, 1969) to secure public support to thwart government counter-cartel initiatives. Of course bandits—and social bandits—have a long, colorful history in Mexico (Vanderwood, 1992). Bandits have captured the public imagination and have a hallowed persona of social protector in face of a weak and corrupt government and collusive elites. Bandits have also employed the support of corrupt police in the past, albeit the current situation appears to be more widespread and creating or exploiting areas of token government control. President Felipe Calderón warned that this interference or manipulation by the criminal cartels has become a threat to democracy and press freedom as cartels seek to impose their will and challenge the state and civil society. According to Calderón, "Now the great threat to freedom of expression in our country, and in other parts of the world without a doubt is organized crime."

A New Communication Space?

As Tracy Wilkinson (2010) reported in the *Los Angeles Times*, journalists are under siege, causing reporters to "practice a profound form of self-censorship, or censorship imposed by the narcos." As a result, many reports assert that social media, Twitter, YouTube, and blogs—such as *El Blog del Narco*—are taking the place of traditional media. Wilkinson notes that in Reynosa the city is virtually under siege, with cartels dictating media coverage. She adds, "Throughout the

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[133] Lara, Tania (2013). "Mexican daily El Siglo de Torreón suffers third armed attack in a week, after kidnapping of 5 staffers," *Journalism in the Americas Blog*, 01 March 2013 at https://www.knightcenter.utexas.edu/blog/00-13112-mexican-daily-el-siglo-de-torreon-suffers-third-armed-attack-week-after-kidnapping-5-s .

[134] Repogler, Jill and Rosman, John (2013). "Major Mexican Newspaper To Stop Publishing Cartel News, *Fronteras*, 12 March at http://www.fronterasdesk.org/news/2013/mar/12/major-mexican-newspaper-stop-publishing-cartel-new/?utm_source=twitter.com&utm_medium=referral&utm_campaign=fronteras-twitter.

state of Tamaulipas, in fact, journalists practice a profound form of self-censorship, or censorship imposed by the narcos… It is also the only place [thus far] where reporters with international news media have been confronted by gunmen and ordered to leave." According to Wilkinson, "Social media networks such as Twitter have taken the place of newspapers and radio reports, with everyone from security officials to regular people tweeting alerts about a gun battle here, a blockade there."

As a consequence of the battle to control information, journalists, the public, and the cartels themselves have embraced "new media" technologies (*i.e.,* social networking sites, Twitter, blogs, and other forms of horizontal self-communication). According to *Latin America News Dispatch* (O'Reilly, 2010), "people have been using blogs and Twitter accounts to cover what many of Mexico's mainstream media outlets will not. *El Blog del Narco* is one of the most notable of these outlets; according to its administrator, it receives four million visitors a week" (O'Reilly, 2010).

According to the Knight Center (Medel, 2010, p. 23) a reaction to official news control or manipulation has stimulated cartel info ops: "A recent twist on this tight control has been the emergence of organized crime groups trying—successfully—to dictate the news agenda and impose restrictions that reaches the public." This *narco*-info includes intimidation and pressure: "These threats come in public statements, as well as via social networks, Internet chat rooms, e-mail, and their own news releases" (Medel, 2010, p. 23). As we have seen, some of this interference and pressure has led to complete or partial news blackouts in Mexico's contested regions. In areas subject to blackouts, social media and information communications technology (ICT) appears to be filling the vacuum. Again from the Knight Center, "Before the foreign press revealed what was happening in Tamaulipas, the media blackout was broken by residents of the affected towns. Armed with video cameras and cell phones, they filmed the drug smugglers' roadside checkpoints, hundreds of bullet shells on the ground after shootouts, and shoes strewn in the streets, which raised the question of what happened to their owners" (Madel, 2010, p. 24). The use of Twitter as a new media/ICT supplement to traditional media that allows citizens to overcome cartel information operations, censorship and news blackouts is found in a new paper from researchers at the Microsoft Research Center. This paper, "The New War Correspondents: The Rise of Civic Media Curation in Urban Warfare," (Monroy-Hernández, forthcoming, 2013) confirms the rise of social media as a communications tool in conflict settings and specifically the Mexican cartel war.[135]

[135] See also Ellis, Justin (2013). "In Mexico, tweeting about the drug war to fill the void of traditional media," *Nieman Journalism Blog*, 15 March 2013 at http://www.fronterasdesk.org/news/2013/mar/12/major-mexican-newspaper-stop-publishing-cartel-

Citizen or participatory journalists using new media to report on the drug war are also at risk. Some have been killed; most recently Jaime González Dominguez, editor of the website *OjinagaNoticias*, was gunned down as as he ate at a taco stand.[136] The first reported attacks on bloggers reporting on the drug war may have been in September 2011. In that case bloggers and tweeters were threatened and two social media reporters were tortured, killed and their corpses hung from a bridge in Nuevo Laredo.[137]

In the current drug war, we see ICT and "new media" filling a variety of roles for a variety of actors. The traditional media uses social media to facilitate reportage and transmit information around blockades (for example from Ciudad Juárez to El Paso); bloggers and Twitter reporters use it to transmit stories; and the cartels themselves use social media and ICT to project their information platforms. This situation amounts to one where a range of social actors are engaged in what Castells (2007, 2009) calls a "power-counter-power" conflict where communication and power relationships are shaping a new communication space within the network society. This new informational space includes efforts by cartels to cast themselves in the mantle of community protector or social bandit (Hobsbawm, 1969).

Summarizing the battle for the Information Space

The battle for the information space is multifaceted. Cartels seek to regulate speech to ward off government interference. They do so through intimidation and attacks on the media. During my visit to Juárez I visited a local media station. The station's compound was heavily fortified with concrete security walls, armed guards, and security cameras. The outlet has three armored vehicles for its executives—some of whom live across the border in El Paso. The station reports cartel violence, but carefully. In the past it had received threats accompanied by requests to tailor their reportage. At the scenes of cartel hits, cartel operatives would openly converge near the news crews, making silent but implicit threats. The reporters believed these visits were coercion intended to "shape" coverage. In response to these threats, and community sentiments that

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new/?utm_source=twitter.com&utm_medium=referral&utm_campaign=fronteras-twitter.

[136] "News website editor shot to death in Mexico," Committee to Protect Journalists, 05 March 2013 at http://www.cpj.org/2013/03/news-website-editor-shot-to-death-in-mexico.php.

[137] Jardin, Xeni (2011). "Mexico: two tortured, murdered as warning to those using social media and blogs to report narco-crime, *Boing Boing*, 14 September 2011 at http://boingboing.net/2011/09/14/mexico-two-tortured-murdered-for-using-twitter-blogs-to-report-narco-crime-bodies-hanged-from-bridge-as-warning-to-others.html.

viewed the station's reportage as insensitive to victims, the station developed guidelines for reportage.[138]

In addition to attacks and information operations, the drug war now includes cyberattacks and cyberwar between the cartels and activist groups (as seen in the cyber-campaigning between "Anonymous and *Los Zetas*"). Hacks, reverse hacks, and death threats color this emerging confrontation space. The drug war exists in both physical and cyber space.[139]

The sum of press interference and cartel information operations is an erosion of freedom of press. Each year since 2006 two leading press freedom indicators have tracked freedom of press in Mexico. Both the Freedom House Freedom of Press Index (FPI) and the Reporters Sans Frontiers press Freedom Index (FPI) show a drop in press freedom. The PFI rated Mexico 45.83 in 2006 and 72.67 in 2011-12 (the lower the score the better) and the FPI rated Mexico "partly free" in 2006 with an index score of 48 and "not free" in 2012 with an index score of 62 (again the lower the score the better).[140] Clearly, the cartel war against media not only shapes reportage, but also erodes freedom of press, which in turn limits freedom and the rule of law writ large.

The Impact on Sovereignty

Mexico's drug war has had—and is having—profound impacts on governance and sovereignty. These effects are felt at multiple levels: municipal (local), state, national, and transnational levels. Cumulatively, the impact of cartels on security and society at each of these levels leads to a change in the way States interact with organized crime, with their citizens, and with each other.

Sovereignty and governance are directly linked to State capacity and legitimacy (collectively solvency). The monopoly over the use of force (violence) and the ability to extend the rule of law are key components of State solvency. In the current Mexican struggle with criminal cartels both facets of governance and sovereignty are challenged.[141] These challenges raise the question about "failed States;" but while the Mexican State hasn't (yet) failed it certainly has "failed communities," "failed neighborhoods" (Sullivan, 2012), and "failed sub-states" (Hale, 2011).

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[138] Site visit to Ciudad Juárez and personal interview with senior media producer at border television news outlet, Ciudad Juárez, 15 August 2012.

[139] Kan, Paul Rexton (2013). "Cyberwar in the Underworld: Anonymous versus Los Zetas in Mexico," *Yale Journal of International Affairs*, Volume 8, Issue 1, Winter, 26 February at http://yalejournal.org/2013/02/26/cyberwar-in-the-underworld-anonymous-versus-los-zetas-in-mexico/

[140] See Freedom House, Freedom of Press Index at http://www.freedomhouse.org and Reporters Sans Frontiers, Press Freedom Index at http://rsf.org.

[141] See International Crisis Group (2013). "Peña Nieto's Challenge: Criminal Cartels and the Rule of Law in Mexico," *Latin America Report N°48*, 19 March.

Gary Hale, a retired DEA official and senior fellow at Houston's Baker Institute, examined Tamaulipas as a "failed state" in a recent essay (Hale, 2011). Hale noted that the ungovernable situation in Tamaulipas may be the precursor to an internal failed state (sub-state). As part of his analysis he observed that 14 mayors were killed in northern Mexico in 2010. A further 6 mayors conducted day-to-day business from the US side of the border. He sums it up by stating, "Criminality is visibly gaining ground over local governments, gradually subverting the abilities of mayors and governors to function effectively."[142] In this situation cartels enforce their own rules, free themselves from State control and potentially usher in a lawless society free from central government control. Internally displaced persons, abandoned homes, and stark violence illustrate this potential. As Hale recounts:

> In Miguel Aleman, Tamaulipas, across from South Texas, an entire town was threatened by the Zetas organization in November 2010 to leave the town or be killed. A mass exodus of townspeople fled the municipality and took refuge in other towns downriver and on the U.S. side of the border in Texas, leaving the area from Falcon Dam at Nueva Ciudad Guerrero south to Ciudad Mier in the hands of cartel war-fighters. Numerous firefights between the Zetas and government forces ensued.[143]

Essentially here we see cartels controlling territory. Reynosa, with a population of about 700,000, has been described as a "city under siege" with cartels exerting brutal control.[144] In addition to Tamaulipas, Coahuila and Chihuahua are at risk (Hale, 2011). Media accounts note that the *Zetas* "occupy" Coahuila, dominating territory by controlling all aspects of local criminal businesses.[145] *Excélsior* in an article "*La república criminal de Los Zetas"* reports that Tamaulipas, Nuevo León, San Luis Potosí and parts of Coahuila, Zacatecas and Veracruz are outside the control of the central state.[146] In Sinaloa—home to *El Chapo's* boys—we hear that the *narcos* have 'infiltrated' every corner of life.[147] The way various cartels exert their control is different. Sinaloa, for example, generates income through

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[142] Hale, 2011, p. 4.
[143] Hale, 2011, p. 9.
[144] Wilkinson, Tracy (2010). "Caught behind enemy lines," *Los Angeles Times*, 06 November at http://articles.latimes.com/2010/nov/06/world/la-fg-mexico-cartel-rule-20101106.
[145] Wilkinson, Tracy (2012). "Zetas cartel occupies Mexico state of Coahuila," *Los Angeles Times*, 03 November at http://articles.latimes.com/2012/nov/04/world/la-fg-mexico-zetas-control-20121104.
[146] Beltrán del Rio, Pascal (2011). La República criminal de Los Zetas, *Excélsior*, 04 September at http://www.excelsior.com.mx:8080/2011/09/04/pascal-beltran-del-rio/765996.
[147] Wilkinson, Tracy (2008). "In Sinaloa, the drug trade has infiltrated 'every corner of life'," *Los Angeles Times*, 28 December at http://www.latimes.com/news/nationworld/world/la-fg-mexico-drugwar28-2008dec28,0,6322674.story.

drug trafficking and seeks to gain or maintain control over key trafficking routes. The *Zetas* on the other hand seek to control the territory surrounding trafficking routes and engage in other criminal enterprises using networked, self-sustaining cells. In my view, the *Zetas* are functioning as warlords with a private army. In the view of a Mexican businessman, "The *Zetas* are like locusts; they leave nothing untouched."[148] Both styles of cartel penetration inhibit democratic governance.

From a macro level cartel interference with governance, largely through public corruption and impunity, weaken the State. Table 17 shows the impact on State solvency as depicted through the Fund for Peace Failed State Indicators. In this rating the higher the indicator score (on a scale of 1 best-10 worst) the greater the pressure on the State; likewise the lower the index score (1 is best; 120 worst) and the higher the position (1 is lowest, 177 best) the greater the threat. In all areas Mexico is challenged during the past six years. The greatest challenge appeared during the height of insecurity. Clearly Mexico's threat from the cartels is a dynamic situation. Improvements in government security strategy appear to be slowing the violence, but it is also possible the cartels have limited direct challenges in areas where they have secured control and co-opted government and security actors. As a senior US counterdrug official told me, the threat to the State centers on corruption and intimidation, which yield public insecurity. In his view the *Zetas'* violence was more visible and *Sinaloa's* more insidious.[149]

World Bank governance figures (the Worldwide Governance Indicators/WGI seen in Table 18) tell a similar story. Six key indicators: voice and accountability; political stability/absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption illustrate the challenge. While voice and accountability, government effectiveness, and regulatory quality are relatively stable (albeit not robust) over the past six years, political stability/absence of violence reached critical levels (although are slightly improved in 2011). Rule of law is also challenged, while control of corruption remains problematic.

Corruption is central to our discussion on the impact of organized crime on the State. Cartel bases of operation need protection from key public officials: mayors, governors, and the police. Corruption not only dissuades investment in the licit economy, it is used as a means of wielding political influence to protect criminal organizations so they can operate with impunity. As a professor at COLEF, the *Colegio de la Frontera Norte*, told me, there is a difference between street level corruption (*i.e., la fería* or "pocket change") and institutional corruption, where corrupt government officials and gangsters extract resources

[148] Personal interview, local businessman, Tijuana, 28 May 2012.
[149] Personal interview, former high level US counterdrug executive, Los Angeles, 09 August 2012.

and protection from the police. The latter case leads to police protecting criminal enterprises and a normalization of corruption and violence.[150]

Organized crime clearly exerts a differential impact on levels of governance. One way of distinguishing this differential is to look at bribes of Mexican officials by cartels. Table 19 recounts this differential. After reviewing 400 cases of bribes collected by NPR, Jones (2011) shows that the *Tijuana*, Gulf, *Zeta, Juárez,* and *La Familia* cartels spent most of their bribes at the local level. Bribes to the military were important for *Sinaloa* and the Gulf-*Zetas*. Bribes to federal officials were important to the *Beltrán-Leyva* Organization. It is reasonable to infer that bribes to military and federal officials were key, due to enhanced presence of these security organizations during the frame measured.

As Salcedo-Albarán and Garay Salamanca (2012 and forthcoming) note, cartels and gangs reconfigure State through co-option of State agents. This co-option progresses at differential levels. Nevertheless, when looking at the Michoacana Family (LFM) they found that between 2005 and 2009 penetration or co-option of State institutions expanded from the local level to state (departmental) and federal levels (see Table 20). In their analysis, the researchers find that LFM had consolidated a process of State capture at the municipal level (and lesser so at the sub-state level) by 2005. By 2009, this process had advanced to show a co-opted State reconfiguration process at the municipal level with advanced State capture at the sub-state level. These findings confirm the growing challenge to State institutions at municipal and state (sub-state) levels in Mexico.

This development demonstrates the demise of the *plaza* system. Now police, the military, politicians, and elites of all stripes are dominated by the cartels—a reversal of past practice. State regulation of organized crime is the true casualty of this reversal with "sophisticated, well-funded, and autonomous criminal organizations intent on manipulating the rule of law for their own benefit."[151]

By 2009 in Tancítaro, Michoacán municipal authorities resigned en masse, citing the escalating power and influence of the *narcos* (Watt and Zededa, 2012, p. 179). This situation was now becoming common place as an estimated 50-60 percent of municipal government offices had been "feudalized" by cartels by 2008 and a further 62 percent of police linked to or controlled by cartels (Watt and Zepeda, 2012, p. 202). Michoacán is instructive in this State reconfiguration process. In February 2013, the mayor of Nahutzen, Michoacán became the 31st Mexican mayor to be assassinated by cartels since 2006. After his killing, another mayor (who chose to remain anonymous) said mayors must pay a protection tax to avoid being killed by cartels.[152]

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[150] Personal interview, Mexican academic, Tijuana, 28 May 2012.
[151] Watt and Zepeda, 2012, p. 144.
[152] "Mexican mayors admit paying cartels to stay alive," France 24, 08 February 2013 at http://www.france24.com/en/20130208-mexican-mayors-admit-paying-cartels-stay-alive.

The result is a potential *"narcoligopolio"*[153] where cartels dominate the political process, albeit occultly. This situation has been called *'el michoacanazo'* where 12 of 30 state officials are being investigated by the state prosecutor for links to *narcos*.[154] In May 2009 11 mayors, 16 state functionaries, and one judge were detained for their involvement in this corrupt network.[155] This capture of municipalities strengthens the hand of the cartels. According to Eduardo Buscaglia, in 2010, 982 municipalities in Mexico were controlled by *narcos*, a rise from 353 in 2007 (Watt and Zapeda, 2012, p. 230).

This situation conforms to the comments of many persons I interviewed during the course of my research. For example, a police commander in El Paso told me corruption erodes all levels of government.[156] A mid-level DEA official in El Paso told me many municipal police become agents of the cartels.[157] An anthropologist at the University of Texas, El Paso described the situation as politics through the barrel of a gun (almost Leninist without the ideology).[158] A cartel observer and academic in Santa Fe, NM observed that cartels funnel money into political campaigns at all levels, buying access, assistance, and freedom from interference.[159] A former CISEN analyst and researcher noted that cartels are changing the relationship with the State, diminishing State capacity through corruption and impunity. In his view "Tilly-type statemaking may exist, but the cartels have different imperatives. Most don't see themselves as overtly political, although the Knights Templar do, while the Sinaloa cartel sees itself as a business with political interests."[160]

For an Ivy League professor, transnational organized crime is a major challenger to the nation-State, potentially leading to new sovereignties. The influence on transnational criminal networks in Mexico is a direct consequence of the locational dynamics of a weak State (Mexico) next to a strong State (the US) with

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[153] "México es una potencia víctima de un 'narcoligopolio'," El Universal, 12 April, 2011 at http://www.eluniversal.com/2011/04/12/mexico-es-una-potencia-victima-de-un-narcoligopolio.shtml.
[154] Méndez, Alfredo (2012). "El michoacanazo," *La Journada*, 06 June at http://www.jornada.unam.mx/2012/06/06/politica/016n3pol.
[155] "Detenciones políticas en el sexenio de Calderón: El 'Michoacanazo', AdnPolítico.com, 03 February 2012 at http://www.adnpolitico.com/2012/2012/02/03/el-operativo-de-el-michoacanazo.
[156] Personal interview, Commander, El Paso Police Department, El Paso, 16 August 2012.
[157] Personal interview, mid-level DEA official, El Paso, 16 August 2012.
[158] Personal interview, academic, University of Texas, El Paso, El Paso, 16 August 2012.
[159] Personal interview, academic, New Mexico State University, Santa Fe, NM, 17 August 2012.
[160] Personal interview (telephonic), former CISEN analyst, Mexico City, 10 December 2012.

segmented and fragmented sovereignties emerging.[161] A former US DEA official noted that cartels impact governance mostly at the municipal level, with diminishing impact on the state, and federal level. In that frame, he viewed cartel political activity as real in a *sub rosa* way. Cartel politics are covert, not overt, and center on threats, intimidation, and corruption.[162]

For a high-profile Mexican journalist, cartels impact governance by challenging the legitimacy of the State through concentrated violence conducted as "armed groups." For the journalist, impacts on the various levels of government vary, but in all cases the cartels break the State's monopoly on violence and impede the rule of law. The nature of States is transforming as a result of State instability and insecurity. Corruption is still a major player, but since it isn't coordinated and is now multi-directional, competition results. In the journalist's view, cartels and gangs are political: exercising power, financing candidates, mobilizing voters, and keeping politicians on their payroll while engaging in armed conflict. They are "multi-headed beasts," merging armed security (fighting) forces and mafia operations. The journalist notes that the cartels directly attack all levels of government with a higher threshold for corruption at each level.[163] As a result the cartels are largely a police/municipal complex where the corrupt political nexus dominates community life.

For an academic at the University of San Diego, the cartel war impacts governance by prioritization of security by the State, the impact corrupting elements influencing politicians, and the "unrule of law" in communities and regions (such as Tamaulipas, Michoacán, and Veracruz) which become captured spaces. At national levels there is potential for cartel penetration, at local levels whole towns are captured and dominated by the cartels.[164] An academic at San Diego State University views this as the function of a "mafia state" where cartels and politicians are "intertwined" and the cartels act as puppeteers exerting control over oligarchs (the elite).[165] For an academic at UNAM, the cartels impact governance at state (sub-state) and local levels as seen in Chihuahua, Tamaulipas, Coahuila, Sinaloa, and Michoacán. Here, the cartels in his view are economic rather than political actors.[166]

In the view of a Colombian researcher, the cartel war impacts governance "mainly in the municipalities, with direct impact in the security and administrative

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[161] Personal interview (telephonic), Ivy League academic, Boston, 10 December 2012.
[162] Personal interview, former mid-level DEA official, Mexico City, 24 October 2012.
[163] Personal interview, Mexican journalist, Mexico City, 25 October 2012,
[164] Personal interview, academic, Trans-Border Institute, University of San Diego, San Diego, 26 November 2012.
[165] Personal interview, academic, San Diego State University, San Diego, 26 November 2012.
[166] Personal interview (electronic), academic, Universidad Nacional Autónoma de México, Mexico City, 21 November 2012.

capacities of those municipalities. This war reinforces a circular causality between governance weakness and criminal power." This criminal consolidation: infiltration, capture, co-option and reconfiguration of different institutions (such as the police and mayoral offices) changes State consolidation. As the relationships between criminals and officials evolve, more sophisticated forms of cooperation and co-option beyond traditional corruption are found, demonstrating clear political impact.[167]

A fellow at a DC think tank observes that the situation in Mexico presents an unusual, intense level of violence among criminal markets that lends drug-trafficking organizations the capacity to intimidate government. The results include the emergence of negotiated deals at (among *narcos* and officials) municipal levels with a great impact in contested municipalities. At state levels the impact is diminished, but still influences the allocation of power and economic distribution. Essentially the bargaining and negotiation power of the cartels creates new networks of patronage and corruption. Here, impunity is a driver of hyperviolence. The cartels effect political and social life and drive national policies. In sum, the conflict could change the perception of marginalized people either yielding a heightened level of State provision of services or conversely devolution of service provision to the *narcos* (both are being seen in the current conflict). At a transnational level, the cartel war leads to deeper relations between the US and Mexico.[168]

For a Virginia academic, it is difficult to find a state where the governor has not turned a blind eye to *narco*-trafficking or is complicit in this criminal activity. He observes that governors now rule their states like feudal barons—allowing criminality to flourish, spending recklessly and enjoying impunity.[169] A New York academic makes an important observation that transnational cartels have become important political actors around the world, due to their economic might, control over flows of people, and the control of arms and drug flows.[170] An analyst at *Espolea* notes that cartels have latent political actors. They have capabilities and resources, as well as the ability to wield both hard and soft power. They influence media and both executive and legislative arms of governments: "they have the capacity to grow into a much stronger political actor if they so wished and sought to."[171] A sheriff's official in Hudspath County, Texas sums it up, saying, "Cartels would rather 'own' the government than 'run it'," an

[167] Personal interview, Colombian researcher, Mexico City (with telephonic follow-on), 19 November 2012.
[168] Personal interview (telephonic), Fellow, think tank, Washington, DC, 16 September 2012.
[169] Personal interview (electronic), Virginia academic, Williamsburg, VA, 04 November 2012.
[170] Personal interview (electronic), New York academic, Columbia University, New York, 27 November 2012.
[171] Personal interview (electronic), analyst, Espolea, Mexico City, 28 November 2012.

ideal recap of cartel reconfiguration of the state.[172] Essentially, cartels and corrupt State officials are mutually reconfiguring States through reciprocal collaboration and mutual co-option leading to State reconfiguration where criminal networks that cross State boundaries reconfigure norms, social and political processes that erode traditional State definitions of power.

The cartels exercise great power in the zones they control. They are armed criminal groups that control illicit business and extract resources and taxes from legitimate business—for example, they control all street vendors in Monterrey; represent justice in entire zones of Michoacán; control passage over roads and impose tolls; control human trafficking; and offer gainful employment to thousands of youths in border gangs (Taibo, 2011). According to Taibo, "They are a large part of our country [Mexico], a new state. A state that replaces another state based on abuse and corruption."

Here we have a situation where the State has been weakened or "hollowed" from inside. Cartels, gangs, and corrupt politicians and police collude in order to ensure the transnational illicit networks are free from State interference. Essentially, the cartels are reconfiguring State functions. Within Mexico we see cartels gaining the upper hand in what Pansters (2012) calls "zones of coercion" where violence in state-making competes with negotiated forms of state-making ('zones of hegemony"). The army, police, paramilitaries, and security apparatus battle–and co-mingle—with "criminal organizations, guerrillas, violence-prone caciques, and there are multiple forms of interaction" (Pansters, 2012, p. 28).

The State response to cartel incursion into the realm of State authority (*i.e.,* controlling governance, mayors, and co-opted State reconfiguration) initially manifested itself as a crackdown and direct assault on the cartels. The cartels reciprocated and a state of 'hyper-violence' ensued. Essentially the drug war during Calderóns *sexenio* reversed the hopes for democratic consolidation in the post-PRI era (Rubio, 2013). The drug war inhibited democratic institutional development as non-democratic institutions and practices took center stage. As Lindau (2011) observed:

> The drug war preserves certain authoritarian proclivities of the Mexican state and fosters corruption and impunity, reducing the efficacy of judicial reforms and complicating the professionalization of the judicial branch. The security crisis engendered by the drug war fosters expanded executive power. At the same time, the drug war undermines federalism, increasing the power of the central government vis-à-vis states and municipalities.

During the resulting *de facto state of exception* (*estados de excepción*), the federal level gained power and invested it in the military and federal police. The result has been an erosion of transparency, alleged human rights abuses and impunity, militarization of conflict, and underinvestment in local community

[172] Personal interview, Sheriff's official, Hudspath County Sheriff's Office, Texas, 17 August 2012.

policing or security capability.[173] This state of competition between organized crime and the State allowed the cartels to penetrate the State more deeply as insecurity deepened social fissures. The authoritarian remnants of the oligargic elite could now call for order, authority, and a firm hand. Before they could effectively raise that clarion call, which ultimately resulted in the return of the *PRI* to power, civil society as exemplified by Javier Sicilia's Movement for Peace with Justice and Dignity (*Movimiento por la Paz con Justicia y Dignidad*) weighed in.

Javier Sicilia is an esteemed Mexican poet and journalist. On 28 March 2011 his son Juan Francisco Sicilia Ortega was murdered by cartel *sicarios* along with six others in Morelos. Sicilia echoed the sentiment of a nation: "*Estamos a la Madre*" ("We have had enough!"). Sicilia said he could not write poetry any longer; instead, he channeled his grief into a potent cross-border (Mexico-US) peace movement. In "Carta abierta a políticos y criminals,"[174] ("An open Letter to politicians and criminals") he started his series of protests ("caravans") calling for reforms and an end to the drug war. The caravans travelled through Mexico and, in the summer of 2012, the Caravan for Peace transversed the United States (See Figure 12).

I briefly met Sicilia at Pomona College in Claremont, California as he planned for the US Caravan. When I first heard him speak, he said, "We're living at a very important juncture in Mexico…also the world…a period where the old disappears and the new arises…New social movements are emerging."[175] For Sicilia, Mexico is in a state of emergency where the State and economy do not function. Essentially the situation is a crisis of the State: "the crisis of the state is a worldwide crisis," he said. A crisis that began with the *PRI,* paternalism, and a patrimonial State "governed by mafia—protection of the family and networks at all costs." He views this "chaos of the mafia" as a situation where "organized crime is a reflection of the state." Sicilia is calling for an alternative to the structure of the State, for peace and justice. To do so he suggests a discussion of the changing social fabric in both the US and Mexico where "the crisis of state and economy reveals itself in cruelty," and a "logic of state and economy" where "human beings, nature and resources become capital to exploit." Sicilia warns that the "war on drugs criminalizes vulnerable populations" and "all of this has to do with power and money." Sicilia highlighted the plight of migrants in Mexico, as well as "social cleansing." He raised the question "we have to ask which cartel we're voting for" (in reference to the then upcoming Mexican presidential elections). When he closed his talk, he said that the US and Mexico need to

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[173] See Daly, Catherine, Heine, Kimberly, Shirk, David (2012). *Armed with Impunity: Curbing Military Human Rights Abuses in Mexico*, San Diego: Trans-Border Institute, University of San Diego, Special Report, July.

[174] Sicilia, Javier (2011). "Carta abierta a políticos y criminals," *Proceso,* 03 April at http://www.proceso.com.mx/?p=266990.

[175] Sicilia, Javier. Comments during "A Conversation with Javier Sicilia: Remembering the Nameless in Mexico's Failed War on Drugs," Pomona College, Claremont, California, 25 April 2012.

address this situation as humans, not two different States; we "need a new form of states based on human dignity."[176]

I saw Sicilia again as he kicked off his US Caravan in August at the University of San Diego. At that event we attended mass at the University chapel. About a hundred and fifty mothers, fathers and family members who had lost children, husbands or wives to cartel violence were in attendance. They lined the church with photos and banners of their lost loved ones (see figure 13). When the "*Guadalupana"* was sung after communion you could hear and feel the sense of loss, tragedy—and also, a call for hope. Passions were strong, but as I would see a few weeks later when I joined the Caravan in Las Cruces, New Mexico, the cartel war was stimulating a transnational countermovement. Cross-border politics are in the midst of change.

This cross-border dimension of Mexico's drug war is the result of the transnational nature of the organized crime networks. While Mexican cartels are evolving into potent criminal enterprises throughout Central America, in South America as far south as Argentina's Southern Cone, in the Caribbean, across the Atlantic to West Africa, and into Europe where they link with European mafias, their cross-border impact and reach is acute in the United States.[177] The proximity of the US to Mexico, including the shared "hyperborder"[178] make the US-Mexico relationship over transnational organized crime and gangs critical.

Cartel penetration into the US is complicated by US demand for narcotics—indeed the US is the cartels' largest market. The proximity of the US to Mexico both contributes to and exacerbates the rise of criminal State-making. For the US there is a significant concern that cartel violence will spill over into the US. More pressing concerns are the potential rise of *narco*-related public corruption. To

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[176] *Ibid.*

[177] See Sánchez, Maria Isabel (2013). "Will Mexico export its drug war?" *Tico Times*, February 22 for a discussion of Mexican cartel penetration into Guatemala, El Salvador, and Honduras; "Mexican drug cartels look to relocate in Spain," VOXXI, 21 February 2013 at http://www.voxxi.com/mexican-drug-cartels-look-to-relocate-spain/; "The Caribbean and the cartels," *Trinidad Express*, 05 March 2013 at http://www.trinidadexpress.com/featured-news/The_Caribbean_and_the_cartels-195-195482361.html; Fausset, Richard (2013). "Europol: Mexican drug cartels want a foothold in Europe," *Los Angeles Times*, 12 April at http://www.latimes.com/news/world/worldnow/la-fg-wn-mexico-europe-cartels-20130412,0,2420255.story: and O'Reilly, Andrew (2012). "Mexican Drug Cartels Join Forces with Italian Mafia to Supply Cocaine to Europe," Fox News Latino, 21 June at http://latino.foxnews.com/latino/news/2012/06/21/mexico-drug-cartels-supply-italian-mafia-with-cocaine-for-europe/#ixzz2QO6fgxNC.

[178] Sullivan, John P. (2013). "Homeland Security on the Hyperborder: U.S.-Mexico Drug War Interactions," Chapter 1.3.4 in Forest, James, Howard, Russell, and Moore, Joanne (Eds.), *Homeland Security and Terrorism: Readings and Interpretations*, Second Edition, New York: McGraw-Hill.

frame these concerns, it is vital to recognize that cartel penetration is a function of illicit financial flows and the illicit political economy. It is also important to recognize that the reconfiguration of the political economy is more than a bi-lateral relationship between the US and Mexico, although the Mexican public sees both the US and Mexico as sharing responsibility for the drug war (Pew, 2012) (See Figure 14). The situation is rather a three-way relationship among the US, Mexico, and the TCOs. The TCOs simultaneously exploit illicit demand and penetrate both the US and Mexican States.

In the US, "Statistics from the DEA suggest a heightened cartel presence in more U.S. cities. In 2008, around 230 American communities reported some level of cartel presence. That number climbed to more than 1,200 in 2011, the most recent year for which information is available, though the increase is partly due to better reporting."[179] Cartels both supply drugs and interact with local gangs. Indeed, the cross-border collaboration between cartels and gangs is exemplified in the gang networks forged by both *Mara Salvatrucha* and *Los Aztecas*.[180]

The specter of cartel penetration is illustrated in law enforcement intelligence, and public reports. On the sensitive side, a California Bureau of Narcotics supervisor told me *La Familia Michoacana* now has links to California's *Nuestra Familia* prison gang and their *Norteño* street gang affiliates, and are moving money in "halawa" types of transactions. In addition, *Los Zetas* have been seen in Stockton, California, reinforcing fears of cross-over between gangs and drug trafficking organizations.[181] A recent Texas Department of Public Safety threat assessment (Texas DPS, 2013) noted this trend. For Texas, Mexican cartels are considered the most significant organized crime threat, with six cartels having command and control nodes in the state (Texas DPS, 2013, p. 2). These cartels are assessed to work directly with Texas prison gangs and are engaged in *narco*trafficking, human trafficking, and other cross-border criminal enterprises. The following cartels have an active presence in the state (Texas): *Los Zetas, La Familia,* the *Beltrán Leyva* Organization, and Gulf Cartel in East Texas, and the J*uárez* and *Sinaloa* Cartels in West Texas. *Narcobloqueos* (narco-blockades) have been documented in 2012 in the McAllen area, demonstrating the movement of cartel warfare techniques across the frontier (Texas DPS. 2013, p. 18). While high intensity violence has yet to cross the frontier, public corruption is a pressing concern.

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[179] Associated Press (2013). "Mexican drug cartels reportedly dispatching agents deep inside US," Fox News, 01 April at http://www.foxnews.com/us/2013/04/01/mexican-drug-cartels-reportedly-dispatching-agents-deep-inside-us/?test=latestnews#ixzz2QOTjZ1T2.

[180] Sullivan, John P. and Elkus, Adam (2012). "Los Zetas and MS-13: Nontraditional Alliances," *CTC Sentinel*, Combating Terrorism Center, United States Military Academy, Vol. 5, Issue 6, June and Sullivan, John P. (2013). "The Barrio Aztecas, Los Aztecas Network,"*The Counter Terrorist*, Vol. 6, No. 2. April/May.

[181] Personal interview, senior California Bureau of Narcotics Enforcement supervisor, 17 May 2012.

Public corruption is crucial because it is a gateway to cartel/TCO penetration, capture, and reconfiguration of States. Early recognition of this potential in the US was heralded by journalist Judith Miller in her report "The Mexicanization of American Law Enforcement" (2009). Miller's early warning is echoed in academic research by Nagle (2011) and Turbiville (2013). For Nagle, a former Colombian judge and law professor, Mexican cartels are extending their corrupt influence across the border. Customs officials and law enforcement officers are increasingly caught in the web of complicity, accepting bribes and facilitating illegal transactions. Turbiville, a long-term military analyst of organized crime in the Americas, provided a qualitative view on increasing public corruption in the US, recounting a steady rise in corruption and collusion across the border since the 1980s. His account documents both *Los Aztecas* and cartel involvement in cross-border corruption, collusion, and violence (including attacks on US law enforcement personnel). In recent news, a Starr County (Texas) lawman was convicted for bribery (he has suspected links to the Gulf Cartel).[182] Mayors and police across the Southwestern US are also suspected to be involved in corrupt collusion with the cartels. In one example in Columbus, New Mexico the mayor, police chief and a city trustee were found guilty of gun smuggling in 2012.[183]

The transnational impact of TCOs is exemplified in the Mérida Initiative which heralds the rise of transnational security governance. While Mérida involves US financial and in-kind support to Mexican security and stabilization efforts, it actually does much more. It involves the empowerment of cross-border players and instruments of governance that transcend national borders and sovereignty. Here differentiated areas of action among States are emphasized. Mexico must enhance its internal security and the US must reduce demand for illicit economic flows including drugs and money laundering. Mérida builds mechanisms for bi-lateral security initiatives—including intelligence sharing and capacity building for police and the military. It does not build—at least not yet—local community policing efforts to combat insecurity. Both supra-national and sub-national mechanisms for addressing criminal insurgencies waged by TCOs are awaiting development (Braig, 2012).

In many ways, the security partnership between Calderón and the US broke new ground in US-Mexico relations. The US became a key partner and gained new freedom of access in Mexico. Drones, intelligence support, training and operational support in the form of technical assistance and mission planning became part of US contributions to Mexico's drug war. US agents (including alleged CIA operatives) have also been attacked in the process. The inter-operability of US-Mexican state security forces is a clear indicator that *narcos* are

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[182] Ortiz, Ildefonso and Taylor, Jared (2013). "Convicted of bribery, Starr lawman became cop despite prior felony plea," *The Monitor*, 12 April at http://www.themonitor.com/news/local/article_70a54042-a3d0-11e2-959c-0019bb30f31a.html.

[183] Serrano, Richard A. (2012). "Corruption flows freely along U.S.-Mexico border," *Los Angeles Times*, 13 May at http://articles.latimes.com/2012/may/13/nation/la-na-border-corruption-20120513.

contributing to new geopolitical realities of sovereignty (Wilkinson, Fausset, and Bennett, 2012).

A New Direction: EPN's *Sexenio* of Silence?

As Mexico was getting ready for election for the new *sexenio*, I had the opportunity to hear Denise Dresser, a professor at ITAM (*Instituto Technológico Autónomo de México*) raise concerns about the potential return of the *PRI*. In her lecture at San Diego's Trans-Border Institute, she raised the alarm that calls for a strong hand restoration of order could lead to the "Putinization" of Mexico in response to extreme violence, insecurity, and a weak State. "Security must be restored!" In response to rising violence, she saw the desire for security, stability and control to usher in the return of the *PRI* which would offer order and privileged status to the nation's elites. Essentially, this would be an alliance of oligarchs and forces of order, perhaps a corrupt peace from below, which could co-exist with order from above. After all, the collapse of local order led to increased violence as the rule of law fell victim to insecurity. She foresaw a self-perpetuating pact among elites to sustain rent-seeking, concentrate wealth, and extract resources.[184] In December 2012, the *PRI* regained power with the election of Enrique Peña Nieto (EPN). EPN's new strategy would eschew direct military confrontation with the cartels and emphasize counter-violence strategies, synchronization of municipal, state, and federal enforcement efforts, and create a new gendarmerie to combat extreme violence that challenged the capacity of civil police.[185]

In addition to restructuring security forces (once again) and seeking to emphasize community development and violence reduction, the new *sexenio* is framed by silence on cartel violence, avoiding mention of the continuing violence. The new EPN administration has chosen not to report or comment on cartel violence. This astounding lack of transparency echos steps in the late Calderón administration to wage information operations that conceal the intensity of the cartel assault on the State. Cartel atrocities and crime continue:[186]

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[184] Dresser, Denise. "Mexico 2012 and Beyond," *16th Annual Sister Sally Furay Lecture*, Trans-Border Institute, University of San Diego, 03 May 2012.

[185] Fabian, Jordan (2012). "Mexican President Enrique Peña Nieto Outlines New Drug War Plan," ABC News, 18 December. For discussion on Mexico's gendarmerie see Gary Hale, "Paramilitary power in Mexico: A strategy shift in Mexico's drug war," *Viewpoints: Baker Institute Blog*, 25 July 2012 at http://blog.chron.com/bakerblog/2012/07/violence-in-mexico-is-a-paramilitary-force-the-answer/ and Sullivan, John P. (2013). "The benefits of a paramilitary force in Mexico," *Viewpoints: Baker Institute Blog*, 04 January at http://blog.chron.com/bakerblog/2013/01/the-benefits-of-a-paramilitary-force-in-mexico/.

[186] Wilkinson, Tracy and Sanchez, Cecilia (2013). "Mexico government downplays deadly violence," *Los Angeles Times*, 11 April at

> Yet, a survey by a Mexican organization that monitors the press found that coverage of drug-war violence had dropped off by half under the first three months of the Peña Nieto government.
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> The Observatory of Coverage of Violence found that the appearance of the words "homicide," "organized crime" and "drug-trafficking" on the front pages of newspapers in Mexico City diminished by 50 to 55%. On television, which has been overwhelmingly favorable to Peña Nieto, a 70% decline in the words "organized crime" was recorded. The new silence begs the question: has the EPN administration entered a negotiated truce or agreement with the cartels? That is unlikely. While many suspected the EPN regime would seek accommodation with (at least some of the) cartels, the continued violence negates that potential. The cartels were unlikely to want to return to the *status quo ante* where the PRI dictated terms. They have tasted power and seek to retain the upper hand as they co-opt and reconfigure the state. The result is continued intercommunal criminal strife.

The continuing insecurity is driving a movement for vigilantes or *autodefensas* (self-defense corps). By the beginning of March 2013 at least 68 cities are patrolled by autonomous community protection cadres.[187] The rise of the *autodefensas* confirms the challenge to State solvency.[188]

Toward the Network State…

Mexico's drug trafficking organizations—actually transnational criminal organizations—can be considered "insurgent" because they are directly confronting the State. As Castells (2009) notes, power rules and counterpower fights; the cartels are raw counterpower. Here networks acting within the juxtaposition of local and global articulations of power are contesting the Mexican State (as well as the global assemblage of States). Networks (among States and their criminal contenders) are the new locus of power. The contest between

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http://www.latimes.com/news/nationworld/world/la-fg-mexico-violence-20130411,0,1966210.story.

[187] See "Grupos de autodefensa operan en 68 municipios del país," *Animal Politico*, 03 March 2013 at http://www.animalpolitico.com/2013/03/grupos-de-autodefensa-operan-en-68-municipios-del-pais/#ixzz2QPISrhuB.

[188] For more on the concept of State solvency and the challenge of TCOs to State sovereignty see Sullivan, John P. (2013). " How Illicit Networks Impact Sovereignty," Chapter 10 in *Convergence: Illicit Networks and National Security in the Age of Globalization*, Miklaucic, Michael and Brewer, Jacqueline (Eds.), Washington: DC: National Defense University, NDU Press.

TCOs and States results in a condition of political insurgence—that is, it is truly insurgent not because the cartels and gangs seek to capture States, but because they change the nature of States.

The State reconfiguration that results appears to be ushering in an era of "*narco*states" or "mafia states" where the geopolitical calculations of States is nearly indistinguishable from that of illicit networks. Criminal enterprises have reconfigured some States to further their goals. As Moisés Naim (2012) articulated, "Mafia states integrate the speed and flexibility of transnational criminal networks with the protections and diplomatic privileges enjoyed only by states." That may be changing; States increasingly face the potential of being penetrated or intertwined with illicit networks. Both the States and cartels (transnational networks) are battling for a place in the new political order. That order may be dominated by the 'network State" where power is shared in stratified or fragmented ways among numerous actors—including States and networks of States and State challengers.

The nature of contemporary transnational organized crime (as exemplified by Mexican cartels) is both quantitatively and qualitatively different than past criminal contenders. As such, contemporary TOC poses more than a law enforcement problem; rather, it is a globalized issue requiring the development of new transnational capabilities and leadership regimes for global security (CIGI, 2012). The *narco*state and the accommodation among State and criminal apparatuses of power is driving insurgent political innovation. Essentially, transnational crime demands new structures of global governance!

The normal equilibrium between the State and organized crime is broken. The cartels are attacking government institutions at all levels. This includes attacks on police, mayors, legislators and, at times, the public at large. Symbolic and instrumental violence are used to shape the cartels' operating environment. Civil society and journalists are also attacked as part of orchestrated information operations to shape the agenda. While not overtly 'political,' these operations have distinct political components. The cartels seek to control turf, dictate the terms of their relationship with the State, and seek to free themselves from State control. Blockades (*narcobloqueos)*, military-type assaults, barbarization, and social cleansing amplify their assault on State capacity and legitimacy. *Narcocultura* (alternative beliefs and symbols) are used to justify their actions and seek community support. Utilitarian provision of social goods and provision of local security (as well as collection of street taxes and resource extraction) are also used to consolidate power. The result is both insecurity and a potential radical restructuring of political power around the illicit, *narco*-economy. They don't seek open rule, but they dominate the political landscape. The structure and nature of the State and political discourse are altered by brigands.

7. Conclusion: The Rise of the Network State

This concluding chapter summarizes my findings and develops a theory of State transition fueled by the interaction of transnational organized crime with States. The protracted drug war in Mexico is an exemplary power-counter power battle for the shape of States to come.

Mexico is embroiled in a protracted drug war. The cartels and gangs are waging war. The battle between the *narcos* and the State is complex and multifaceted. In essence, it is a struggle between competing pretenders for raw power. Extreme violence is the hallmark of the conflict, yet much more than death tolls and atrocity are at stake. Violence, and threats to use it, is essentially a process or means of gaining control and power. Power relationships are differential—that is, different players (individuals, groups, networks) have varying degrees of power and control over spheres of influence that change over time and space. These processes and the actors employing them interact to develop relative power. Thus we do not have a simple assault on State power from the cartels and gangs; rather, the interlocking criminal insurgencies in Mexico are a two-way dynamic where the State and cartels influence each other in a series of power-counter power engagements. The struggle for power is reciprocal.

Mexico's drug war is essentially the result of a crisis of legitimacy. The crisis of legitimacy exists at three levels: first, it involves a crisis over local governance and security (who controls turf and ensures safety in communities); next, it involves a crisis of State solvency (does the State have the legitimacy and capacity to govern); and finally, it involves a crisis of States themselves (do States have the ability to effectively exert control). This makes it a key case study in global governance and the ability of the current State system. I argue that the cumulative effect of the assault on State solvency by transnational organized crime demonstrates the difficulties faced by States in dealing with networked, transnational threats. Essentially States are increasingly unable to govern transnational illicit flows via the current State system.

Transnational crime and States are competing for power in a globalized governance space. TCOs are effectively eroding States' solvency through corruption, subtle co-option of State officials and institutions, and a direct assault on State functions. The result resembles a 'neo-feudal' power arrangement where networks (illicit and otherwise) penetrate the State at different levels. In Mexico, municipalities, states, state/national institutions (*i.e.,* the police and military), civil society, and international relations among States are all challenged and penetrated by TCO intrusion or competition in different ways. Often this is exemplified by the growth and proliferation of lawless or other-governed zones where the State is absent or marginalized and the gangsters rule.

In the case of Mexico, the transition from a single party State to a democracy coincided with the rise of globalization and Internet Communications Technology

that favors networked articulations of power. Democratic consolidation was challenged as new counterpower networks of gangsters and corrupt politicians allowed cartels to gain control over governance, especially at local levels where co-opted mayors and police ushered in a new era of co-opted State reconfiguration (CStR). The cartels became stronger and turned the tables on the State in many other governed communities and zones (failed communities and failed zones). The criminal enterprises penetrated the State more deeply than before and, rather than being moderated by the State, began to moderate the State themselves. As the police and elements of the army became deeply penetrated by corruption and collusion with criminal elements, the State became weakened and "hollowed" from inside. The *narcos* could now battle among themselves for greater reach and territorial control over key transit points (*plazas* and routes).

This penetration and interaction between the *narcos* and State began the process of transforming the State. Only in rare instances do criminal enterprises totally supplant States and, when they do, it is usually within pockets of the State (consider parts of Tamaulipas, Sinaloa, and Michoacán). My main argument includes the following points:

- State reconfiguration, including co-option, and the rise of criminal enclaves involve the establishment and proliferation of lawless or other-governed zones (including failed communities or failed zones) through corruption and the application of force by private non-State armies.
- "Criminal insurgency" is a mechanism for "battle for the parallel State" (dual sovereignty) and the potential rise of "*narco*-states" and "*narco*-networks."
- The logic structure of criminal State-challengers facilitates the establishment of "neo-feudal" governance structures.
- The emergence of gangs and criminal cartels as "accidental insurgents" and/or "social bandits," as well as the use of information operations, *narcocultura*, and instrumental violence to free themselves from State interference (*aka* sovereignty) is central to this discussion.

As presented in this thesis, organized crime prefers to avoid the State. When it can't do so it then seeks to corrupt or co-opt the State. When collusive corruption is unable to gain the criminals' advantage, they will attack or assault the State. In Mexico, when the State recognized that the degree of cartel penetration into State functions was challenging State solvency, the State struck back and employed force to regain control. The cartels then began an open assault on the State (when necessary). This process is criminal insurgency, where cartels and gangs have the potential to emerge as new warmaking and networked State-making entities. Within this construct criminal insurgency is defined as a means of removing the criminal enterprise from the control of the State, enabling it to pursue its goals to dominate the illicit economy. Here the illicit economy and globalization converge, conferring advantages to criminal

enterprises. While these illicit networks are primarily driven by an economic, profit-seeking agenda, a political agenda also emerges. The networked cartels and gangs—*i.e.,* criminal netwarriors—are seeking to influence contradictory and competing societal social structures to exercise power over other social actors (as seen in the use of force, coercion, and social/environmental modification gained through the use of information operations and promotion of *narcocultura*). As a result, criminal netwarriors become political actors influencing the reconfiguration of States.

State reconfiguration appears to be a more common outcome than abject State capture or State failure. While they are similar, they have distinct features. State capture (StC) involves criminals subverting and seizing control of key political functions at the central or national level (politicians, judges, police, etc.) through corruption. Co-opted State reconfiguration (CStR) involves the systematic alteration of governance to benefit the criminal enterprise. (I believe both processes are at work at sub-State levels hence we can see not only StC and CStR but also SubStC and SubCStR potentials at work in Mexico and elsewhere as national structure remains robust but municipal and constituent state governments are contested.)

Co-opted state reconfiguration is a distinct, advanced form of State capture. CStR involves the participation of lawful and unlawful groups seeking economic, criminal, judicial, and political benefits combined with a quest for social legitimacy. Coercion, political alliances (complementing or replacing bribery), and impacts on all branches and levels of government are core elements of this dynamic, which can be carried out in any direction. Thus, scenarios where legal agents—candidates or officials—are co-opting illegal agents—*narcos*—and vice versa are possible and indeed, State institutions are manipulated and even reconfigured from inside. These illicit (and grey area) networks are essentially waging netwar, an emergent form of low-intensity conflict, crime, and activism waged by social networked actors, including TCOs, terrorists, and gangsters.

The emergence of powerful global criminal networks is one facet of the shift to a new State/sovereignty structure where States no longer control all aspects of the economy and society. Networks currently take two shapes: positive networks that inform civil society and dark side or negative networks that exploit society. These dark side actors are essentially “criminal netwarriors.” A consequence of this TCO incursion into the realm of the State is diminished State capacity: TCOs are challenging the solvency of States and the State system. While both StC and CStR are employed by TCOs, CStR is the primary mode seen in the Mexican case, although sub-State capture (SubStC) is evident. The cartels, while not driven by explicit ideology, are actively seeking power and as a consequence reconfiguring the State (*i.e.,* CStR). The corrosive impact of corruption on both State and corporate entities undermines democratic governance, fuels reckless and exploitative business practices, and erodes State legitimacy. This creates power vacuums that favor agile and adaptive criminal networks.

There has been much concern that this assault on State solvency and CStR will result in a '*narco*-state' where the cartels rule either overtly or more commonly from the shadows in a form of dual sovereignty or parallel governance. This is certainly the case in some contested and captured or failed zones, but the interaction between State and TCO is more insidious than just creating parallel structures. Rather than merely creating parallel governance structures (which they certainly do in the short term) the long-term potential is for the State and organized crime to morph into a new reconfigured State dominated by interactive criminal-State networks. Here the *narcos*' quest for raw power with the objective of rolling back State authority has broader potentials. These potentials go beyond Mexico as the reach of new media, combined with the power of illicit economic circuits has extended the reach of the cartels and their illicit networks throughout North America, Central America, and South America, to Africa, Europe, and the Australasia region. As a result, Mexico's protracted drug war (which is replicated in the *mara* wars in Central America where there are fears that a '*mara*-state' could emerge) may be the first war for the network State.

Mexican cartels, and allied gangs (and *maras*) are challenging States and sub-State polities in order to capitalize on the lucrative illicit global economic markets. In addition to market penetration (where they move illicit *pharma* and increasingly other commodities into new regions and take over criminal distribution and power structures), they are becoming engaged in new enterprises both criminal and legitimate alike. The economic might derived from their enterprises allows them to selectively corrupt or co-opt new government actors, battle criminal pretenders, and fuse their criminal and legitimate enterprises to forge a new power base. This adaptive approach (or recombinant *delectiva*) prefers great power on these adaptive networks.

When economic incentives (bribes and corruption) don't work, sheer force and violence are the alternative. Here the illicit networks use criminal insurgency as a means to their end. Criminal insurgency is a battle for power. It is a struggle for who governs. As articulated in this thesis, criminal insurgency can take many forms, but whatever the focus, it is directed toward retaining freedom of action and securing relative power for the criminal enterprise. This means relative power over the State. The tools (or tactics, techniques, and procedures—TTPs) of criminal insurgency include:

- symbolic and instrumental violence including attacks on journalists, police, the military, and elected and judicial officials (targeted assassinations and mass attacks);
- exertion of control over turf through violence and social cleansing, resulting in refugees and internally displaced persons;
- information operations including corpse-messaging, *narcocorridos, narcomantas/narcopintas* (banners and graffiti), *narcomensajes*

(communiqués), *manifestaciones* (demonstrations), *narcobloqueos* (blockades), and *leventons* (express kidnappings);
- utilitarian provision of social goods (running day care centers, sponsoring sports teams, charity);
- resource extraction (tapping PEMEX pipelines, illegal mining, timber extraction, etc.);
- usurping State fiscal roles (street taxation, extortion);
- co-opting and corrupting government actors;
- use of marked vehicles, uniforms, and insignia to confer legitimacy;
- usurping the protective security (enforcement and punishment) role of the State;
- promulgation of alternative identity narratives (including *narcocultura*) to secure legitimacy and community support (or tolerance) including adopting the mantle of social bandit.

This criminal netwar makes the *narcos* insurgents, but not in the traditional anti--State sense. They combine elements of bandit (primitive rebel and social bandit) with entrepreneur, warlord, *capo* and statesman-general at the command level and *sicario,* gangster and soldier at line levels. Criminal insurgents challenge the State in an attempt to gain economic and raw political power. They are removing themselves from the control of the State and the State system. This process of State reconfiguration (CStR) is essentially a process of State-making. In the case of the *Zetas* the *narcos* operate a virtual parallel government that levies taxes, gathers intelligence, controls or censors the media, runs businesses, wages war against adversaries (including conducting social cleansing), and imposes local security and order. This is essentially an alternative society where *narco*-economics and power make the cartels the ultimate decision-makers in the zones they control.

Narcocultura and social/environmental modification are key elements of this restructuring of societal power. Alternative identity narratives are being exploited to delegitimize rivals (gangster and State alike) and forge new power vectors. As elements of the mantle of sovereignty are redirected from the State to the *narcos,* the illicit networks are able to control more territory (visibly or from the shadows). As a result, “failed communities” and “failed regions” are playing a key role in the erosion of State capacity. This includes the exploitation of weak governance and areas (“lawless zones,” “ungoverned spaces,” “other governed spaces,” or “zones of impunity”) where State challengers have created parallel or dual sovereignty, or “criminal enclaves,” in neo-feudal political arrangements. The instrumental violence, corruption, information operations (including attacks on journalists, alternative identity narratives, *narcocultura*, and assuming the mantle of social bandit) join street taxation and the provision of social goods in a utilitarian fashion to secure freedom of movement and erode the authority of the State.

The impact on the State is profound. In the Mexican case study (and parallels in Central America) we see a divergence from the traditional State-organized crime

relationship. The balance of power is changing. The impact of TCOs and networked criminal enclaves (collectively transnational illicit networks) is altering both the relationship of States and their constituent elements and the relationship among States. Specific components of this dynamic include: violence both among cartels and directed at the State, corruption, degree of transparency, cartel/gang reach, effectiveness of governance/policing, community stability, effectiveness of economic regulation, and the degree of territorial control (loss or gain by the State vs. cartels). This impact of transnational criminal enterprises on State capacity, control of territory, and legitimacy is critical. All these activities occur across time. Some changes are slow-moving, while some are rapid in their expression. Key factors influencing the pace of change include:

- social/environmental modification (such as the use of social networking media—Facebook and Twitter—propaganda/information operations, *e.g., narcomantas* and *narcocorridos*) to further a criminal gang's perceived social legitimacy;
- connections (or network connectivity) between and among criminal enterprises (*i.e.,* nodal analysis and social network analysis);
- impact of illicit economic circuits (including connections among criminal actors) on the legitimacy of borders in global cities and border zones, as well as criminal penetration and reach;
- usurpation of State fiscal roles (taxes, tariffs) by criminal enterprises through street taxation, protection rackets, and other diversion of public goods or funds;
- force including the use of instrumental and symbolic criminal violence (armed attacks, terrorist campaigns, "corpse messaging," kidnapping, attacks on police, attacks on journalists and public officials, and the development and employment of private armies) challenging the State's monopoly on legitimate force.

Networked diasporas, border zones, and criminal enclaves are key to fuelling this transition. Networked diasporas (consider the *maras* in Central America) become important as they are gateways for criminal enterprises to connect and proliferate in new settings. This is not new, as seen in the experience of the Mafia in the United States, but new media and the ability to coordinate command and control and launder money globally in real and chosen time confers an advantage on the transnational networks seeking connectivity and dominance in new markets. Alternative identity and social memes are also exploited to reinforce new counterpower structures.

Border zones are often dominated by weak State presence and informal economies. Loose frontier zones benefiting from weak or criminal governance are key nodes in the global flow of illicit goods. Frontier zones serve as in-between zones for transiting goods through the global pipelines. Regional economic circuits (such as the US-Mexico hyperborder) are areas where transnational, cross-border gangsters can exploit regional economic circuits to

gain economic might and political power, both which can in turn be leveraged with globalized illicit commerce to create a new base of power. Criminal enclaves are areas where the gangs can establish boundaries for the authorities, not the other way around. Complicity, intimidation, and corruption are used to gain control of political and bureaucratic actors to gain effective control over the enclave. Gangsters can then exploit these weak zones as a base of operations to sustain their enterprises and extend their reach.

Cartels exert real territorial control in these areas where they kill those who get in their way, collect taxes and extract wealth and resources. The territorial control of gangs and cartels can extend from a few blocks in the case of street gangs to entire regions and a mosaic of individual cities or zones (across national frontiers) for the cartel networks. This results in a "reverse inkblot" where criminal enterprises control a series of connected nodes within their geospatial network (nationally and transnationally). This patchwork of "inkblots" or criminal enclaves alters States as the *narcos* leverage their power, expand their domain, and exert control over their corrupt vassals to forge *narco*-states. The resulting political landscape favors the rise of the network State where stratified or fragmented sovereignty (including pockets of dual/parallel sovereignty) become real arbiters of power.

When confronted with a challenge from the *narcos,* the Mexican State pushed back. The result of that push back was three-fold: a concentration of State power at the federal level (at the expense of municipalities and states), securitization (a focus on a core State function), and increased connectivity with other States to create new, networked security structures. This reaction results from the need for the State to counter the contradiction to its dominance that rises from the cartels' counterpower stance. Either the State regains its dominance by reasserting its power (solvency) through violence, money, or trust, or it changes.

This concentration on securitization lends itself to a "paradox of securitization." While consolidating power at one level, it also fuels the transition of State power. It does so in several ways. First, concentrating power at the federal level enhances competition with local and state authorities that then in turn lose power in the transaction. Thus these officials may become susceptible to co-option by the criminal forces. Second, inserting military forces (and federal police) into a local security context both exposes them to potential corruption and in real terms has resulted in allegations of human rights abuses that erode public confidence and perceptions of State legitimacy. Finally, linking with international partners erodes the ability of all States acting in concert by shifting part of their national security to global and regional security regimes.

The rise of the network State is a consequence of all these dynamics within the State, transnational criminal networks, and the interaction among the State and TCOs. As suggested earlier States are not declining, rather they are transforming their nature. The network is the proper frame for understanding this shift and

understanding the complexity of the emerging network State. Network States are emerging as key nodes in a global governance network. Network States will share a greater proportion of their power with a range of actors including other States, transnational organizations, civil society actors, and sub-state organs. They will also share it with transnational networks—licit and illicit.

Power in this configuration is not distributed solely on geographic lines. Contiguous territory is no longer necessary to moderate the global flows of commodities and power. Some power will be geographic, but new assemblages of territory, authority, and rights will emerge. These will be connected through a flow of information, commodities, and power in both real and chosen time. Some functions (including combating transnational crime) will transcend the boundaries of single States and State confederations. This is already in progress as seen in institutions such as the European Union, Europol (European Police Office), Eurojust (European Justice Coordination Unit), and Eurogendfor (European Gendarmerie Force); security cooperation under the Mérida Initiative; as well as the World Trade Organization (WTO) and International Criminal Court at a global level. Network interactions between national, subnational, international, supranational, co-national, and regional governments are essential to governing the network society. This includes bi-national or cross-border municipal links (as seen in links among border cities like Tijuana-San Diego and Ciudad Juárez-El Paso) and border state links as seen in the US-Mexico Border Governors Conference. Civil society is an essential partner in these emerging networked governance configurations.

Here as in all networks, the network, not the node is the key level of analysis. The capture, control, or disruption of strategic nodes and the intersections (edges) between them can have cascading, strategic effects. The network of States will need to evolve new interconnected, global security structures to absorb potential shocks to its system as it competes with transnational illicit networks. The hollowing of individual State functions potentially creates a global “frontier zone” where different identities, allegiances, and organizational forms exist in a constant state of flux and competition. The territorially bounded State is essentially confounded by the rise of non-spatial or multi-spatial criminal networks. In the emerging network allocation of power the State is one node among many in a political, institutional, and military/security network that intersects and overlaps other significant networks that frame social practice. Local, national, and global networks governing specific strata or sectors of power and rights are emerging. This means shared sovereignty and responsibility between different States and levels of government.

The stratification (or fragmentation) of sovereignty will exist in a novel, evolving assembly of sub-state, State, and global State and non-state networks where multiple, specialized entities contest their market share for power and influence. Centralized information control can thus exploit and manipulate the populace, yet centralized control is distributed among a wide range of actors. The result is the

State becomes a key decentralized arbiter of network protocols that define the nodal interactions among a complicated set of networks, actors, and relationships. The State continues to exist in the form of network State (or nexus-state), but key functions are transferred to cities, corporations, and issue-specific transnational organizations. By default some of these organizations are criminal cartels or TCOs acting both independently and in concert with reconfigured "*narco,* mafia, or *mara*-states."

Recapping the process seen in Mexico's drug war sheds light on the rise of the network State. The process can be summarized as follows:

- Weak States and a weak State system provide criminal enterprises opportunity space;
- Cartels/gangs/TCOs operate in this space, challenging the State through both corruption and competition;
- Criminal enclaves emerge in zones of dual or parallel sovereignty (subStC) and the cartels confront the State from these bases of operations to wage criminal insurgency;
- The State reacts with securitization which alters the allocation of State power, increases opportunities for corruption, and results in human rights abuses and civil liberties infractions;
- Conflict escalates with violence, hyper-violence and barbarization, combined with *narcocultura*, attacks on civil society, the public and State forces, information operations;
- Impunity and an erosion of the rule of law on all sides challenges State legitimacy and capacity (solvency);
- Finally, the State transforms (through the twin engines of CStR and the rise of the network State).

This is all about networks and network theory. We are witnessing an asymmetrical battle for future State forms in its early stages. The State is a hierarchical entity. It is rigid, bound by geography, bureaucracy and rules of conduct (the rule of law). States are challenged by an adaptive, resilient adversary (transnational illicit networks) configured of gangsters and corrupted officials. Network forms have an advantage due to their flexibility, adaptability, and ability to morph and self-reconfigure in the face of competition. Their scalability, flexibility, and survivability—that is, agile resilience—make networks an efficient organizational form.

The policy implications of this battle for the future network State are far-reaching. States themselves participate in a dense network of international and supranational organizations to address global issues. The global security regime to counter transnational crime is emerging and its progress and maturation can be expected to gain traction as TCOs increasingly challenge individual States. This is joined by the growth of nongovernmental organizations (NGOs) and civil society actors that address components of the transnational organized crime problem. These include advocacy and victims rights groups addressing human

trafficking, counter-violence and community security development groups, gang intervention groups, press freedom groups, as well as anticorruption and transparency groups seeking to mitigate and prevent impunity.

The policy implications of the criminal cartels seizing part of the network sphere of transnational governance includes the following potentials:

- The potential—or actuality—of gangs of criminal cartels emerging as new warmaking and potentially networked State-making entities.
- "Criminal insurgency" is a means of removing the criminal enterprise from the control of the State, enabling it to pursue its goals to dominate the illicit economy. Despite this economic agenda, a political agenda emerges.
- Gangs and TCOs become political actors influencing the reconfiguration of States, requiring a strategy for addressing "criminal insurgency" and violent non-State actors.

This is a battle for information, reach, and real power among competing global networks and States. Social media, nongovernmental organizations, and criminal enterprises are contenders along with State and sub-state organs. The goal is political power and might. Illicit networks are controlling turf and capturing State functions in an effort to free themselves from State control. This is insurgent; not because they seek to capture the State, but because they are dramatically altering the nature of States. Criminal insurgency is the means of capturing State functions, reconfiguring State power, and driving evolution toward the network State.

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Appendix One: Methodological Notes

My research focused on the impact of transnational criminal enterprises on the control of territory (territorial integrity) and the relation between territorial sovereigns (criminal and illicit). This includes an examination of globalization and social, economic, and political control of space and community life (TAR — territory, rights, and authorities) on sovereignty. Essentially, I conducted an evaluation of the current Mexican drug war (or criminal insurgencies) as a means of assessing the State-making potentials of non-State violent actors—*i.e.,* the cartels and affiliated gangs.

Units of analysis are the cartels (especially *Los Zetas and La Familia Michoacana/Los Cabelleros Templarios*, *Sinaloa*) and the Mexican State (the Government of Mexico, and its constituent states and municipalities), and the Mexican public. In a broad sense, the variables are violence, corruption, intimidation, and State capacity. Here, I explored the situation in Mexico as a war for control of illicit economic space (transnational drug trafficking and the criminal economy) and seek to measure the war's impact on the relative legitimacy, turf, and power of the Mexican State on the one hand and the cartels/gangs on the other.

In order to assess the situation, I relied upon an empirical assessment of qualitative data to measure the impact of cartels on sovereignty (or essentially, State capacity and governability). I started with a review of secondary data (government reports, journalistic accounts and academic studies), essentially a nomothetic study assessing longitudinal—trend and time—series analysis.

I reinforced this data with the collection and assessment of primary data from interviews of public officials (police, drug enforcement, and intelligence officers), journalists, businessmen, and academic specialists in both Mexico and the United States. I conducted both structured and unstructured interviews. These included 22 structured interviews and 11 unstructured interviews.

In preparation for these interviews, I participated in the course "Estrategias para reducir el riesgo durante la cobertura de violencia y crimen organizado," (Strategies to reduce risks when covering organized crime and violence), Webinar (2 hours), Knight Center for Journalism on the Americas, University of Texas at Austin, Texas, on 09 December 2011.

The questions asked in the structured interviews (which were conducted in person, telephonically, or via e-mail depending upon the availability of the person interviewed) were the same in each interview. They were:

1) What is your perception of the crime/cartel war situation in Mexico?
2) Do you think the cartel war impacts governance in Mexico? How?

3) Can you specify impacts at the local/municipal, state (sub-state), national, transnational/international levels?
4) Does this contribute (now or in the future) to changes in the nature of States?
5) What about the role of law enforcement (police) and the military?
6) How important is a) corruption and b) impunity in this dynamic?
7) Are the cartels, transnational gangs political actors? Why or how?
8) Any observations you want to make?

A written recap of each structured interview was assembled for analysis.

In order to gain context, I conducted field research in Mexico City (two visits), Tijuana, Ciudad Juárez, El Paso, La Cruces, NM, San Diego, and Los Angeles. These interviews were augmented by content analysis of social artifacts (Twitter, YouTube, Facebook) to assess cartel communications and the impact of *narcocultura*. These were assessed through the qualitative lens of the "Transaction Analysis Cycle" described in Figure 2.

I also assessed public data sets, including data from the World Bank, Trans-Border Institute, and other public sources (Included in the accompanying references).

I also attended several lectures on the situation in Mexico City and the United States. These included a lecture by Javier Sicilia at Pomona College, Claremont, CA ("Remembering the Nameless: Mexico's failed war on drugs"); as well as lectures by Denise Dresser at the Trans-Border Institute at the University of San Diego (Mexico 2012 and Beyond), and Luís Garay Salamanca ("Narcotrâfico, Corrupción y Estados") in Mexico City. I also attended a briefing on the "Justiciabarómetro" Project that assessed the capacity of the Ciudad Juárez municipal police at the Trans-Border Institute. In addition, I also accompanied Javier Sicilia's "Caravan for Peace" in San Diego and Las Cruces, NM.

Finally, I attended a series of law enforcement sensitive briefings and training courses on cartels to gain background and place data into context. These included:

- "Análisis de la Evolución del Crimen Organizado en México," (Analyzing the Evolution of Mexican Cartels), Los Angeles High Intensity Drug Trafficking Area (HIDTA), Law Enforcement Training Course (8 hours), Commerce, CA, 28 November 2012.

- "The Coming Invasion of Mexico's Drug Wars," (presented by Sylvia Longmire, author of *Cartel: The Coming Invasion of Mexico's Drug Wars*), Los Angeles High Intensity Drug Trafficking Area (HIDTA), Law Enforcement Training Course (8 hours), Commerce, CA, 13 July 2012.

- "Ambush Tactics of the Tijuana Cartel: Debrief Officers Killed in Tijuana," Los Angeles High Intensity Drug Trafficking Area (HIDTA), Law Enforcement Training Course (2 hours), Commerce, CA, 20 December 2011.

- "Inside the Mexican Drug Cartels," Los Angeles High Intensity Drug Trafficking Area (HIDTA), Law Enforcement Training Course (8 hours), Commerce, CA, 19 September 2011.

I attended other sensitive law enforcement briefings on this topic that are not recorded here, and have participated in several major multi-agency, multijurisdictional warrant services targeting gangs and cartels. These also are not recorded here in order to preserve operational security. Nevertheless, these activities have provided valuable ground truth and context for assessing open source reports on cartels and gangs.

No sensitive information or discussion is reproduced in this report; rather, this information helped me judge the phenomena I observed and the reports I read in light of operational reality. This capacity was reinforced by my experience (participant-observer) as a law enforcement officer for the past 25 years. My early experience working in the Los Angeles County jail, patrolling the streets and neighborhoods of Los Angeles, and serving as an intelligence officer and analyst has given me great insight into the workings of gangs, organized crime, and street violence. Immersion in the street reality of crime and criminal enterprises has given me the opportunity over time to speak to gangsters, victims of crime, and other police specialists working on this topic.

Appendix Two: Interviews

1. Academic, El Colegio de la Frontera Norte, Tijuana, 28 May 2012 (unstructured).
2. Academic, Rice University, Tijuana, 28 May 2012 (unstructured).
3. Academic, New Mexico State University, Santa Fe, NM, 17 August 2012.
4. Academic, San Diego State University, San Diego, 26 November 2012.
5. Academic, Trans-Border Institute, University of San Diego, San Diego, 26 November 2012.
6. Academic, Universidad Nacional Autónoma de México, Mexico City, (electronic), 21 November 2012.
7. Academic, University of Texas, El Paso, El Paso, 16 August 2012.
8. Analyst, Espolea, Mexico City, (electronic), 28 November 2012.
9. Analyst, DEA, Mexico City (unstructured).
10. Colombian researcher, Mexico City (with telephonic follow-on), 28 October 2012 & 19 November 2012.
11. Colombian researcher, Mexico City, 28 October 2012 (unstructured).
12. Commander, El Paso Police Department, El Paso, 16 August 2012.
13. Detective, El Paso Police Department, 16 August 2012.
14. Fellow, think tank, Washington, DC, (telephonic), 16 September 2012.
15. Former CISEN analyst, Mexico City, (telephonic), 10 December 2012.
16. Former Guadalajara police official, Los Angeles, 28 November 2012 (unstructured).
17. Former high level US counterdrug executive, Los Angeles, 09 August 2012.
18. Former mid-level DEA official, Mexico City, 24 October 2012.
19. Ivy League academic, Boston, (telephonic), 10 December 2012.
20. Journalist, Las Cruces, NM, 16 August 2012.
21. Journalist, Mexico City, 25 October 2012.
22. Local businessman, Tijuana, 28 May 2012 (unstructured).
23. Mexican academic, Tijuana, 28 May 2012 (unstructured).
24. Mid-level DEA official, El Paso, 16 August 2012.
25. New York academic, Columbia University, New York, (electronic), 27 November 2012.
26. Senior California Bureau of Narcotics Enforcement supervisor, 17 May 2012 (unstructured).
27. Senior DEA official, El Paso, 16 August 2012.
28. Sergeant, Narcotics Task Force, El Paso, 16 August 2012.
29. Sheriff's official, Hudspath County Sheriff's Office, Texas, 17 August 2012.
30. Virginia academic, Williamsburg, VA, (electronic), 04 November 2012.
31. Senior media producer, border television news outlet (MX), Ciudad Juárez, 15 August 2012 (unstructured).
32. Senior television news producer (US), El Paso TX, 15 August 2012 (unstructured).
33. Senior, Mexican intelligence official, Mexico City, 27 October 2012 (unstructured).

Appendix Three: Figures

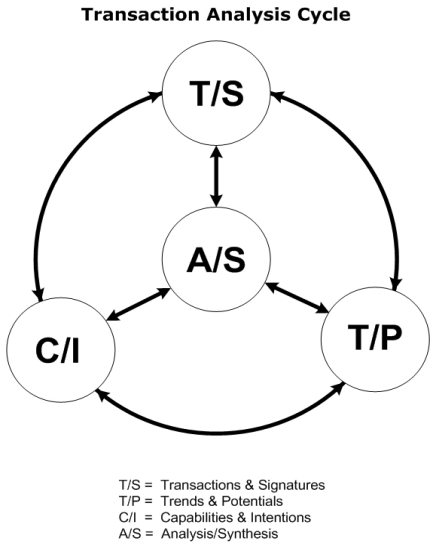
Figure 1: Governance (State) Failure Continuum

Local Global

Failed Community ***Failed/Feral Cities*** ***Failed States/Regions***

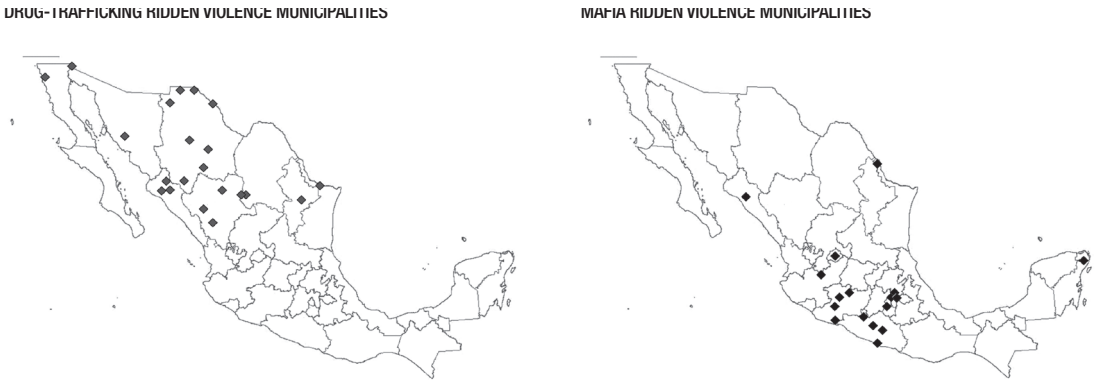
Source: *John P. Sullivan, "Intelligence, Sovereignty, Criminal Insurgency, and Drug Cartels," Panel on Intelligence Indicators for State Change and Shifting Sovereignty, 52nd Annual ISA Convention, Global Governance: Political Authority in Transition, Montreal, Quebec, Canada, 18 March 2011.*

Figure 2: Transaction Analysis Cycle



Source: *John P. Sullivan, "Terrorism Early Warning and Co-Production of Counterterrorism Intelligence," paper presented to Canadian Association for Security and Intelligence Studies, CASIS 20th Anniversary International Conference, Montreal, Quebec, Canada, 21 October 2005.*

Figure 3: Drug-Trafficking and Mafia Ridden Municipalities

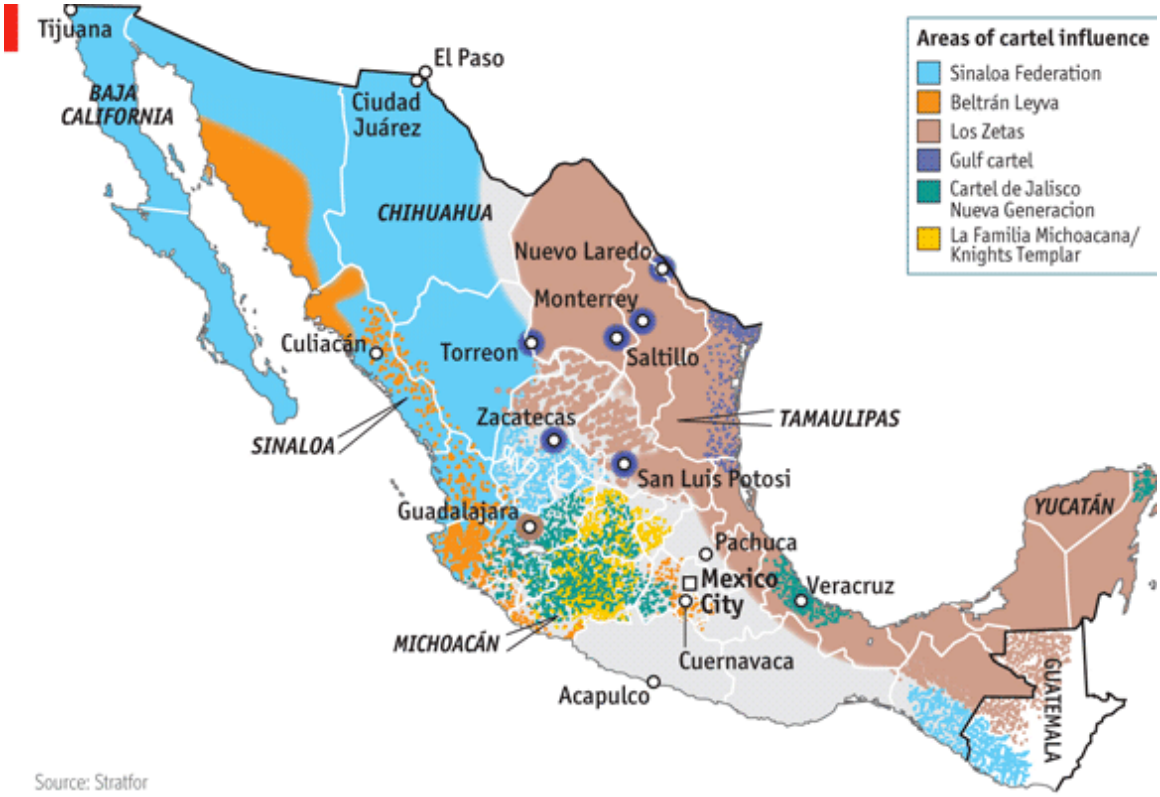


Source: Eduardo Guerro-Gutiérrez, 2011.

Figure 4: Mexican Cartel Areas of Influence, 2012

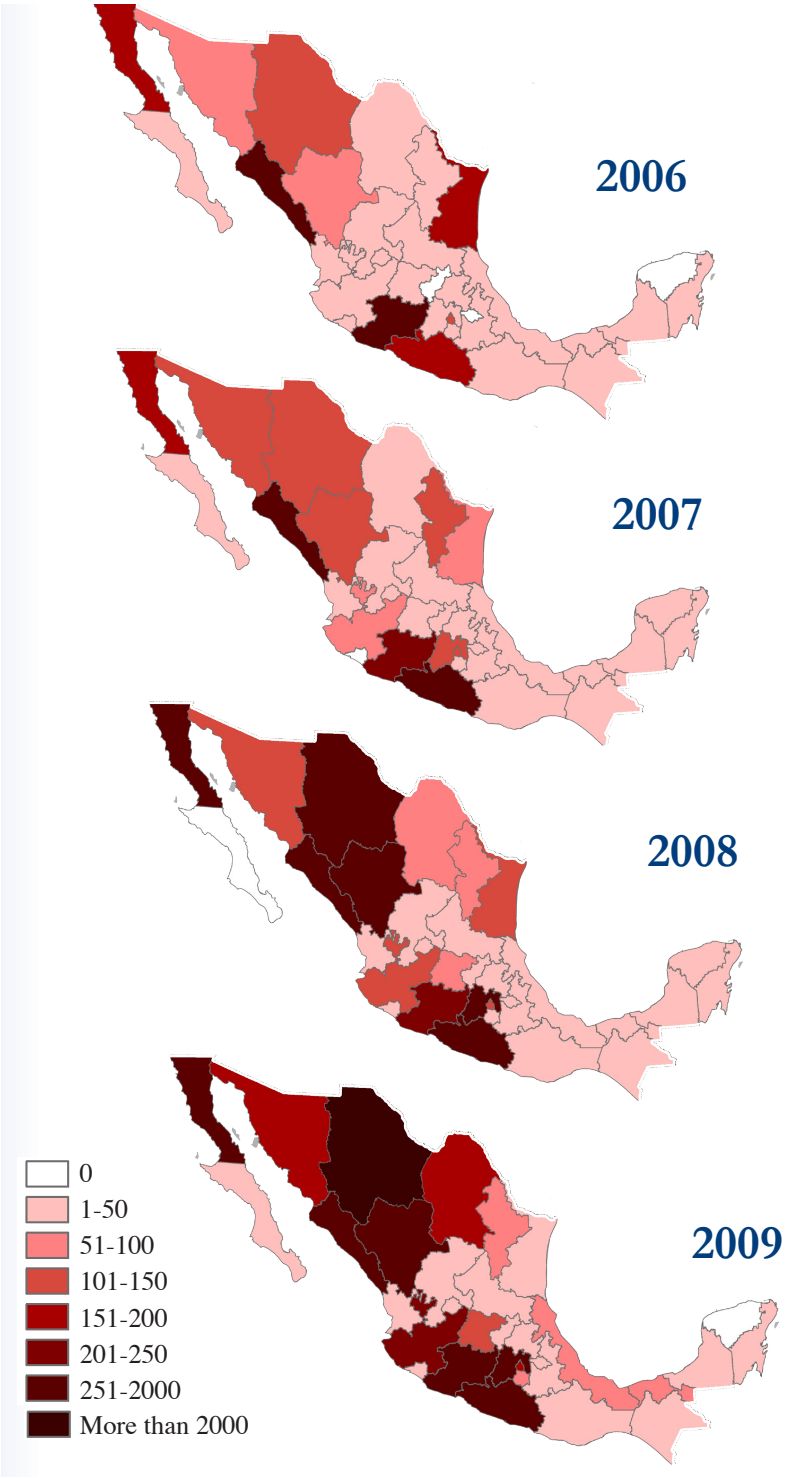
Source: US DEA as reported by Beittel, 2012.

Figure 5: Cartel Areas of Influence, 2012



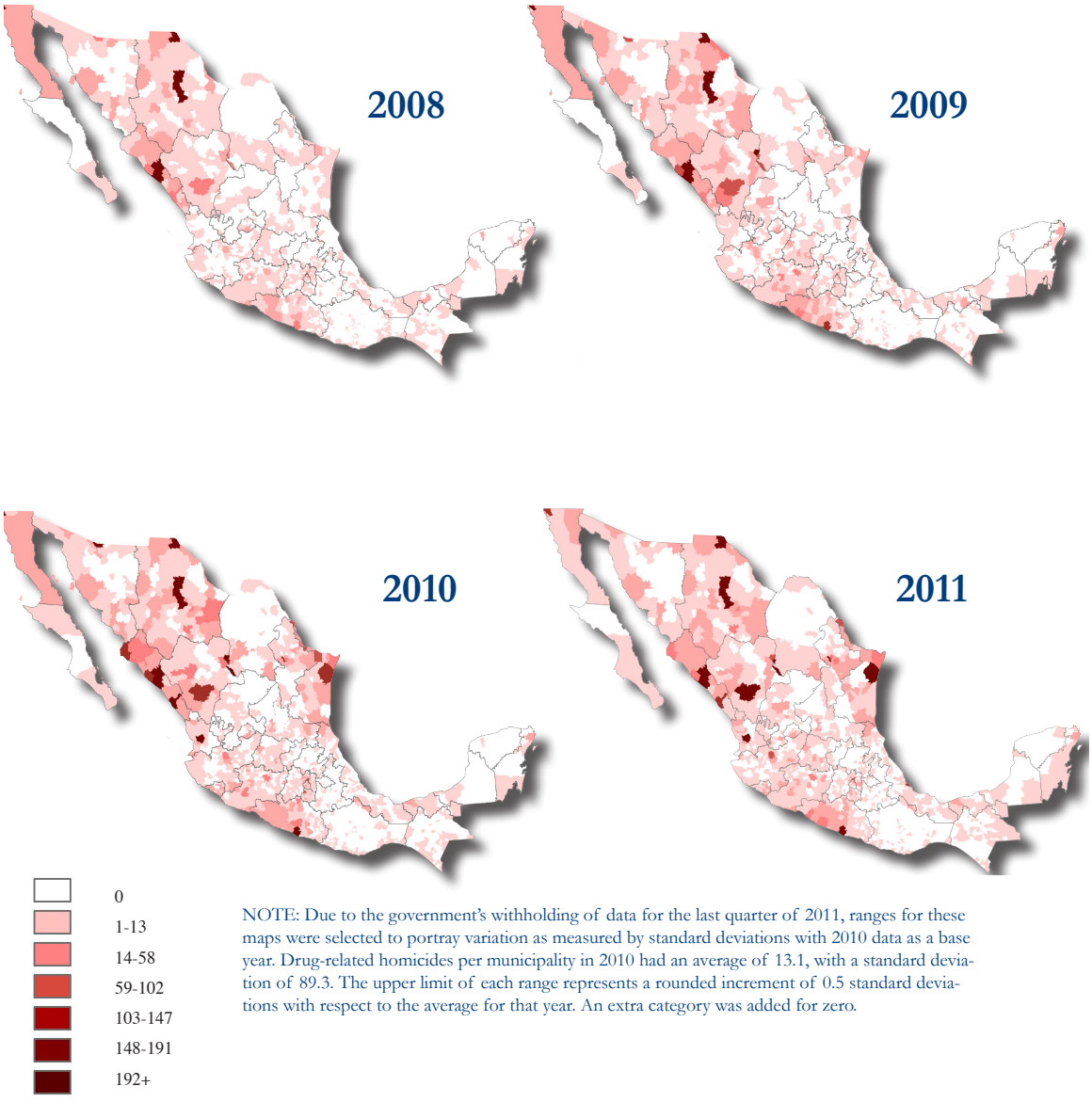
Source: Stratfor, 2012.

Figure 6: Drug-Related Killings in Mexico 2006-2009



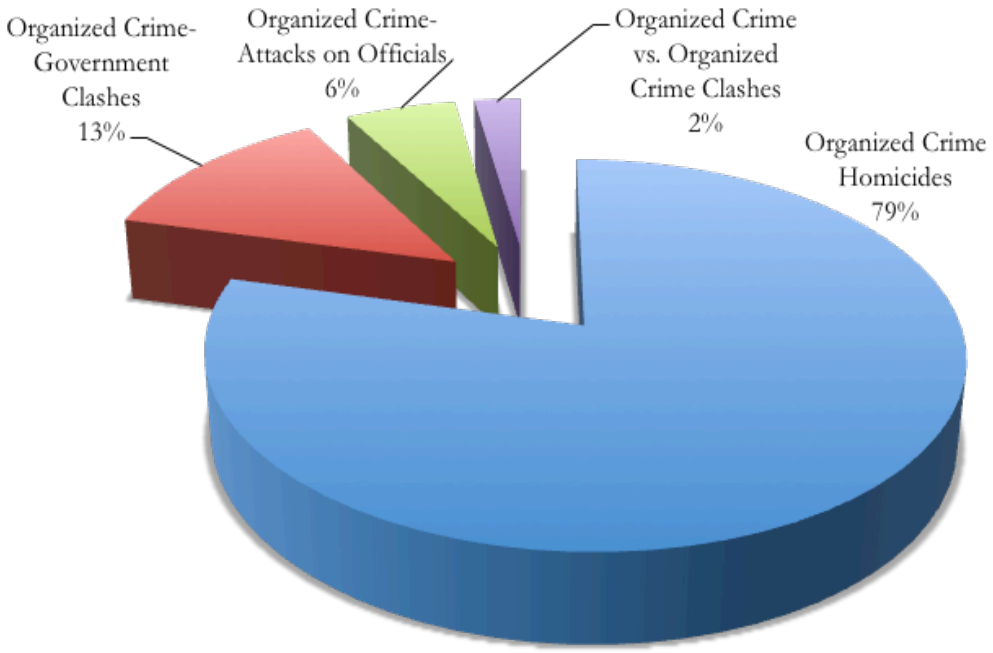
Source: Trans-Border Institute, 2010

Figure 7: Geographic Distribution of Narco Organized Crime Killings in Mexico, 01 January 2008-30 September 2011



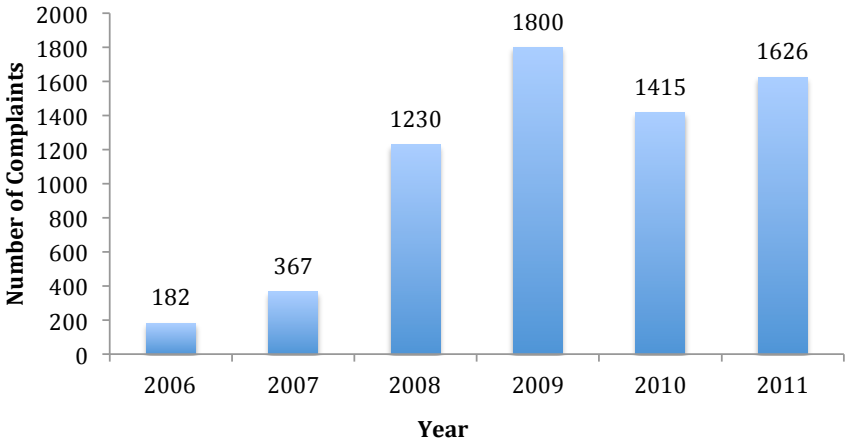
Source: Trans-Border Institute, 2012

Figure 8: Distribution of Narco Organized Crime Killings in Mexico, 01 January 2011-30 September 2011 by Type



Source: Trans-Border Institute, 2012

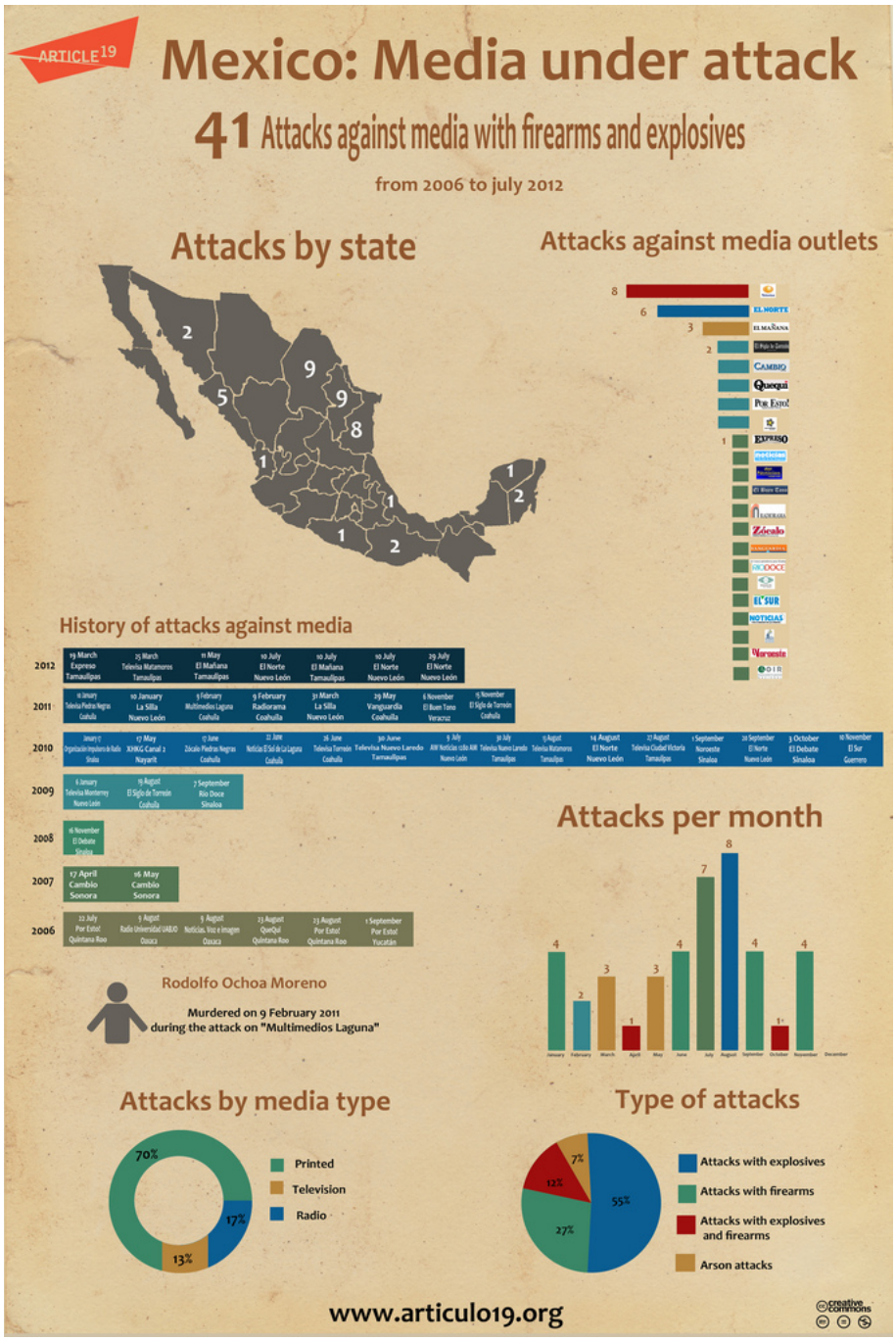
Figure 9: Complaints Registered with CNDH against SEDENA, 2006-2011



Source: Data reported by Reforma, "Encabeza SEDENA quejas ante CNDH en 2011," December 22, 2011[54] and the Organization of American States (OAS), "IACHR Wraps Up Visit to Mexico," Press Release, September 30, 2011.[55]

Source: Trans-Border Institute, *Armed with Impunity* (2012)

Figure 10: Media Attacks in Mexico, 2006-July 2012

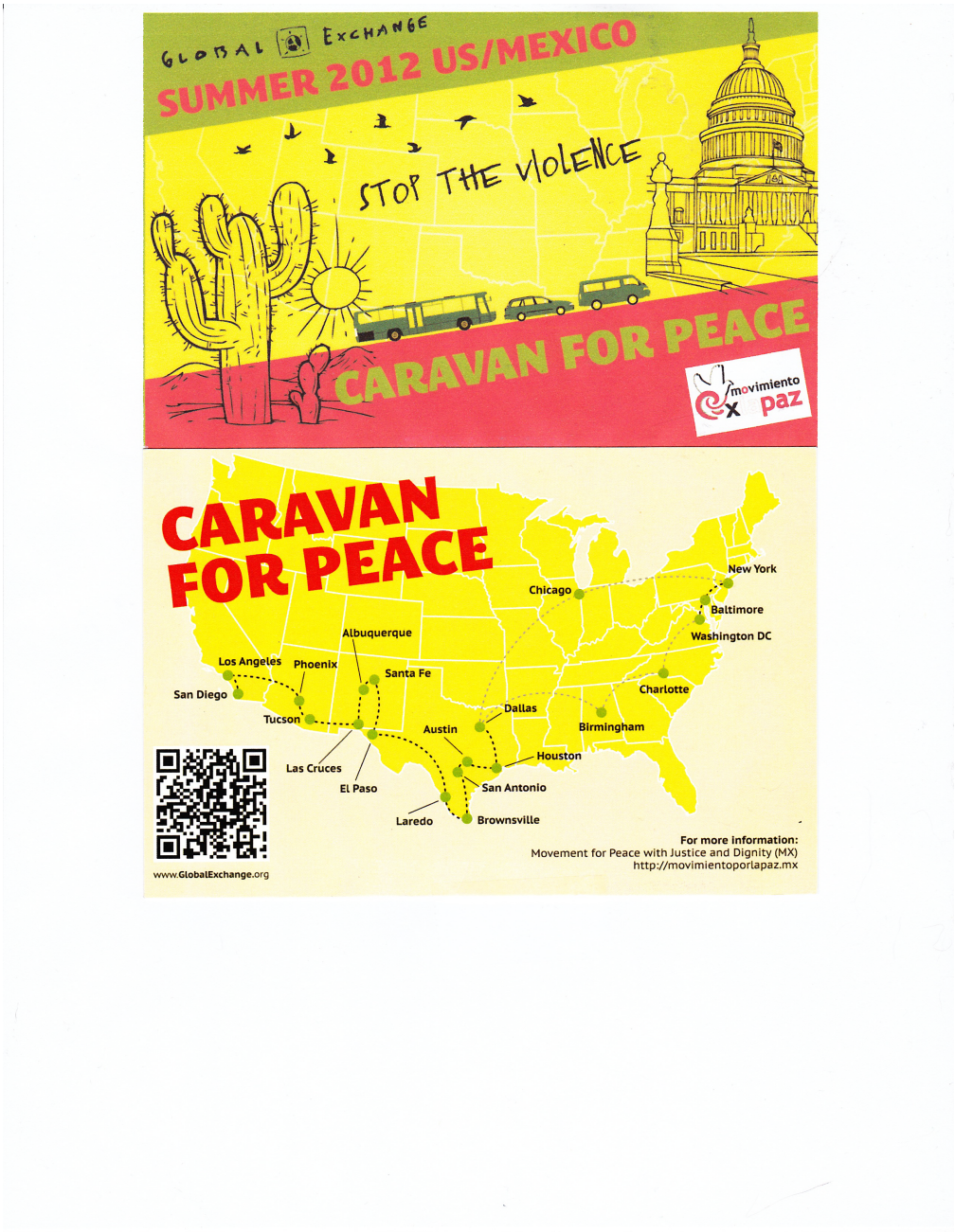


Source: Article/Articulo 19

Figure 11: Attacks Against Media and Assassination in Mexico in 2012

Source: Article/Articulo 19

Figure 12: Sicilia's Caravan for Peace, 2012

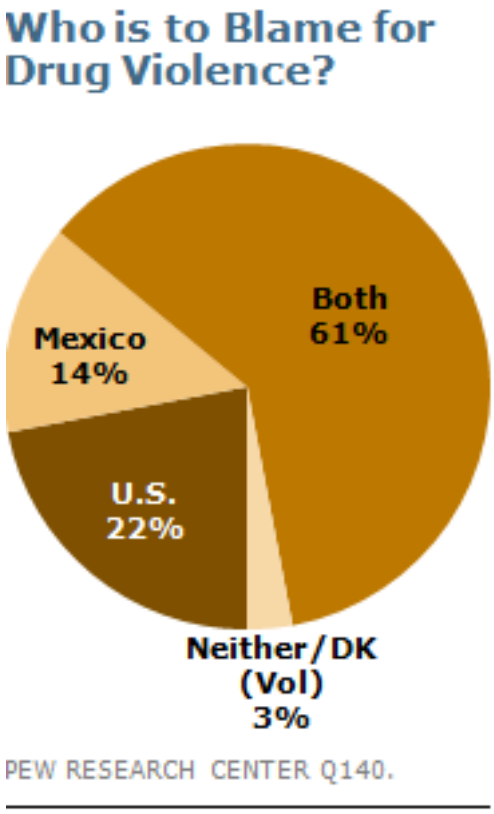


Source: Movement for Peace with Justice and Dignity, 2012

Figure 13: Altar at Start of US Caravan for Peace

Source: Photo by John P. Sullivan, 12 August 2012

Figure 14: Mexican Public Perceptions on Blame for Drug War, 2012



Source: Pew Research Center, Q140, 2012

Appendix Four: Tables

Table 1. Phases of Cartel Evolution

1st Phase Cartel Aggressive Competitor	2nd Phase Cartel Subtle-Co-opter	3rd Phase Cartel Criminal State Successor
Medellín Model	Cali Model	Ciudad del Este/Netwarrior Model
Hierarchical Limited Transnational and Inter-enterprise Links Emerging Internetted Organization	Local (Domestic) Internetted Organization Emerging Transnational and Inter-enterprise Links	Global Internetted Organization Evolved Transnational and Inter-enterprise Links
Indiscriminate Violence	Symbolic Violence Corruption	Discriminate Violence Entrenched Corruption (Legitimized)
Criminal Use and Provision	Transitional (both criminal and mercenary) Use	Mercenary Use and Provision
Conventional Technology Use and Acquisition	Transitional Technology Use and Acquisition	Full Spectrum Technology Use, Acquisition and Targeting
Entrepreneurial Limited Economic Reach	Semi-Institutionalized Widening Economic Reach	Institutionalized Global Economic Reach
Small Scale Public Profiting	Regional Public Profiting	Mass Public Profiting
Limited "Product" Focus	Expanding "Product" Focus	Broad Range of Products/Activities
Criminal Entity Emerging Netwarrior	Transitional Entity Nascent Netwarrior	New Warmaking Entity Evolved Netwarrior

Source: *Robert J. Bunker and John P. Sullivan, "Cartel Evolution: Potentials and Consequences," Transnational Organized Crime, Vol. 4, No. 2, Summer 1998.*

Table 2. Characteristics of Street Gang Generations

limited	***Politicization***	*evolved*
local	***Internationalization***	*global*
1st Generation	2nd Generation	3rd generation
turf gang turf protection	drug gang market protection	mercenary gang power/financial acquisition
proto-netwarrior	emerging netwarrior	netwarrior
less sophisticated	***Sophisitication***	*more sophisticated*

Source: *John P. Sullivan, "Third Generation Street Gangs: Turf, Cartels, and Net Warriors," Transnational Organized Crime, Vol. 3, No. 3, Autumn 1997.*

Table 3. Proliferation/Fragmentation of Mexican Cartels, 2006-2010

2006	2007-2009	2010
Pacífico Cartel	Pacífico Cartel	Pacífico Cartel
	Beltrán Leyva Cartel	Pacífico Sur Cartel
		Acapulco Independent Cartel
		"La Barbie" Cartel
Juárez Cartel	Juárez Cartel	Juárez Cartel
Tijuana Cartel	Tijuana Cartel	Tijuana Cartel
	"El Teo" Faction	"El Teo" Faction
Golfo Cartel	Golfo-Zetas Cartel	Golfo Cartel
		Zetas Cartel
La Familia Michoacana	La Familia Michoacana	La Familia Michoacana
Milenio Cartel	Milenio Cartel	La Resistencia
		Jalisco Cartel-Nueva Generación
6 Organizations	**8 Organizations**	**12 Organizations**

Source: Bruce Bagley, "Drug Trafficking and Organized Crime in the Americas: Major Trends in the Twenty-First Century," Woodrow Wilson Center Update on the Americas, August 2012.

Table 4: Cartel Fragmentation, 2006-2011

2006	2007-2009	2010 (1st Semester)	2010 (2nd Semester)	2011
Cártel de Sinaloa	Cártel de Sinaloa	Cártel de Sinaloa	Cártel de Sinaloa	Cártel de Sinaloa
	Cártel de los Beltrán Leyva	Cártel del Pacífico Sur	Cártel del Pacífico Sur	Cártel del Pacífico Sur
				La Mano con Ojos
				La Nueva Administración
		Cártel de la Barbie	Cártel Independiente de Acapulco	Cártel Independiente de Acapulco
			Cártel del Charro	Cártel del Charro
Cártel de Juárez	Cártel de Juárez	Cártel de Juárez	Cártel de Juárez	Cártel de Juárez
Cártel de Tijuana	Cártel de Tijuana	Cártel de Tijuana	Cártel de Tijuana	Cártel de Tijuana
	Facción de El Teo	Facción de El Teo		
Cártel del Golfo	Cártel del Golfo-Zetas	Cártel del Golfo	Cártel del Golfo	Cártel del Golfo
		Los Zetas	Los Zetas	Los Zetas
La Familia Michoacana	La Familia Michoacana	La Familia Michoacana	La Familia Michoacana	Los Caballeros Templarios
				Los Incorregibles
				La Empresa
Cártel del Milenio	Cártel del Milenio	Cártel del Milenio	La Resistencia	La Resistencia
			Cártel de Jalisco-Nueva Generación	Cártel de Jalisco- Nueva Generación
-	-	-	-	La Nueva Federación para Vivir Mejor
6	8	10	11	16

Source: Eduardo Guerro-Gutiérrez, 2011.

Table 5: Cartel (Drug Trafficking Organization) Typology

CATEGORY	DESCRIPTION	ORGANIZATIONS
National Cartels	Cartels control or maintain presence along routes of several drugs. They also operate important international routes to and from Mexico. These DTO's keep control of drug points of entry and exit in the country. However, they are interested in expanding their control toward new points of exit along the northern border, and this is why they currently sustain disputes with other cartels to control these border localities. These DTO's have presence in broad areas of the country and have sought to increase their profits they receive from drug trafficking through diversifying their illegal activities towards human smuggling and oil and fuel theft.	Sinaloa, Los Zetas and Golfo cartels, (though Golfo has a significantly less important role than the other two)
"Toll Collector" Cartels	These are the cartels whose main income comes from toll fees received from the cartels and regional cartels that cross drug shipments through their controlled municipalities along the northern border. As such, they receive a smaller proportion of profits from drug trading compared with the cartels. Given that these cartels are largely confined into some border municipalities, they cannot diversify their illegal activities as actively as the national cartels. If these cartels eventually lose control of their respective border areas they will either intensify their diversification efforts to other business (such as extortion or kidnapping) or they will disappear.	Tijuana and Juárez cartels
Regional Cartels	These DTO's keep limited control over segments of drug trafficking routes that pass along their territory. Like the toll collector cartels, the regional cartels play a secondary role in the drug trading business and receive small profits from it and have limited capabilities to diversify to other criminal business like human smuggling or oil and fuel theft.	Los CaballerosTemplarios and Pacífico Sur cartels
Local Organizations	These cartels are disbanded cells from fragmented national or regional cartels. These are locally based in a few contiguous localities that can extend to several states. Their business activities are mainly focused in drug distribution and dealing within their controlled municipalities, and have extended their illegal business towards extortion, kidnapping and vehicle theft.	La Resistencia, Cártel de Jalisco-Nueva Generación, Cártel del Charro, La Mano con Ojos, Los Incorregibles, La Empresa, La Nueva Administración, La Nueva Federación para Vivir Mejor, and Cártel Independiente de Acapulco, among others.

Source: Eduardo Guerro-Gutiérrez, 2011.

Table 6: Inter-cartel Conflicts and Alliances 2010-2011

2010	2011
Sinaloa vs. Tijuana	Sinaloa vs. Tijuana
La Familia Michoacana vs. Zetas	Los Caballeros Templarios vs. Sinaloa
Sinaloa vs. Juárez	Sinaloa vs. Juárez-Los Zetas
Golfo vs. Zetas	Golfo-Sinaloa vs. Los Zetas
Cártel de Jalisco-Nueva Generación vs. La Resistencia	Cártel de Jalisco-Nueva Generación vs. La Resistencia vs. Los Zetas
Sinaloa vs. Beltrán Leyva	Sinaloa vs. Cártel del Pacífico Sur-Los Zetas
Cártel del Pacífico Sur vs. La Barbie	Cártel del Pacífico Sur vs. Cártel Independiente de Acapulco
	Los Caballeros Templarios vs. La Empresa vs. Los Incorregibles
	La Nueva Federación para Vivir Mejor vs. Los Zetas
	Cártel del Pacífico Sur vs. La Nueva Administración vs. La Mano con Ojos
	Cártel del Charro vs. Los Zetas vs. Sinaloa
TOTAL = 7	TOTAL = 11

Source: Eduardo Guerro-Gutiérrez, 2011.

Table 7: Organized Crime Killings Resulting From Specific Conflicts Among Mexican Drug Cartels, 2006-2011

Groups in Conflict	Killings	% of total
Sinaloa vs. Juárez	8,236	23.8%
Sinaloa vs. Beltran- Leyva	5,864	16.9%
Sinaloa vs. Gulf-Zetas	3,199	9.2%
Sinaloa vs. Tijuana	1,798	5.2%
La Familia vs. Zetas	1,744	5.0%
Gulf vs. Zetas	1,328	3.8%
Other	12,442	35.9%
Total	34,611	100%

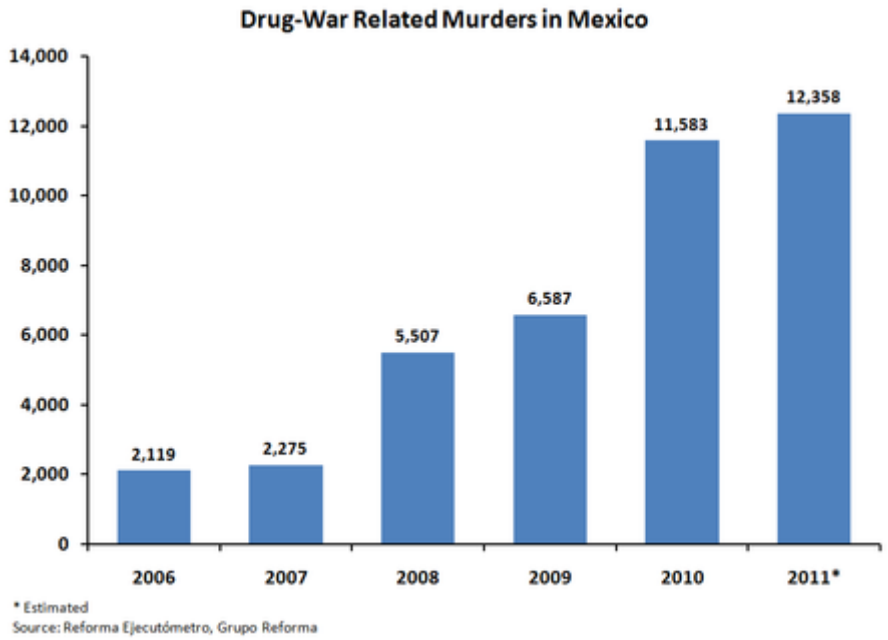
Source: Reportage by Jorge Ramos,"Gobiergo revela mapa de guerra entre cárteles", *El Universal*, 28 August 2010 and *Milenio*, "28 mil 353 ejecutados en el sexenio. Radio- grafíadel crimen organizado," *Milenio*, 28 August 2010 as reported by Jesse Hassinger, in "Narco-Insurgency: Charting Gang-Violence in Mexico," *Yale Review of International Studies*, Vol. 2, Issue 01, Winter 2011-2012, pp. 72-91.

Table 8: Narcofosas (Mass Graves) 2010-2012

DISCOVERED	STATE	MUNICIPALITY	# VICTIMS
5/28/10	Guerrero	Taxco	55
6/30/10	Nuevo Leon	Benito Juárez	13
7/21/10	Nuevo Leon	Benito Juárez	51
4/13/11	Sinaloa	Ahome	13
4/24/11	Tamaulipas	San Fernando	177
6/1/11	Coahuila	Piedras Negras	n/a
12/27/11	Nuevo Leon	Linares	8
2/9/12	Veracruz	Acayucan	15
6/7/12	Quintana Roo	Cancún	6
7/9/12	Michoacán	Charo	2
7/9/12	Michoacán	Juárez	4
9/12/12	Guerrero	Acapulco	33
10/23/12	Colima	Tecomán	5
11/3/12	Tamaulipas	Gómez Farías	11
11/19/12	Guerrero	Eduardo Neri	10
11/27/12	Chihuahua	Ciudad Juárez	19
11/28/12	Guerrero	Acapulco	10
Various	Durango	Various	332
		TOTAL	764

Source: Trans-Border Institute, 2012

Table 9: Drug War Related Deaths (Estimated), 2006-2011



Source: Estimates from *Reforma* found at Wikipedia

Table 10: INEGI Homicide Data, 2006-2011

2006	2007	2008	2009	2010	2011
10,452	8,867	14,006	19,803	25,757	27,199

Source: INEGI, “En 2011 Se Registraron 27 Mil 199 Homicidos (preliminary data), Press Release, Number 310/12, 27 August 2012.

Table 11: Cartel-related Murders and Attacks on the Military in Mexico, 2006-2011

	Murders	Attacks on Troops
2006	2,221	0
2007	2,826	19
2008	6,837	48
2009	9,614	111
2010	15,273	332
2011	16,400	628

Source: Shirk & Rios (2011) and SEDENA data cited by Aranda (2011).

Table 12: Mayors Assassinated in Mexico: 2005-2012

2005	2006	2007	2008	2009	2010	2011	2012
1	2	0	6	5	14	6	6

Source: Trans-Border Institute (2005 shown for reference, 39 mayors killed b/t 2006-2012).

Table 13: Journalists Assassinated in Mexico, 2005-2012

	2005	2006	2007	2008	2009	2010	2011	2012
A-19	4	12	8	14	16	19	20	6
CPJ	2	7	7	6	8	10	8	6

Source: Articulo 19 and Committee to Protect Journalists, assembled by author. 2005 included for reference, CPJ data includes confirmed and unconfirmed motives, as well as media workers.

Table 14: MEPI Analysis of Cartel News Blackouts: January-June 2010

Stories Published by Provincial Media on Drug trafficking compared to Gangland Slayings

NUEVO LEÓN (EL NORTE)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	262	16	44	2
February	236	14	42	5
March	219	34	81	9
April	245	29	52	11
May	238	40	118	9
June	254	13	41	7

Morelia (La Voz de Michoacán)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	188	21	67	5
February	173	17	41	4
March	210	22	68	1
April	183	21	60	4
May	179	14	85	0
June	187	11	61	3

HIDALGO (MILENIO)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	45	6	19	2
February	34	7	9	0
March	64	6	12	0
April	50	11	12	2
May	49	9	12	4
June	58	4	6	1

CULIACÁN (EL NOROESTE)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	48	16	27	12
February	63	16	23	8
March	70	19	29	8
April	133	46	29	32
May	169	48	21	33
June	190	23	11	20

MORELOS (EL DIARIO DE MORELOS)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	30	6	10	5
February	34	4	9	3
March	21	14	15	8
April	17	21	9	14
May	16	15	8	8
June	41	34	6	14

VERACRUZ (EL DICTAMEN DE VERACRUZ)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	39	3	11	0
February	33	5	23	3
March	38	1	26	2
April	52	3	27	1
May	56	2	39	1
June	70	4	28	2

C.D JUÁREZ (NORTE DIGITAL)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	n/a	n/a	280	0
February	58	16	226	21
March	47	23	299	28
April	40	15	248	22
May	60	27	329	31
June	36	38	260	26

SONORA (EL IMPARCIAL)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	38	38	53	12
February	48	37	36	15
March	55	39	34	14
April	72	35	35	8
May	46	37	34	11
June	50	24	21	9

SAN LUIS POTOSI (PULSO)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	95	0	2	0
February	285	1	4	1
March	323	0	5	0
April	291	0	4	0
May	348	2	6	0
June	295	1	4	0

GUADALAJARA (MURAL)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	178	26	11	5
February	156	10	24	0
March	210	18	26	5
April	209	20	27	6
May	193	14	39	0
June	193	25	28	5

NUEVO LAREDO (EL MAÑANA)

	Police stories that do not mention drug trafficking	Police stories that do mention drug trafficking	Gangland Executions	Police stories that mention executions
January	259	5	2	0
February	n/a	n/a	41	0
March	271	5	83	0
April	268	0	81	0
May	288	2	59	0
June	276	3	98	0

Source: Fundación MEPI;
http://fundacionmepi.org/media/img/investigacion1/tablas.jpg

Table 15: Stories Mentioning Gangland Executions Compared to Attacks on Journalists by Type, January-June 2010

City/State (Paper)	Stories Mentioning Gangland Executions	Journalists Killed	Journalists Kidnapped	Other Attacks on Journalists
Monterrey/ Nuevo León (*El Norte*)	43	1	0	1
Pachuca/ Hidalgo (*Milenio*)	9	0	0	0
Cuerneva/ Morales (*El Diario de Morelos*)	52	0	0	0
Ciudad Juárez/ Chihuahua (*Norte Digital*)	128	0	0	0
San Luis Potosi /San Luis Potosi (*Pulso*)	1	0	0	0
Nuevo Laredo/ Tamaulipas (*El Mañana*)	0	0	8	0
Morelia/ Michoacán (*La Voz de Michoacán*)	17	5	1	0
Culiacán/ Sinaloa (*El Noroeste*)	113	1	0	2
Xalapa/ Veracruz (*El Dictamen de Veracruz*)	9	0	1	0
Hermosillo/ Sonora (*El Imparcial*)	69	0	0	0
Guadalajara/ Jalisco (*Mura*l)	21	0	0	0

Source: Knight Center and Fd. MEPI

Table 16: Change in Violence and Coverage by paper, January-June 2010

City/State (Paper)	Violence	Coverage
Monterrey/ Nuevo León (*El Norte*)	⇑ Increased	⇓ Decreased
Pachuca/ Hidalgo (*Milenio*)	⇑ Increased	⇓ Decreased
Cuerneva/ Morales (*El Diario de Morelos*)	⇑ Increased	⇑ Increased
Ciudad Juárez/ Chihuahua (*Norte Digital*)	⇑ Increased	⇑ Increased
San Luis Potosi /San Luis Potosi (*Pulso*)	⇑ Increased	= Same
Nuevo Laredo/ Tamaulipas (*El Mañana*)	⇑ Increased	⇓ Decreased
Morelia/ Michoacán (*La Voz de Michoacán*)	⇑ Increased	⇓ Decreased
Culiacán/ Sinaloa (*El Noroeste*)	⇓ Decreased	⇓ Decreased
Xalapa/ Veracruz (*El Dictamen de Veracruz*)	⇑ Increased	⇑ Increased
Hermosillo/ Sonora (*El Imparcial*)	⇑ Increased	⇑ Increased
Guadalajara/ Jalisco (*Mural*)	⇑ Increased	⇓ Decreased

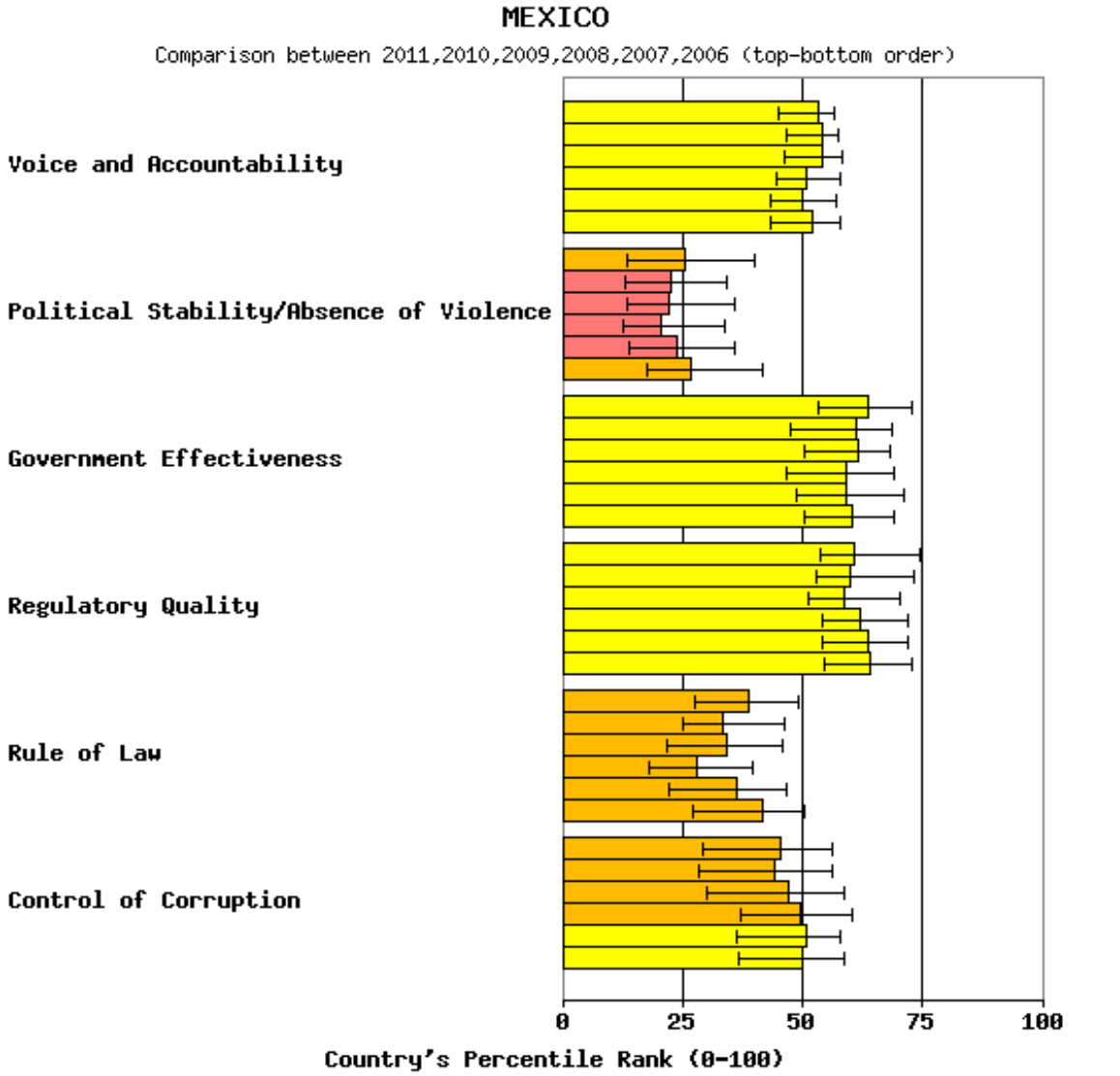
Source: Fd. MEPI

Table 17: Fund for Peace Failed State Indicators: 2007-2012

Indicators/Year	2007	2008	2009	2010	2011	2012
State Legitimacy	6.1	6.1	6.6	6.6	6.6	6.6
Public Services	5.7	5.7	8.0	5.8	5.8	6.1
Human Rights/Rule of Law	5.1	5.1	5.6	5.8	5.9	6.2
Security Apparatus	6.1	5.8	5.2	7.5	7.9	7.7
External Intervention	6.2	6.5	6.7	6.9	6.7	6.4
Index Score (x/120)	72.6	72.2	75.5	76.1	75.1	73.6
Position (x/177)	102	105	98	96	94	98

Source: Fund for Peace

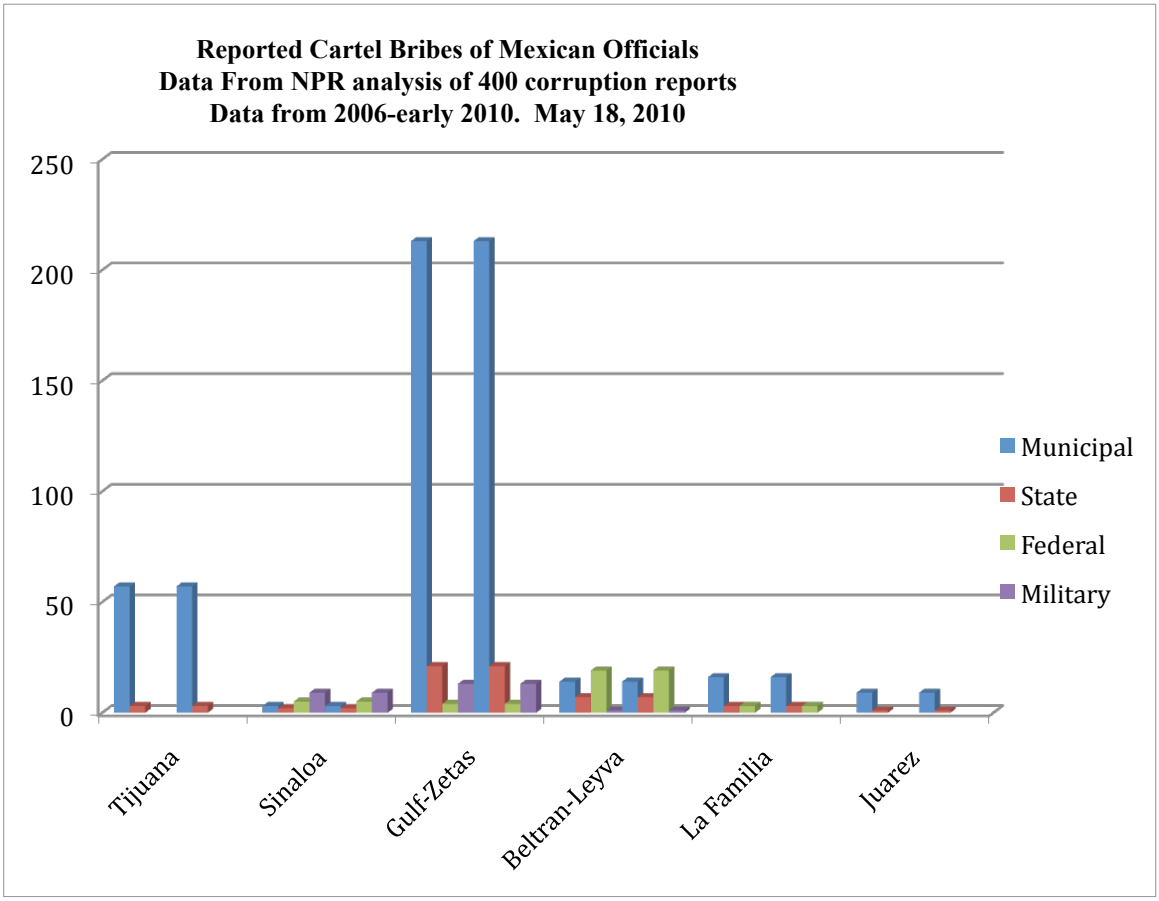
Table 18: Select Worldwide Governance Indicators (WGI), Mexico 2006-2011



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues
Note: The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries.
These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms.
The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

Source: World Bank, Generated from WGI database by Author

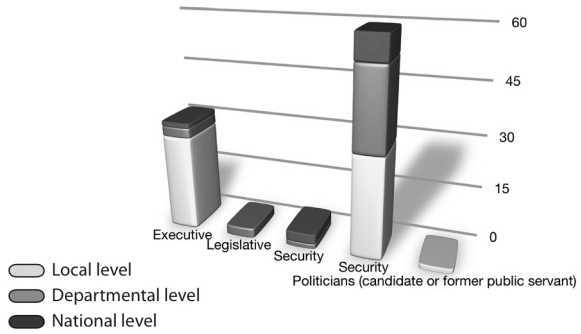
Table 19: Reported Bribes of Mexican Officials, 2006-2010



Source: Jones, 2011: "The State Reaction: A Theory of Network Resilience," Doctoral Dissertation, University of California, Irvine)

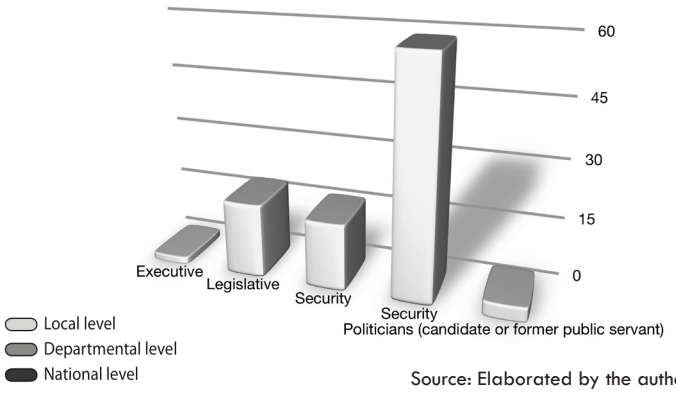
Table 20: Co-opted State Reconfiguration in Michoacán: 2005-2009

Graph 41. "The Michoacana Family" Network, 2009. Concentration of agents in the Michoacana Family Network, 2009, by sector and level of public administration



Source: Elaborated by the authors

Graph 40. "The Michoacana Family" Network, 2005. Concentration of agents in the Michoacana Family Network, 2005, by sector and level of public administration



Source: Elaborated by the authors

Source: Salcedo-Albarán and Garay Salamanca, 2012 & Forthcoming