

**PREPARED TESTIMONY OF
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TO THE HOUSE COMMITTEE ON FOREIGN AFFAIRS,
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**“IT’S STRICTLY BUSINESS:
UNDERSTANDING THE EVOLUTON OF VIOLENCE IN MEXICO”**

Chairman Mack, Ranking Member Engel, and distinguished Members of the Committee, thank you for the opportunity to appear before you today to testify on the nature of violence taking place in Mexico. I want to particularly thank this Committee for its leadership, bringing needed attention to the serious nature of the drug trafficking organizations in this hemisphere and their impact on US national security.

Drug cartels are businesses, run by individuals with specific goals, most often related to power and wealth. It is important to understand the profit motive before discussing the violence. The drugs being trafficked by the kingpins represent a commodity—something to trade in order to create wealth and power. It is not the psychoactive impact of the commodity that the drug trafficker seeks, simply the ability to sell for a profit. Violence is simply a byproduct of the nature of the marketplace in which they operate—coercive power taken to extremes. As Michael Corleone calmly says to his hothead brother Sonny in Mario Puzzo’s *The Godfather*, when describing how he will kill Virgil ‘The Turk’ Sollozzo and Captain McCluskey, “It’s not personal, Sonny. It’s strictly business.”

Let me make three points for the Committee today in support of this important series of hearings on the evolution of US policy toward Mexico. First, while the organized violence in Mexico may seem complex, it makes sense in the context of a battle between government and outlaw forces for the “hearts and minds” of local populations, sometimes called an “insurgency.” Second, once accepted, this “insurgency” framework can simplify the narrative of events in Mexico. And finally, with this enhanced understanding, we can create better policies. I hope that this testimony will support the evolution of the efforts of the US and Mexican governments. Let me say at the outset, I have been a supporter of Merida, but agree with the desire to improve its implementation. In addition, I also support the efforts of President Calderon of Mexico. Countless brave and dedicated people in the US and in Mexico have been working tirelessly to defeat the drug trafficking organizations (DTOs) and must be recognized and commended.

1. Complex Threat Vectors. Countering transnational criminal organizations (TCOs) operating in Mexico requires diplomacy, intelligence, military, economic, and law enforcement

capabilities. Since December 2006, nearly 40,000 people have been killed in Mexico as a result of drug-related violence, a number that exceeds the combat-related casualties in both Iraq and Afghanistan. This violence directly impacts the US and our citizens. For example, on March 13, 2010, Mexican gunmen targeted El Paso residents Lesley Enriquez and her husband Arthur Redelf. Enriquez, an employee of the US consulate in Ciudad Juarez, was shot in the head, her husband in the neck, all while their baby sat in the back seat of the car.ⁱ Mexican gunmen also killed Jorge Alberto Salcido, the husband of another employee of the U.S. consulate, and wounded her two young children that same day. More recently, on February 15, 2011, members of the Zeta cartel ambushed two ICE agents driving in northern Mexico, killing Special Agent Jaime Zapata. What was the common denominator among all of these cases? Not drugs specifically, but an environment where people have the means and capability to use violence as a tool to advance their goals. We must address the environment that allows for the widespread use of extreme violence

2. Understanding the Mexican “Insurgency.” The drug trafficking organizations in fact behave like an insurgency. In order to perform the “business” functions of a drug trafficker, one requires the ability to govern. Specifically, one would need resources, a place of business, a workforce, the ability to set and enforce rules, and the consent of the governed to abide by those rules. Consent comes from the application of two tools: the provision of “goods” and coercion. As a drug trafficker, one would need political control, and as the state seeks to prevent that control, we could see a violent battle for political dominance of a location—an insurgency. Academics typically define a state as the institution with monopoly control over the tools of violence. Clearly the government of Mexico lacks that control in some places.

Insurgency can be defined as a ‘political-military activity by a criminal organization or organizations that attempt to roll back government power, preserve organizational assets, and win the loyalty and support of the people’.ⁱⁱ Activities of such an insurgency include: propaganda, recruitment, terrorism, guerrilla warfare, political mobilization and international activity.ⁱⁱⁱ At the same time that they sell drugs to make money, Mexican DTOs battle for the hearts and minds of the Mexican population over vast regions of the country. The organizations provide economic “goods”—social services and jobs as well as a social safety net. Simultaneously, they use violence and the threat of violence to coerce law enforcement and their enemies. The drug trafficking organizations use violence to flex their muscles (for example, the killing of ICE Special Agent Zapata), to coerce the local population, and to battle each other and the Mexican government for political control of territory.

Mexican transnational criminal organizations (TCOs) like *Los Zetas*, the Gulf Cartel, *La Familia*, and the Sinaloa Cartel, battle each other and government forces, as we sit here today, in an effort to protect and grow their illicit businesses. They use coercion to increase power and profits—it’s strictly business. Let me provide three examples.

- *Public Services:* President Obama's Transnational Organized Crime Strategy reported that criminal organizations are, ". . . positioning themselves as alternate providers of governance, security, services, and livelihoods."^{iv} The Mexican criminal organization *Los Zetas* have moved into Guatemala's Petén region building clinics, wells, schools and roads to further gain local support.^v
- *Organized and systematic use of violence and the threat of violence:* Criminal organizations are often shockingly violent, and they use the message of this violence for coercive purposes. More than 40,000 people have been murdered in Mexico since December of 2006.^{vi}
- *Operating at a Profit:* The TCOs use the drug trade as their primary source of revenue, with roughly between \$19 to \$29 billion USD entering Mexico from the U.S. annually. By operating with apparent impunity across many locations, they demonstrate their ability to focus significant resources to winning the hearts and minds of the Mexican people, and gain credibility in the eyes of the public.^{vii} The criminal organizations manage not only narcotics, but other business across the country, both legal and illegal.^{viii} By controlling populations, Mexican TCOs are able to further facilitate the transit of illicit goods headed both north and south.^{ix}

The Behavioral Science of Organized Violence. The academic literature on human behavior can further enhance our understanding, for those interested in the deeper explanations of observed behavior. For example, Adam Smith was a moral philosopher seeking to explain human behavior when we wrote *An Inquiry into the Nature and Causes of the Wealth of Nations* over 235 years ago. According to Smith, man has an almost constant need for help from others, and this consistent need for affiliations and exchange means allows us to construct a framework for explaining human behavior. For example, we know that people face scarcity, and so must make choices. And the places we live and people we live among shape the choices we make—they enable some actions and constrain others. And finally, people make choices even though we never have perfect information or insight.

In 1968 Gary Becker took the behavioral prediction emphasized by this economic insight and applied it to criminal behavior. Becker did not see criminality as abnormal behavior associated with the specific psychological malady, but instead as rational behavior in given goals and conditions. This describes today's drug kingpins everywhere, even in Mexico.

Similar to Becker's work, recent publications from social scientists such as Jacob Shapiro, Eli Berman, Larry Iannaccone, and David Laitin place the terrorist and insurgent decision making in the same framework—an individual making choices, maximizing something, within constraints and imperfect information. Iannaccone argues that people who join extremist religious terrorist and insurgent organizations do so for rational reasons, concluding that membership in radical religious groups is "costly, but *not* crazy."^x Violence associated with

terrorism, insurgency, and crime represents a choice informed by expected payoff functions and the constraints facing the individual decision maker. The behavioral science framework allows us to clearly see when drug trafficking organizations will engage in insurgency to further their aims.

3. Implications for US Policy. The “insurgency” framework allows us to see that Mexican drug traffickers will engage in the provision of public goods and organized violence to gain political dominance in geographic locations. The profit motive allows us to clearly see that insurgent-type behavior will take place when expected revenues exceed expected costs. Analysis of goals and constraints, both formal and informal, inform the linkages between and across counter-crime, counterinsurgency, and even counterterrorism.

The implication of this analysis is that the Mexican government must earn the support of the Mexican people at the local level. Facts on the ground may indicate that the government of Mexico is losing. The amount of Mexican produced heroin, marijuana, and meth continues to increase. Widespread corruption undermines the credibility and capability of civic institutions, and growing violence discourages local economic growth. The effect of weak civic institutions and economic torpor is that the Mexican drug cartels have greater ability to provide social services in place of the Mexican government and to use violence at lower cost. In this situation, the drug cartels will find it increasingly feasible to attain the compliance, if not support, of the local residents. We must fear the vicious cycle of the slow defeat of the Mexican authorities across local communities.

I support the efforts to date, but believe we must do more. The Mérida Initiative, introduced in October of 2007, was originally a three year, \$1.5 billion counterdrug and anti-crime assistance package for Mexico and Central America.^{xi} In March of 2010, the Obama Administration put their stamp on President Bush’s program by announcing the “Beyond Mérida” strategy, aimed at strengthening the Mexican judicial and law enforcement systems.

US officials must accept the state of insurgency taking place in large parts of Mexico today, and envision a counterinsurgency strategy to combat the evolution and resilience of the transnational criminal organizations operating along our border. Specifically, the United States should work with Mexico to secure one population center at a time. In classic counterinsurgency theory, the battle space is not the geography, but the population. This is truly a battle for the hearts and minds. If you convince the population to support the government and betray the cartels, business for the trafficker gets more expensive, profits drop, and their influence diminishes. I do not have a specific plan, but suggest the following elements be considered:

An all-of-government approach (federal, state, local, commercial, and tribal) to provide close coordination with Mexican authorities. Only Mexico can defeat the Mexican

cartels, but the US can support. Beyond Merida must consider all elements of US power.

Strong support for law enforcement. Individuals in contested locations must believe they are more secure siding with the government than with cartel officials. Specifically, significant emphasis should be placed on building the capability of State and Municipal Police, local governance, and the ability for local citizens to seek and obtain redress from grievance at the local level.

Thank you for the opportunity to testify before you today on this important issue. I welcome any questions you may have.

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ⁱ <http://www.time.com/time/world/article/0,8599,1972374,00.html#ixzz1XSvw91Am>

ⁱⁱ John P. Sullivan and Adam Elkus. (2008). "State of Seige: Mexico's Criminal Insurgency," *Small Wars Journal*, <http://smallwarsjournal.com/blog/journal/docs-temp/84-sullivan.pdf>.

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ⁱⁱⁱ Ibid.

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^v Nicholas Casey, "Mexican Gang Moves Into Guatemala," *The Wall Street Journal*, June 22, 2011,

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^{vi} Ibid..

^{vii} Hal Brands. "Mexico's Narco-Insurgency and U.S. Counterdrug Policy," May 2009,

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^{viii} Nicholas Casey, "Mexican Gang Moves Into Guatemala," *The Wall Street Journal*, June 22, 2011,

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^{ix} Douglas Farah, "Terrorist-Criminal Pipelines and Criminalized States," *National Defense University*, <http://interamericansecuritywatch.com/terrorist-criminal-pipelines-and-criminalized-states-emerging-alliances/>.

^x Berman, Kilcullen, Popkin, etc.

^{xi} Clare Ribando Seelke and Kristin M. Finklea, *Congressional Research Service Report for Congress: U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond* (Washington: Library of Congress, August 15, 2011, p. 2).

United States House of Representatives
Committee on Foreign Affairs

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