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# Why Legalization in Mexico is Not a Panacea for Reducing Violence and Suppressing Organized Crime

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SEPTEMBER 23, 2010 — The past weeks in Mexico have brought a series of heart-wrenching events: the massacre of migrants in Tamaulipas, car bombs, continuing assassination of mayors, investigators, prosecutors, and journalists, mass graves, narcoblocades and shoot-outs in Monterrey. The escalating violence has claimed more than 28,000 people over the past four years, is expanding geographically, and shows little sign of abating even in the hotspots, such as Ciudad Juarez. Despite the deployment of the military, police reform efforts, and occasional spectacular arrests of top capos, the drug trafficking organizations (DTOs) give little indication that they are anywhere near burnout. They continue in their violent contestation over reestablishment of territories, smuggling routes, corruption networks, and influence over other illegal and informal economies.

Increasingly, voices in Mexico, including some highly influential ones, such as former President Vicente Fox, are calling for legalization, especially of marijuana. Yet it is doubtful that legalization under the current conditions would necessarily reduce the violence and weaken the DTOs. In fact, it could exacerbate violence and paradoxically increase the DTOs' political power.

Proponents of legalization in Mexico make at least two arguments: The DTOs are believed to make 60% of their income from marijuana, so taking this income away from them via legalization will severely weaken them. Second, legalization of marijuana (and perhaps other drugs) would free Mexico's law enforcement to concentrate on murders, kidnappings, and extortion.

A country may have good reasons to want to legalize the use and even production of some addictive substances (many, such as, nicotine and alcohol, are legal) and ride out the consequences of greater use. (It is difficult to estimate how much additional use would result from legalization since elasticity price-consumption relations and other factors, such as social stigmas and attitude changes, are not fully known.) Such reasons could include providing better health care to users, reducing the number of users in prison, changing the priority and resource allocation of law enforcement, and perhaps even generating greater revenues for state and giving jobs to the poor.

But, even if legalization did displace the DTOs from the marijuana production and distribution market in Mexico, they can hardly be expected to take such a change lying down. Rather, they may intensify the violent power struggle over remaining hard-drug smuggling and distribution. (Notably, the shrinkage of the U.S. cocaine market is one of the factors that precipitated the current DTO wars.) Worse yet, the DTOs could intensify their effort to take over other illegal economies in Mexico, such as the smuggling of migrants and other illegal commodities, prostitution, extortion,

and kidnapping, and also over Mexico's informal economy – trying to franchise who sells tortillas, jewelry, clothes on the zócalo -- to mitigate their financial losses. They are already doing so. If they succeed in franchising the informal economy and organizing public spaces and street life in the informal sector (40% of Mexico's economy), their political power over society will be greater than ever.

Nor would law enforcement necessarily become liberated to focus on other issues or turn less corrupt: The state would have to devote some resources to regulating the legal economy and enforcing the regulatory system. Corruption could well persist in a legal or decriminalized economy. In Brazil, after drug possession for personal use was decriminalized, the deeply corrupt police did not clean up. Instead, they often continue to extort users and franchise pushers by threatening to book users for greater amounts than personal limits unless they pay a bribe or buy from their pushers.

Additionally, a gray marijuana market would likely emerge. If marijuana became legal, the state would want to tax it – to generate revenues and to discourage greater use. The higher the tax, the greater the opportunity for the DTOs to undercut the state by charging less. The narcos could set up their own fields with smaller taxation, snatch the market and the profits, and the state would be back to combating them and eradicating their fields. Such gray markets exist alongside a host of legal economies, from cigarettes, to stolen cars, to logging. Often, as in the case of illegal logging alongside legal concessions, such gray markets are highly violent, dominated by organized crime, generating corruption, and exploitative of society.

Moreover, if the state does not physically control the territory where marijuana is cultivated – which in Mexico it often does not – the DTOs could continue to dominate the newly legal marijuana fields, still charge taxes, still structure the life of the growers, and even find it easier to integrate into the formal political system. Many oil and rubber barons started with shady practices and eventually became influential (and sometimes responsible) members of the legal political space. But there are good reasons not to want the very bloody Mexican capos to become legitimized.

Legalization is not a panacea. There are no shortcuts to improving Mexico's law enforcement. Without a capable and accountable police that are responsive to the needs of the people from tackling street crime to suppressing organized crime and that are backed-up by an efficient, accessible, and transparent justice system, neither legal nor illegal economies will be well-managed by the state. Rather, legalization of marijuana in Mexico would be more viable, if Mexico first got the DTOs under control and pulled off effective law-enforcement and justice reform.