



# **Beyond Merida: The Evolving Approach to Security Cooperation**

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## **Brief Project Description**

This Working Paper is the product of a joint project on U.S.-Mexico Security Cooperation coordinated by the Mexico Institute at the Woodrow Wilson Center and the Trans-Border Institute at the University of San Diego. This paper was previously released on the Mexico Institute's U.S.-Mexico Security Cooperation Portal and is being re-released as a part of this larger project. As part of the project, a number of research papers have been commissioned that provide background on organized crime in Mexico, the United States, and Central America, and analyze specific challenges for cooperation between the United States and Mexico, including efforts to address the consumption of narcotics, money laundering, arms trafficking, intelligence sharing, police strengthening, judicial reform, and the protection of journalists. The papers are being released in preliminary form to inform the public about key issues in the public and policy debate about the best way to confront drug trafficking and organized crime. Together the commissioned papers will form the basis of an edited volume to be released later in 2010. All papers, along with other background information and analysis, can be accessed online at the web pages of either the [Mexico Institute](#) or the [Trans-Border Institute](#) and are copyrighted to the author.

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## **Beyond Merida: The Evolving Approach to U.S.-Mexico Security Cooperation**

Eric L. Olson and Christopher E. Wilson

When Mexico's President Calderón took office in late 2006 one of his highest priorities was to aggressively confront the drug cartels that were increasingly violent and powerful in important areas of the country—especially along the northern border with the United States and a handful of coastal states. The President's strategy was to mobilize Mexico's federal security forces in targeted areas to either dismantle the cartels or force them to operate outside of Mexico. In the ensuing months, Mr. Calderón mobilized about 45,000 military and additional federal police to several key points around the country. Despite the deployments, violence associated with organized crime has skyrocketed. Drug-related deaths in 2007, Calderón's first full year in office, topped 2,500, and the total in 2009 was at least 6,700 with some estimates over 8,000. Not all the victims have been associated with the cartels, but most of the violence has been the result of competition and rivalries among the cartels.

As violence increased, so did U.S. concern about its neighbor and most important trading partner, as well as trepidation about the impact of violence on communities along the U.S. side of the border. In March 2007 President Bush met with President Calderón in Mérida, Mexico, and they agreed to significantly increase cooperation in the hemispheric fight against drug trafficking. The so-called Merida Initiative included a U.S. commitment to provide \$1.4 billion in equipment, training, and technical assistance to Mexico over three years. Congress has so far appropriated \$1.3 billion of the original package.

The Obama administration has, until now, largely followed the strategy set out in the Merida Initiative but has recently begun to develop a new framework for bilateral cooperation. Led by the Obama Administration's Ambassador to Mexico, Carlos Pascual, discussions within the U.S. around the new strategy—sometimes referred to as the "Beyond Merida" strategy—have begun to take shape around "four pillars" that were first articulated in President Obama's budget request for fiscal year 2011. The first two pillars represent a refinement of previous efforts, and the final two represent a new and expanded approach to anti-drug efforts.

While the majority of U.S. funding in the first phase of the Merida Initiative went to expensive equipment, particularly aircraft, the new approach shifts the focus toward institution building. It will attempt to create successful pilot projects, most likely in Tijuana and/or Ciudad Juarez, using a comprehensive approach to public security that could presumably be replicated in other parts of Mexico.

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## The Four Pillars

As mentioned, the new approach to security cooperation is beginning to take shape around “four pillars.” The following is a brief summary of these pillars as described by U.S. government officials in several interviews.

- 1. Disrupting and dismantling criminal organizations:** This approach involves looking at the cartels as corporations, looking for key points where pressure can be applied to interrupt their business. Government officials need to understand the leadership, supply chains, and markets for each of the cartels. The United States is, of course, the market for the vast majority of the drugs produced in and trafficked through Mexico. This means that the United States is the source of the money that is smuggled back to the cartels and laundered. Arms trafficking from the U.S. to Mexico is another point at which cartel activities can be disrupted. Improving intelligence and intelligence sharing is key to this effort, and positive steps have been made, particularly in the area of intelligence sharing. This first pillar represents a continuation of the strategy pursued under the Merida Initiative.
- 2. Institutionalizing the rule of law:** Civilian institutions, not the military, are ultimately responsible for serving justice and maintaining the rule of law. Legal problems, such as the military’s lack of authority to collect evidence and interrogate suspects make clear their availability as only a stop-gap measure and not a long-term solution. By program area, the single largest category in the proposed 2011 foreign assistance budget for Mexico is “Governing Justly and Democratically,” at \$207 million, demonstrating the size and importance of the challenge of developing strong civilian institutions. While this pillar also represents a continuation of previous strategy, the amount of resources dedicated to it would more than double from the previous year should the budget proposal be accepted.
- 3. Building a 21<sup>st</sup> century border:** Both licit and illicit goods cross the U.S.-Mexico border all the time. The challenge is to prevent the flows of illicit goods and dangerous individuals while allowing legitimate commerce and travel to occur freely. In today’s transnational world, an effective border is key to our success as a nation in terms of both competitiveness and security. Building a 21<sup>st</sup> century border involves more than infrastructure; it means changing the very concept of the border from simply being a geographic line to one of secure flows. By moving security and customs infrastructure away from the actual border to sites like Guadalajara, Monterrey, or even other parts of border cities like Juarez, and then creating mechanisms to ensure that goods checked at those points arrive in the United States without tampering, officials working at the border will be more free to focus on preventing the entrance of dangerous illicit flows. While equipment and training to improve the inspection process at the border was a part of the Merida Initiative, the concept of a 21<sup>st</sup> century border was not.

**4. Building strong and resilient communities:** This final pillar takes into consideration that the sources, or drivers, of violence cannot be understood or addressed solely with a security and law enforcement based approach. Social and economic factors also play an important role. Some examples offered by U.S. officials include how bad zoning can allow the development of neighborhoods that attract illegal activities and how expanding access to daycare could improve children’s lives and keep them away from criminal activity. Plans to reduce the demand for drugs, create jobs, improve local infrastructure, and to build better public spaces are all being considered as government officials continue to meet with civil society groups to design violence reduction programs. This last pillar represents an expanded view of the issues in play and a significant evolution from the original Merida Initiative vision. It appears likely that Ciudad Juarez and Tijuana may be the locations where this more comprehensive approach to security will be developed and tested.

**The Obama Administration’s Foreign Assistance Budget Request**

The President’s fiscal year 2011 foreign assistance budget request includes \$292 million dollars for Mexico as part of the International Narcotics Control and Law Enforcement Program. This represents about 84% of the entire \$346 million in foreign assistance requested for Mexico. Also included in the request was an additional \$9.1 million (separate from the INCLE money) for further training of the Mexican military in anti-trafficking and public security techniques.

**Foreign Assistance Requests for Mexico by Account and Fiscal Year**

(thousands of dollars)	<b>FY 2009 Actual</b>	<b>FY 2010 Estimate</b>	<b>FY 2011 Request</b>	<b>Increase/ Decrease</b>
<b>Total</b>	432,779	582,658	346,562	-236,096
Development Assistance	11,200	10,000	26,304	16,304
Economic Support Fund	15,000	15,000	10,000	-5,000
Foreign Military Financing	39,000	262,250	8,000	-257,250
Global Health and Child Survival - USAID	2,900	3,458	3,458	0
International Military Education and Training	834	1,050	1,100	50
International Narcotics Control and Law Enforcement	360,000	284,000	292,000	8,000
Nonproliferation, Antiterrorism, Demining and Related Programs	3,845	3,900	5,700	1,800

Source: Department of State, Congressional Budget Justification: Foreign Operations, Annex: Regional Perspectives, Fiscal Year 2011, <http://www.state.gov/documents/organization/137937.pdf>.

**The Context: Mexico’s War on Drugs**

In January 2010, thirteen young people and two adults that do not appear to have links to drug trafficking were massacred by gunmen at a party in Ciudad Juarez. Public outrage at such senseless brutality combined with the already mounting sense of frustration felt by the people of Juarez and the rest of Mexico about the apparent ineffectiveness of government policies produced what some have called a “breaking point” in public attitudes about the violence. The President’s subsequent visits to Juarez were greeted with public protests and condemnations from many in civil society.

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Some of the criticism has also been directed at the Mexican military. Human rights groups and civic organizations in Juarez have expressed growing opposition to the military's role in the fight against drug trafficking organizations because of a series of allegations of human rights abuses committed in these operations and the lack of transparency in any subsequent investigations or judicial proceedings carried out by the military.

While the situation in Juarez is far from the norm in terms of the intensity of conflict and violence, in many ways it reflects the larger picture. The same forces are driving violence in Juarez and throughout Mexico.

### **United States officials point to five factors contributing to increases in violence.**

- **A decline in U.S. demand:** U.S. officials believe that there has been a decline in demand for cocaine because efforts to disrupt production and trafficking of drugs in Latin America have begun to impact the drug supply that reaches the U.S. market. As supply has decreased, prices have increased and higher prices lead to lower consumption. Lower demand means less profits and greater competition between the traffickers.<sup>1</sup>
- **Greater competition for market share among the cartels has led to greater violence and splits in and among the cartels:** In Juarez, for example, the violence has been driven by competition between the remnants of the Juarez Cartel and the Sinaloa Cartel over access to the U.S. market and control over the local retail market. Throughout much of the country, criminal organizations have been violently resisting the expansion of the Sinaloa Cartel.
- **Gatekeepers forced to take sides:** Whereas in the past the groups controlling the transit points for illicit goods entering the U.S. were able to contract their services to any drug trafficking organization wishing to send product to the U.S., the cartels have now forced these specialized "sub-contractors" to take sides and provide exclusive services to one or the other of the cartels. Such an arrangement has resulted in greater competition among criminal groups for control of the border transfer points.
- **Increased consumption and addiction in Mexico:** Many of the people actually crossing drugs into the United States are between 14-25 years old and are paid for their services in drugs. This leads them to both use and sell drugs in Mexico, often competing among themselves for control of local neighborhoods where they can sell the drugs.
- **From drug trafficking to organized crime:** With their illegal business under pressure, drug trafficking organizations (DTOs) have expanded their operations to include other profitable criminal enterprises. The problem is now one of

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<sup>1</sup> It should be noted that U.S. assertions that domestic demand for illegal drugs has decreased have been disputed by several outside experts and scholars. See for example various works by Peter Reuter ([http://www.rand.org/pubs/authors/r/reuter\\_peter\\_h.html](http://www.rand.org/pubs/authors/r/reuter_peter_h.html)), and John Carnevale (<http://www.carnevaleassociates.com/publications.html>).

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organized crime in which criminal organizations compete for control of all illegal activities in a particular territory. Diversification into areas such as kidnapping, extortion, and trafficking in humans, pirated goods and migrant smuggling is increasingly common and represents a growing percentage of organized crime revenue.

The escalating violence has had an impact on public attitudes about President Calderón and the effectiveness of the government's strategy. A poll conducted on March 22<sup>nd</sup> and published by *Milenio* newspaper found that by a 59 to 21 percent margin, the Mexican public believes organized crime is "winning" the drug war.<sup>2</sup> Yet despite high levels of drug-related violence and growing public pessimism about the government's efforts, President Calderón himself continues to enjoy relatively strong approval ratings. After reaching a high point of 68% approval in May of 2009, the latest Mitovsky public opinion poll shows his numbers have slipped to 56%, still a solid majority. What remains a puzzle, however, is the relationship between the public's frustration with violence and the President's relative high, though slipping, approval ratings over the last year.<sup>3</sup> The growing violence and shifting political attitudes dramatically increase the urgency for both governments to ensure that they are pursuing an adequate policy both together and individually.

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<sup>2</sup> The poll is available at [http://www.gabinetece.com.mx/images/uploads/documents/documentos/n\\_estudios/milenio22032010.pdf](http://www.gabinetece.com.mx/images/uploads/documents/documentos/n_estudios/milenio22032010.pdf).

<sup>3</sup> Regularly updated presidential approval ratings are maintained by Consulta Mitovsky at <http://www.consultamitovsky.com.mx/>.

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