

**Testimony before the Subcommittee on the Western Hemisphere  
Committee on Foreign Affairs  
U.S. House of Representatives**

By Pamela K. Starr  
Director, U.S.-Mexico Network  
Associate Professor of International Relations and Public Diplomacy  
University of Southern California  
Dornsife College of Letters, Arts and Sciences  
Annenberg School for Communication and Journalism

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**Summary**

The rise of powerful international crime organizations based in Mexico during the last decade poses a real and direct national security threat to Mexico, to Central America, and the top criminal threat to U.S national well-being. Mexican President Felipe Calderon launched the country's first ever direct assault on organized crime in late 2006 and requested limited U.S. assistance for this effort in early 2007. The resulting Mérida initiative, as designed during the Bush administration and reformulated during the Obama administration, has been a powerful resource for the Mexican government while promoting a level of security cooperation never previously seen in the bilateral relationship. This Mexican-led cooperative effort has produced real successes, but it also exhibits profound weaknesses that have become increasingly evident as the operating environment in Mexico has changed.

Mexican crime syndicates are morphing into criminal networks increasingly involved in extortion, kidnapping, robbery, retail drug sales, human smuggling, and other common crimes. The structure of these criminal networks is more amorphous than in the past, making their operational capacity less susceptible to a centralized strategy designed to eliminate key leaders. And their move into common crime transforms their activities into a daunting challenge for Mexico's weak state and local police forces and ineffective legal system. Mérida must adapt to the evolution of the threat it addresses. While sustaining current levels of intelligence cooperation, Mérida must redouble its emphasis on police training, markedly increase efforts to improve the quality of the Mexican legal system, and dramatically expand its efforts in Central America. Our long-term mutual security depends on our success.

**Has Mérida Evolved?**

**The Evolution of Drug Cartels and the Threat to Mexico's Governance**

Mexico is a place of contrasts: It is a place of state of the art production facilities that exist alongside women selling tamales in the street out of tin buckets; of a modern agricultural sector that produces fresh vegetables for the US market alongside some of the most backward peasant farming in the Western Hemisphere; of some of the richest people in the world alongside millions of poor; and of serene beaches, snow-capped mountains, and colonial towns alongside the extreme violence that dominates the headlines.

**The level of violence and insecurity in Mexico is disconcerting.** Since December 2006 criminal networks have killed 35,000 Mexicans including over 9,000 so far this year. The fact that this violence tends to be highly concentrated – two-thirds of drug-related murders take place in just five of Mexico’s thirty-two states – and that Ciudad Juarez is one the most dangerous cities in the world masks a national murder rate that is well below Brazil’s and less than half of Colombia’s. Still, **violence in Mexico is bad**, expanding in geographic scope, and escalating annually in numbers, brutality, and sophistication of weaponry used. There has also been a marked increase in armed robberies, extortion, blackmail, kidnapping, and human trafficking undertaken by criminal organizations formally dedicated almost exclusively to drug-trafficking. And most troubling, there has recently been an explosion of indiscriminate violence against Mexican citizens and attacks targeting U.S. government employees in Mexico.

Despite this situation, **Mexico is not on the verge of becoming another Pakistan or even another Colombia for one simple but powerful reason – Mexican organized crime is focused on profits not political change.** There is thus no risk of Mexico becoming a “failed state”, but this fact ultimately offers little solace. **Mexican criminal networks still pose a grave threat to governance, human security, and economic well-being in Mexico.** Their wealth gives them the power to corrupt public officials and potentially influence election outcomes; their growing use of terrorist tactics and expansion into criminal activities other than the drug business increases their impact on the everyday security of Mexican citizens; and their activities create a disincentive for essential investments in the Mexican economy. **They pose a threat to security and political stability throughout Central America** as Mexican efforts to confront them create a less hospitable operating environment pushing their criminal activity further to the south. **And they represent the top criminal threat to U.S national well-being.**

The interdependencies between the United States and Mexico make this bilateral relationship arguably the most important one to the everyday lives of Americans. Mexico matters for our ability to protect public health, provide environmental protection, ensure energy security; it affects prices, salaries, job creation, and the evident demographic shift in the United States; and most relevant for the subject of this hearing, **Mexican criminal organizations are the dominant organized crime threat in the United States today.** And while the situation in Mexico has produced very little spill-over violence into the United States, **important pockets of lawlessness and criminal influence in state and local government directly impacts U.S. national security.** A weakened Mexican state would make it more difficult to control our nearly two-thousand mile southern border, to sustain healthy economic ties on which both our countries rely and deal with other bilateral issues that directly affect U.S. citizens, and to have a reliable partner to address broader regional issues. **Finally, the United States has helped cause the problem** as the main market for the drugs that still account for the vast majority of the profits and main source for the arms that help fuel the violence. It is thus in our interest and our responsibility to help Mexico respond effectively to the challenge posed by these criminal networks.

Mexican President Felipe Calderon launched the country’s first ever direct assault on organized crime in late 2006 designed to disrupt their capacity to operate by eliminating leaders and other critical employees of these illicit “firms”. As part of this effort, his government requested limited U.S. assistance in early 2007. The resulting Mérida initiative, as designed during the Bush administration and reformulated during the Obama administration, has been a powerful

resource for the Mexican government while promoting a level of security cooperation never previously seen in the bilateral relationship.

Although delayed repeatedly by bureaucratic procedures, Mérida funding has complemented the Mexican government's \$4.3 billion annual security budget. Initially it focused on providing equipment and material the Mexican government lacked for its police/military assault on organized crime along with intelligence sharing and police training. **The resulting Mexican-led cooperative effort produced real successes.** Partly in recognition of this, Mérida's 2009-2010 reauthorization reduced the emphasis on equipment and increased the focus on building institutional capacity for the rule of law while adding additional efforts to facilitate legitimate cross-border trade and build "strong and resilient" communities. But Mérida and the Mexican strategy to weaken organized crime that it supports also exhibit **profound weaknesses that have become increasingly evident in the past two years as the operating environment in Mexico has changed.**

Mérida was designed to support a policy dedicated to breaking down large international criminal organizations, whose power posed a direct threat to the Mexican state, into smaller more local criminal gangs. The aim was to transform a national security threat into a policing challenge. This approach has had significant success. Several organized criminal operations have been completely disarticulated and others seriously weakened. But what has been left behind is equally troubling in at least three ways. **First, as a national security challenge gradually becomes a policing problem, the acute weakness of Mexican law enforcement is increasingly placed on full display.** Democratic Mexico inherited from the country's extensive authoritarian past an extremely underdeveloped system of law enforcement including underpaid, poorly educated, trained and equipped police and a largely dysfunctional legal system. In recent years Mexico has developed a modern, professional, and effective federal police force of 35,000, but most state and local police remain weak, ineffective and vulnerable to extortion and corruption at the hands of criminal organizations. Mexico also has a professional and relatively effective Supreme Court, but the nation's prosecutorial capacity and penal structure is profoundly problematic. As a result, criminal impunity is pervasive.

**Second, government success at weakening some crime syndicates seems to have emboldened their competitors, reinforced existing rivalries, and provoking further violence.** Additionally, weakened syndicates have moved into new lines of business including extortion, kidnapping, robbery, retail drug sales, human smuggling, and other common crimes. **Since exploiting these new opportunities often depends on controlling physical territory instead of merely transporting product from producer to consumer, this shift has reinforced the violence as criminal organizations fight over market share.** And it has further complicated the policing problem since non-drug offenses are the exclusive responsibility of the country's weak state and local police forces.

Third and most troubling, **these weakened syndicates did not turn into disarticulated criminal gangs as hoped. They have instead morphed into international criminal networks whose structure is more amorphous than in the past and whose operational capacity is less susceptible to a strategy designed to remove key criminal operators.** These networks have increasingly incorporated preexisting street gangs into their ranks to better conduct their new, local business ventures, and in the process they have incorporated a culture of indiscriminate violence common among these gangs. And these networks have aggressively expanded their

operations into safer locations, most notably northern Central America where the governments' ability to confront them is feeble at best.

**The Mérida Initiative must adapt to this shifting operational environment.** The United States must sustain the current levels of intelligence and intra-agency cooperation that have been critical to the successes achieved so far in disrupting the operational capacity of organized crime. But it must also redouble Mérida's emphasis on police training and expand significantly its attention to improving the quality of the Mexican legal and penal systems. And Mérida must expand dramatically its attention to the now well-established operations of Mexican criminal networks in Central America.

The challenge in Mexico is no longer merely about drugs. It is about international criminal networks that are threatening stability and security on our border, in our country, and in our hemisphere. In this context, we cannot end our support for Mexico's battle against these criminal networks despite the evident shortcomings in the Mérida-supported strategy. We must instead mend Mérida so it adapts to the evolution of the threat it addresses. And we must make certain that success in Mexico does not come at the expense of its southern neighbors. **Our long-term mutual security depends on our success.**

United States House of Representatives  
Committee on Foreign Affairs

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Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee require the disclosure of the following information. A copy of this form should be attached to your written testimony.

<b>1. Name:</b>  <i>Pamela K. Starr</i>	<b>2. Organization or organizations you are representing:</b>  <i>University of Southern California</i>
<b>3. Date of Committee hearing:</b>  <i>September 13, 2001</i>	
<b>4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b>  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b>  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>6. If you answered yes to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.</b>          	
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