How Regimes Shape Organized Crime: Mexico and Russia during Political Transitions

Yulia Vorobyeva
University of Miami, yulia.a.vorobyeva@gmail.com

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HOW REGIMES SHAPE ORGANIZED CRIME: MEXICO AND RUSSIA DURING POLITICAL TRANSITIONS

By

Yulia Vorobyeva

A DISSERTATION

Submitted to the Faculty of the University of Miami in partial fulfillment of the requirements for the degree of Doctor of Philosophy

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HOW REGIMES SHAPE ORGANIZED CRIME:
MEXICO AND RUSSIA DURING POLITICAL TRANSITIONS

Yulia Vorobyeva

Approved:

Bruce Bagley, Ph.D.
Professor of International Studies

Elvira María Restrepo, Ph.D.
Assistant Professor of Geography

William Smith, Ph.D.
Professor Emeritus of Political Science

Guillermo Prado, Ph.D.
Dean of the Graduate School

Vladimir Rouvinski, Ph.D.
Associate Professor of Political Science
ICESI University, Cali, Colombia
VOROBYEVA, YULIA (Ph.D., International Studies)
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The cases of Russia and Mexico, where deadly and violent organized crime erupted during transitions from authoritarian rule, suggest that political regimes may determine the type of organized crime in a society. This assertion runs counter to the common view of organized crime as a powerful corrosive force that undermines the vitality of democratizing regimes. Why did not democratization strengthen the rule of law in Mexico and Russia, two countries where concurrent processes of economic and political liberalization occurred in the last decade of the 20th century? Why did Russian organized crime become less violent and more controllable after Russia reverted to authoritarianism after 2000? This research suggests that the driving forces behind these criminal transformations are the capacity of state coercive institutions and criminal opportunity structures created by shifting market incentives. Organized crime becomes more fragmented, more violent and less controllable while democracies are taking hold but have not yet consolidated. Put differently, the forces of organized crime are frequently more stable and cohesive, but less violent and more subject to state elites, under more authoritarian regimes.
To Salma, for leaving me no choice but to succeed.

To Adolfo, for being my coach and my source of motivation.

To my mom and all my family across the Atlantic, for supporting me during this journey.
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INTRODUCTION

When countries become more politically open, following the fall of long-standing authoritarian regimes with links to criminal elements, observers often hope that this signals the end of a criminalized state apparatus and the beginning of a new era of transparency. In practice, however, these expectations frequently prove illusive, as we saw both in Russia after the fall of the Soviet Union in 1991, and in Mexico, following the first presidential victory by an opposition party in 2000. In both countries, links between organized crime and government did not disappear after their transitions from authoritarianism: they just evolved into a different form.

During both Russia’s Communist Party (CPSU)-led totalitarian regime (early 1920s-1990) and the electoral authoritarian rule of Mexico’s hegemonic Institutional Revolutionary Party (PRI) (1929-2000), centralized governments exploited organized crime and exercised significant control over its activities. By contrast, the subsequent transitional stages (in 1990s Russia and early 2000s Mexico) were characterized by more competitive relationships between the state and organized crime and dramatic rises in violence. Once a new electoral authoritarian regime had been established in Russia in 2000, organized crime became less violent and more subject to state control. These two examples suggest that political regimes may determine the type of organized crime in a society, despite the common perception of organized crime as a powerful corrosive force that undermines the vitality of fragile democratic regimes. In other words, it is not organized crime that weakens democratic regimes, but fragile democratic regimes that give rise to powerful and frequently violent forms of organized crime.
This leads us to the central focus of this thesis: why didn’t democratization strengthen the rule of law in Mexico and Russia? More generally, why does organized crime change its structure and dynamics and take on more fragmented, violent and less controllable forms just as weak democratizing regimes are taking hold? Why are the forces of organized crime frequently more consolidated, but less violent and more subject to state elites under more authoritarian regimes? This dissertation addresses these questions by examining two countries that are rarely directly compared.

Both Mexico and Russia have high levels of corruption. Organized crime tends to be deeply entrenched in corrupt governments. Both the PRI in Mexico and the CPSU in Russia were notoriously corrupt authoritarian regimes which colluded with criminal networks. Despite the optimistic expectations of both domestic and international observers, their authoritarian legacies persisted after the advent of political pluralism in the early 1990s. Both Mexico and Russia have repeatedly been ranked far below average in the Corruption Perceptions Index compiled by Transparency International. Moreover, although the two countries had approximately the same corruption index level in 1997 (Mexico ranked 47 and Russia 49 out of 52 countries), since 2000, Russia has fallen over 30 places behind Mexico (in 2014, for example, Mexico ranked 103 and Russia 136 out of 175 countries). Nevertheless, the Russian government managed to reinstate its authority in dealing with organized crime and reducing violence following Vladimir Putin’s rise to power in 2000. Mexico, however, seems to be losing its battle against criminal organizations as it progresses towards incomplete democratization. It seems that a corrupt, autocratic government is better able to deal with organized crime than a newly established, less corrupt democracy. If corruption in the public sphere is not the decisive factor shaping
organized crime, what other institutional factors might determine the behavior of criminal actors under specific political regimes? What determines a state’s capacity to control organized crime under a regime in transition?

To address these questions, this dissertation will conduct a comparative analysis of organized crime in Mexico and Russia during and in the aftermath of their respective political transitions. The discussion will focus on the period from the fall of the twentieth-century autocracies (in 1991 in Russia and 2000 in Mexico) until 2014, though it will also be thoroughly informed by an understanding of the preceding periods of authoritarian rule. This study will also examine Russia’s second transition, beginning in 2000, when Vladimir Putin began to steer the country back towards autocracy. By 2014, both countries had already defined their new political regimes and moved beyond the transitional stage. Extending the period under analysis up to 2014 allows us to see the medium-term effects of these transitions on organized crime.

This dissertation is divided into five chapters. Chapter 1 provides an overview of theories concerning political regimes and organized crime; and defines the concept of state capacity in terms of control over organized crime through coercive institutions, such as law enforcement and the criminal justice system. The chapter then discusses the historical contexts in which Mexico’s and Russia’s political transitions from authoritarianism took place and explains the rationale for comparing such different cases. More importantly, Chapter 1 presents a comparative overview of the evolution of political regimes and organized crime in both countries; and proposes four theoretical expectations as to the relationship between certain regime characteristics and organized crime.
Chapter 2 elaborates on three processes both countries underwent during their respective transitions from authoritarian rule: changes in the federal structure of government; in levels of electoral competition; and in the robustness of civil society. Taken together, these three processes represent the different facets of any political regime and help us classify it. Classifying political regimes allows us to make generalizations about their relationships with certain forms of organized crime.

Chapter 3 enriches these characterizations with a complementary analysis of their capacity to contain the spread of organized crime. I specifically assess the effectiveness of Mexico and Russia’s coercive institutions: by looking at the performance of selected organizations within law enforcement, the criminal justice system, the penitentiary system and, in the case of Mexico, the military. The chapter explores major transformations and reforms within these institutions that did not always result in better performance. I also undertake a systematic comparison of the two countries’ security organizations and draw some conclusions about their influence on organized crime.

Chapter 4 presents detailed case studies of the evolution of criminal organizations in Mexico and Russia during and after the periods of political transition, from the early 1990s to 2014. The analysis is supplemented by within-case studies of selected organized crime groups in each country. These case studies illustrate the trends in regime characteristics and state capacities discussed in previous chapters, together with their relationships with organized crime. The chapter concludes with a comparison of the two countries’ criminal landscapes.

Finally, Chapter 5 summarizes my main analytical and empirical findings, draws generalizable conclusions and outlines avenues for future research on the relationships
between political regimes and organized crime. The structured, focused comparisons I use throughout the thesis allow for a systematic evaluation of the similarities and differences between the two countries and reveal typical patterns governing relationships between regimes and organized crime. Each chapter has a similar structure: after a brief introduction to their shared theoretical framework, I conduct a separate analysis for each country, using the same research foci. Each chapter concludes with a section comparing the two countries.

Although organized crime plagues almost every society, its relationship with political regimes is still little understood. Literature on regime change has largely overlooked the issue of organized crime. Even in criminology, comparative studies of the phenomenon of organized crime are not common. By exploring the interactions between political regimes and organized crime, this study attempts to bridge the gap between criminology and political science by examining this traditionally criminological and sociological object of study within the framework of comparative politics.¹ In particular, the study shows that changes in the nature of organized crime are influenced by changes to the institutions of state-sponsored protection. The study’s key argument is that, under weakly institutionalized political regimes, states often lack the capacity to enforce order in their territories. This renders them far more vulnerable than stable, consolidated regimes to the penetration of the state apparatus by organized crime. In other words, the state’s capacity to control organized crime decreases in fragile democracies and increases in stable autocracies.

CHAPTER 1
ON THE STUDY OF POLITICAL REGIMES AND ORGANIZED CRIME IN MEXICO AND RUSSIA: NOTES ON THEORY AND METHOD

The breakdown of authoritarian regimes in various countries during the “third wave”\(^2\) of democratization that began in the 1970s gave rise to optimism about the prospects for the establishment of democracy and the rule of law in those countries. However, the mismatch between the traditional model of democratization\(^3\) and the diverse practices occurring in the new post-authoritarian states soon forced scholars to reconsider the “transition paradigm.”\(^4\) By the 1990s, it had become evident that some states experience significant difficulties arriving at consolidated democracy: many either remain in the “grey zone” (neither fully authoritarian nor a full-fledged democracy) or revert to authoritarianism.\(^5\) Many contemporary post-authoritarian states suffer from inefficient governments and widespread corruption and face both high levels of insecurity and challenges from powerful illegal actors.

Political scientists have largely ignored the subject of organized crime in their studies of democratic transitions. But political transitions provide especially fertile ground for studying how the political-criminal nexus generates uncertainty about acceptable behavior,

thus creating an institutional vacuum “where control is secured neither by the old authoritarian and premodern institutions, nor by their new, more modern, democratic successor institutions.” Informed by these insights, studies at the intersection of criminology and political science have increasingly emphasized the relationship between state authorities and criminal actors as one of collusion, a revision of previous popular conceptions of the mafia as a parasitic organization operating in an exclusively illegal realm beyond state control. This study will focus on the state’s capacity to control organized crime under a specific political regime or during the transition from one regime to another. I will discuss the normative implications of political regimes in the conclusion of the dissertation. In the main body of this thesis, I’ll examine democratization process and its reversal primarily in terms of their impacts on state capacity and implications for organized crime.

Both sociology and criminology have produced vast literatures on the causes of organized crime. Some scholars, influenced by the field of economics, focus on the opportunity structures created by dysfunctional economies. According to this perspective, criminals are rational actors exploiting market opportunities, such as the demand for

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prohibited or scarce goods or services. Building on this economic approach to organized crime, scholars with an economic-institutional focus often highlight the inability of the state to enforce property rights and protect its citizens. As a result, organized crime competes with the state in enforcing contracts and protection.

Other, more structural, path-dependent explanations focus on the historical legacies of authoritarian periods. Such legacies include the absence of legal constraints on dominant parties, weak or nonexistent civil society, and an extensive shadow economy. The all-pervasive prevalence of patron-client relations in such societies is of particular importance since it creates a breeding ground for the development of political criminals and the police protection of criminals, as well as undermining the professional character of law enforcement and judicial institutions. Similarly, informal networks formed during single-party rule may lead to the persistence of a resilient criminal-political nexus post-transition. The resulting breakdown of established patterns of social interaction changes the nature of organized crime, as does the deeply rooted corruption of state officials, and a general atmosphere of “social trauma.”

The present study combines approaches from

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17 Joseph Albini et al., “Russian Organized Crime.”
economics and politics in order to explain the political and institutional conditions that favor certain types of organized crime.

1.1 State Coercive Capacity and Organized Crime during Political Transitions

According to Max Weber’s classic definition, the state is the principal holder of “the legitimate use of physical force within a given territory.”\(^\text{18}\) Although numerous critiques of this definition have highlighted the contested nature and legitimacy of the state’s monopoly on violence,\(^\text{19}\) several recent studies from the fields of sociology and comparative politics have found it analytically useful to focus on the coercion component of the Weberian concept of the state. Carlos Flores Pérez argues that the inability of the state apparatus to exercise control over its territories following the breakdown of authoritarianism is the crucial factor that has facilitated state capture by private interests, such as organized crime groups, in some recently democratized countries, including Mexico and Russia.\(^\text{20}\) Brian Taylor examines the major role played by control over security organizations or “power ministries” in the relationship between the federal government and the regions in post-Soviet Russia.\(^\text{21}\) Vadim Volkov explores the ways in which control over the means of violence empowered criminal actors in Russia, in the context of the weakened state,


following the breakup of the Soviet Union. Building upon this theoretical framework, I will define state capacity to control organized crime in terms of the efficacy of security organizations, such as police and judicial institutions, a factor that may vary over time and have a variety of impacts on the criminal landscape.

Numerous policy reports and academic studies have pointed to the weaknesses of law enforcement and the judiciary as major factors fueling corruption and organized crime. However, there have been few systematic analyses conceptualizing and measuring this weakness. This dissertation attempts to bridge this gap by measuring the capability of security institutions against their effectiveness and stability. The effectiveness of any organization depends on how well it fulfills its main functions, while its stability can be gauged by the frequency of major organizational changes within that institution. A political regime with effective and stable security organizations should be able to control any criminal actors that challenge its governance. Regime transitions are, in a sense, periods of state building, as old institutions are transformed or replaced by new ones. Transitional periods create opportunities for different actors, such as criminal groups, to contest the state’s authority. The degree to which the state controls security institutions determines its capacity to enforce the law and suppress organized crime in its territories.

The state is understood here as a set of bureaucratic institutions that establish law and order over a national territory. Political regimes are defined here by the type of access

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23 This measure of stability is borrowed from recent institutionalist literature in comparative politics focusing on the enforcement of formal rules and the stability of institutions as fundamental dimensions of institutional strength (see Steven Levitsky and Maria Victoria Murillo, “Variation in Institutional Strength,” Annual Review of Political Science 12 (2009): 115-133). However, the exclusive focus on formal rules does not allow for a thorough analysis of institutions in the context of political transitions, where formal rules frequently go unobserved and are subject to frequent revisions.
to political power they afford (the existence or absence of electoral competition, for example) and by their broader relationships with their citizens. I therefore classify states in terms of their capacity (low or high) and regimes in terms of their political systems (democratic, authoritarian or hybrid).24

The effectiveness of a state monopoly over coercion may vary over time and space and across societal sectors.25 A country can also move in either direction along the democratic-authoritarian continuum at different times in its history. The question is not so much how powerful organized crime is, but who controls the principal means of violence in a country. The following chapters will show that, by controlling its security organizations effectively, a stable authoritarian regime can regulate and even exploit organized crime. An unstable democracy, by contrast, tends to have weaker control over its security institutions and this allows criminal organizations to enjoy a degree of autonomy from the government.

Besides state capacity, another significant factor that influences the development of organized crime is the market. The market provides the context in which actors operate:—state authorities and criminals alike. By changing their structures, markets open

24 This separation of state from regime is open to dispute. Guillermo O’Donnell has proposed a more comprehensive view of the state, whether democratic or authoritarian. His definition encompasses three fundamental dimensions: bureaucratic, legal and societal. According to O’Donnell, besides a set of public bureaucracies, “the state is also, and no less primarily, a set of social relations that establishes a certain order, and ultimately backs it with a centralized coercive guarantee, over a given territory.” See Guillermo O’Donnell, On the State, Democratization and Some Conceptual Problems (A Latin American View with Glances at Some Post-Communist Countries), Working Paper #192, Kellogg Institute, April 1993, 6.

25 Some states, including many “third-wave” democracies, apply institutional rules extremely heterogeneously across their national territories. O’Donnell theorizes that these states’ maps include “brown spots,” areas in which citizens’ political rights, such as the freedom to vote, free speech and freedom of association, are respected; but in which liberal aspects of democracy, such as equal access to the law by different social sectors, are constantly violated. See Guillermo O’Donnell, On the State, Democratization and Some Conceptual Problems. These “brown spots” are prevalent in varying degrees in both Mexico and Russia, as I will partially illustrate, using vignettes. A broader subnational analysis is, however, beyond the scope of this brief dissertation.
up new opportunities for criminal actors. We witnessed this in Mexico following the liberal economic reforms of the early 1980s to early 1990s, when deregulation, privatization and trade liberalization encouraged a spike in illicit drug-trafficking and money laundering.\textsuperscript{26} The markets shifted to an even greater extent in Russia, as a result of the transition to a market economy in the late 1980s to early 1990s, when the legalization of private business activities and sudden privatizations triggered an upsurge in illegal entrepreneurship.

Opportunity structures are powerful drivers of organized crime and a source of its power. However, while this dissertation takes the context of economic liberalization into consideration, a detailed economic analysis is beyond the scope of this study.

The central focus of this dissertation is organized crime: a concept bristling with definitional controversies and on whose definition neither scholars nor policy makers have been able to reach a consensus. Following Klaus von Lampe’s suggestion to avoid any all-encompassing definition of organized crime, this dissertation breaks the phenomenon down into three aspects: its structure, activities and relationship with the state.\textsuperscript{27} A closer look at each of these dimensions will allow us to distinguish between different forms of organized crime and arrive at the generalizable characteristics of the phenomenon. In other words, this research emphasizes the fluid nature of organized crime and the diversity of its possible manifestations.


1.2 Mexican and Russian State Capacity in Historical Perspective

1.2.1 Mexico’s Democratic Adventure

For 71 years, Mexico was governed by an electoral authoritarian regime, dominated by a single party, the Revolutionary Institutional Party (PRI), which ruled Mexico in its own unique manner from 1929 to 2000. By skillfully combining limited political competition with state repression and co-opting various social groups, the Mexican government managed to ensure the stable and peaceful handover of power from one PRI president to another. The regime also coexisted relatively peacefully with drug trafficking networks tolerated or even organized by local politicians. By the 1980s, when drug trafficking in Mexico had grown to an unprecedented scale, the structure of Mexican organized crime had come to resemble the state’s hegemonic grip on power as it was largely dominated by a monopoly network known as the Guadalajara cartel. This huge cartel directed the transportation of heroin and marijuana, and later of Colombian cocaine, to the United States. The illicit business, however, was mostly under the control of the authoritarian

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29 Guillermo Valdés, Historia del narcotráfico en México (Mexico: Aguilar, 2013); Luis Astorga, El siglo de las drogas.


31 In the mid- and late 1980s, the illicit business of Mexican drug traffickers grew exponentially as a result of harsh interdiction efforts by the U.S. government that closed the Caribbean route for Colombian cocaine entering U.S. territory. As a result of these interdiction efforts, the role of Mexican criminal networks increased as Colombia’s cocaine flows were rerouted through Mexico. See Bruce Bagley, “The Colombian-Mexican-U.S. Connection: Drug Trafficking, Organized Crime and Violence,” University of Miami, 2009.
regime, whose power was based on the brutality of its security institutions and on centralized political power. Criminal networks operated under the patronage of state officials, including the Federal Security Directorate (DFS) itself. Since the authoritarian Mexican government was highly centralized, allowing the president broad powers, the state protection of criminal networks rested on the government’s coordinated efforts to impose its own rules on criminal actors. Until the late 1980s, drug-trafficking organizations had well-defined areas of influence in which they operated with the consent of and oversight by local government authorities. Most of those local officials, of course, belonged to the same party and their political careers were heavily dependent on presidential favor.

The complicity between the regime and organized crime allowed the latter to grow significantly more powerful, even during the 80s, as the authoritarian regime began inching towards its eventual demise. The first milestone of the democratic transition was marked by the gubernatorial elections of 1989, in which a non-PRI governor was elected for the first time. This spurred further democratization of the country, and national and local elections gradually became more competitive during the 1990s. Eventually, political stability was replaced by uncertainty over local and national electoral results. At the same time, in the early 1990s, under the administration of Carlos Salinas (1988-1994), Mexico embarked on a project of economic liberalization characterized by the reduced role of government in the economy. This gradual, peaceful process of political and economic

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33 Guillermo Valdés, Historia del narcotráfico en México, 91.
liberalization, which culminated in an opposition victory in the presidential elections of 2000, was lauded by observers as one of “the most encouraging cases of democratization in recent years.” However, the uncertainty over political outcomes had unanticipated consequences for the relationship between the state and organized crime. The increasing turnover of power led to the breakdown of established bribery mechanisms and the disruption of habitual transactions between criminals and politicians, while the economic reforms provided additional opportunities for drug traffickers to exploit market liberalization.

In Mexico, the democratization process went hand in hand with the decentralization of decision-making power: i.e. the transfer of resources and power to lower-level authorities. In the 1990s, as part of this devolution of power, the security organizations—which had served as a tool of political repression for the PRI government during its hegemony and had provided cohesive, state-sponsored protection for criminal actors—were undergoing a process of decentralization and continual administrative reforms, aimed at reducing corruption among officials. This significantly crippled the state’s ability to keep criminal organizations in check. Thus, as Mexico’s democratization process continued into the nascent twenty-first century, state control mechanisms to deal with organized crime

36 Thomas Carothers, “The End of the Transition Paradigm,” 15; Larry Diamond also praises Mexico as a democratization success story and an exception to the trend towards democratic recession (see Larry Diamond, “The Democratic Rollback: The Resurgence of the Predatory State,” Foreign Affairs 87, no. 2 (2008): 37. Others have been skeptical about Mexico’s ability to overcome its security challenges, right from the outset. Louise Shelley, for example, stresses the legacies of the period of PRI domination, such as institutionalized corruption (see Louise Shelley, “Corruption and Organized Crime in Mexico in the Post-PRI Transition,” Journal of Contemporary Criminal Justice 17, no. 3 (2001): 213-231).
were gradually weakening. In the late 1990s and early 2000s, as the political regime became more plural and decentralized and less coordinated, drug trafficking organizations achieved a significant degree of autonomy from the government and turf wars became more common.\footnote{Luis Astorga, \textit{El siglo de las drogas}, 162.}

### 1.2.2 Russia’s Democratic Experiment and Its Reversal

From the early 1920s until 1990, Russia was under the totalitarian rule of the Communist Party of the Soviet Union (CPSU). The highly centralized government controlled every aspect of social and economic life in the Soviet Union’s vast territories, through the excessive use of repression by its security organizations, such as the Committee of State Security (KGB). There were no free elections in the Soviet Union and the career prospects of party officials throughout the country were dependent on the will of the General Secretary of the Party. Under this centrally planned economy and centralized, repressive political regime, the only loophole for market exploitation appeared in the 1960s, after the death of Stalin, with the creation of manufacturing and trade workshops (\textit{tsekh}) that produced surplus merchandise sold for cash, thus bypassing the state accounting system. Government and law enforcement officials protected this underground economy in exchange for generous bribes.

The development of this shadow economy was preceded by the formation of a different group of illegal actors: the “thieves-in-law.” The association of “thieves-in-law,” a well-organized, hierarchical community of criminals, had existed since the early 1930s
and followed a strict code of conduct, developed inside prisons.\textsuperscript{40} In the 1960s, in the wake of the massive development of the informal economy, “thieves-in-law” changed from being mere robbers to running a protection racket.\textsuperscript{41} They served as a regulatory mechanism, an intermediary between various shadow economy actors and corrupt state officials. These alliances between “thieves-in-law,” participants in illegal businesses and representatives of state institutions had already laid the foundation for organized crime in 70s and 80s Russia, even before the mid-1980s brought the drastic liberalization of the economy known as \textit{perestroika}.\textsuperscript{42}

The disintegration of the Soviet Union in 1991 and the subsequent fall of the authoritarian regime brought about new institutions intended to usher in democracy in Russia. In 1990s Russia, changes similar to the parallel developments in Mexico described above were already under way: the pluralization of politics and uncertainty over electoral results disrupted the stable interactions between criminal actors and state officials. Moreover, the drastic privatization reforms, the decentralization of political power and the resulting social crisis exacerbated the problem by providing opportunities for an increasing number of criminal gangs. Democratizing Russia witnessed an explosion in the number of criminal actors who were quick to take advantage of the resulting economic opportunities


\textsuperscript{41} In 1979, informal entrepreneurs and “thieves-in-law” established an agreement: the former had to pay 10% of their profits to the latter in exchange for the protection. See V. Ovchinsky, V. Eminov and N. Yablokov, eds., \textit{Osnovy bor’by s organizovannoy prestupnost’yu} (Moscow: INFRA-M, 1996); Yuri Latov, ‘Vory v zakone’ kak sub’ekty rynochnoy modernizatsii v Rossii, Higher School of Economics, Moscow, 2001, \url{http://ecsocman.hse.ru/data/354/679/1219/023.LATOV.pdf}.

\textsuperscript{42} Yakov Gilinskiy and Yakov Kostjukovsky, “From Thievish Cartel to Criminal Corporation,” 199.
and institutional vacuum. By the mid-1990s, organized crime in Russia had reached an unprecedented scale. At the heart of this phenomenon were corrupt bureaucrats and law enforcement officials who provided protection to criminal groups and acted increasingly independently of the central state, sometimes even undertaking criminal enterprises themselves. Criminal groups, meanwhile, penetrated practically all spheres of the economy and made inroads into political institutions. Thus, under the incipient democratic regime, the state could not fully control either its own security institutions or criminal organizations.

By the second half of the 1990s, democratization had come to be associated with lawlessness and socioeconomic crisis. The Russian population had become disenchanted with the democratic experiment and the idea of “strong” state appealed to many. When Vladimir Putin was elected president in 2000, he began consolidating the power of the federal government by centralizing security organizations and co-opting those business elites who had managed to legalize their illicit fortunes. Under the Putin administration, Russia has become increasingly authoritarian again. Nowadays, circumstances closely resembles the period of PRI hegemony in Mexico, when the regime survived by using institutional mechanisms to suppress opposition and mobilize voters. The security

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organizations, including the judicial system, play an important role in this: the regime often uses them to suppress opposition. One distinctive feature of contemporary Russia is that the state usually chooses “the letter of the law” as its weapon, rather than direct violence against its opponents. Bureaucratic traps, under the guise of rules and formalities, are widely used for political purposes.\textsuperscript{47} In exchange for their loyalty, coercive agencies have been awarded broad powers to deal with the criminal world; they have assumed the role of primary protectors for all kinds of illicit businesses. Under the electoral authoritarian regime, Russian organized crime was not eradicated, but domesticated and instrumentalized by the state.

1.2.3 Incomplete Transitions and State Capacity in Mexico and Russia

The historical trajectories of Mexico and Russia over the past century can be divided into three periods. During approximately the same historical period (early 1920s-1989),\textsuperscript{48} Mexico and Russia were “police states,” states “which are able to effectively penetrate society and ensure that their most important decisions are implemented, but which serve the goals of the rulers while generally neglecting the needs of citizens.”\textsuperscript{49} The most important aspect of the police state is its capacity to enforce order through the use of force, a practice which goes against the civil values of an ideal democracy. Indeed, the

\textsuperscript{47} One of the most notorious examples is the treatment of opposition leader Alexei Navalny, who faced constant legal impediments to participation in the electoral competition. In addition to fabricated cases against Navalny and his allies, his Party of Progress had to surmount multiple bureaucratic obstacles to be officially registered in different Russian regions. According to the Navalny’s website, local authorities resorted to numerous techniques to block due process and prevent the party’s participation in official politics. See Alexei Navalny, “Novosti registratsii ‘Partii Progressa’,” Navalny (blog), July 17, 2014, http://navalny.com/p/3678/.

\textsuperscript{48} Although the CPSU continued to be the only allowed party permitted in the Soviet Union until 1990, the previous year marked the opening of the political system with the first relatively free elections to a higher legislative body.

\textsuperscript{49} Brian Taylor, \textit{State Building in Putin’s Russia}, 20.
authoritarian governments of the PRI and CPSU were able to exercise significant control over organized crime, while also suppressing opposition and exercising authoritarian control over civil society.

The subsequent transitional stage (from approximately 1989 to 2000), by contrast, was characterized by the breakdown of old patterns of the regimes’ dominance over criminal actors and weakening state capacity. Both Mexican and Russian governments were undergoing a process of decentralization and the erosion of state authority; civil society was gradually awakening after a long period of suppression; and new actors were now allowed to compete in the political arena. The relationship between the state and organized crime became more competitive and both countries experienced a dramatic rise in violence. At this stage, the organized crime-state nexuses in both Russia and Mexico were characterized by relationships in which organized crime predated on the state by providing an alternative source of goods and services and neither wielded ultimate control, but instead formed shifting alliances with each other and among themselves.⁵⁰

The final period (2000-2014), the main focus of this analysis, witnessed two different scenarios resulting from the previous transitional stage. The democratic transitions were incomplete in both countries; both lacked the institutional conditions necessary for the installment of new regimes, after the fall of authoritarianism. As a result, Mexico and Russia’s paths finally diverged, in the aftermath of the transitional period. Although its democratic institutions had not yet been consolidated, Mexico followed the path of democratization by maintaining competitive elections, but it fell short of providing

its citizens with security or reducing corruption. Organized crime therefore continues to flourish in Mexico and the state’s capacity is very low. Russia, by contrast, is in a “democratic recession.”\textsuperscript{51} After Vladimir Putin assumed power in 2000, his government set a course towards the reversal of political liberalization, the expansion of executive power, and the intimidation of the opposition: all the telltale characteristics of an electoral authoritarian regime.\textsuperscript{52} By doing so, they managed to contain the spread of violent organized crime and exploit criminal-political links to their advantage.

In order to theorize the relationship between organized crime and the state, I will combine several existing models of the state-crime nexus.\textsuperscript{53} As Table 2.1 shows, this relationship is subject to change over time. According to Klaus von Lampe’s typology, the various constellations of crime-state nexuses can be divided into two broad categories: organized crime as a non-state actor separate from the government (which nevertheless enters into various relationships with the latter); and organized crime that exists within the state apparatus, committed by state actors.\textsuperscript{54} The first type includes relationships based on the corruption of public officials, such as in PRI-dominated Mexico or in Russia during its transition to a market economy. It also includes confrontational relationships marked by indiscriminate violence and the unprecedented targeting of public officials by members of organized crime groups. Clear examples of this kind of relationship include Mexico during the Calderon administration, and, to a lesser degree, 1990s Russia.

\textsuperscript{54} Klaus von Lampe, \textit{Organized Crime}, 263.
The second type of state-crime nexus includes cases in which criminal groups are composed of state agents from within the government, such as groups of police officers who extort money from both criminal and legal businesses. This practice is omnipresent in twenty-first century Russia, where state security agencies compete for control over both illicit and legal businesses. Another variant on state-crime collusion is “state capture,” in which criminals are able to influence and shape government policies to their advantage. Although this type of relationship does not seem to dominate the state-crime nexus at the national or state levels in contemporary Mexico, it does exist at the municipal level, where local authority campaigns are often financed by members of organized crime syndicates.55

In all these scenarios, the power balance between the state and organized crime depends on the resources, both material and non-material, available to each actor. Together, these resources ultimately constitute the state’s capacity. Under the state elite dominance model, the state and organized crime are two separate actors and the former exploits the latter through the mechanisms of corruption and selective law enforcement. A fragmented-contested relationship is formed when both actors engage in a major confrontation, but neither wields ultimate control. Finally, a symbiosis of the state with organized crime develops when criminal structures and activities operate within the state apparatus. These differences in the configurations of the state-crime nexus suggest that the type of political regime may determine the type of organized crime found within a society. Table 1.1 presents a summary of Mexico and Russia’s historical trajectories in terms of their respective states’ capacity to control organized crime.

## Table 1.1. Political Regime and State Capacity in Mexico and Russia, 1920-2014

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>early 1920s-1989</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Regime type</strong></td>
<td><em>Electoral authoritarian regime:</em></td>
<td><em>Totalitarian regime:</em></td>
</tr>
<tr>
<td></td>
<td>- dominant party</td>
<td>- single party</td>
</tr>
<tr>
<td></td>
<td>- noncompetitive elections at both local and national levels</td>
<td>- noncompetitive elections at local level, no elections at national level</td>
</tr>
<tr>
<td></td>
<td>- centralized government</td>
<td>- centralized government</td>
</tr>
<tr>
<td></td>
<td>- weak civil society</td>
<td>- weak civil society</td>
</tr>
<tr>
<td><strong>State capacity</strong></td>
<td><em>High state capacity:</em></td>
<td><em>High state capacity:</em></td>
</tr>
<tr>
<td></td>
<td>- the government has centralized control over security organizations (holds a monopoly on violence)</td>
<td>- the government has centralized control over security organizations (holds a monopoly on violence)</td>
</tr>
<tr>
<td></td>
<td>- “police state”</td>
<td>- “police state”</td>
</tr>
<tr>
<td><strong>Org. crime – State relationship</strong></td>
<td><em>State elite dominance:</em></td>
<td><em>State elite dominance:</em></td>
</tr>
<tr>
<td></td>
<td>- organized crime serves elites, is treated as a “cash cow”</td>
<td>- organized crime serves elites, is treated as a “cash cow”</td>
</tr>
<tr>
<td></td>
<td>- top-down state control</td>
<td>- top-down state control</td>
</tr>
<tr>
<td></td>
<td>- state elites are able to suppress organized crime when its services are no longer needed</td>
<td>- state elites are able to suppress organized crime when its services are no longer needed</td>
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<td><strong>1989-2000</strong></td>
<td></td>
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<tr>
<td><strong>Regime type</strong></td>
<td><em>Democratic transition:</em></td>
<td><em>Democratic transition:</em></td>
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<tr>
<td></td>
<td>- party alteration at local level</td>
<td>- party alteration at local level</td>
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<tr>
<td></td>
<td>- competitive elections</td>
<td>- competitive elections</td>
</tr>
<tr>
<td></td>
<td>- decentralized government</td>
<td>- decentralized government</td>
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<tr>
<td></td>
<td>- emerging civil society</td>
<td>- emerging civil society</td>
</tr>
<tr>
<td><strong>State capacity</strong></td>
<td><em>Low state capacity:</em></td>
<td><em>Low state capacity:</em></td>
</tr>
<tr>
<td></td>
<td>- central government’s control over security organizations weakens</td>
<td>- central government’s control over security organizations weakens</td>
</tr>
<tr>
<td></td>
<td>- erosion of state authority</td>
<td>- erosion of state authority</td>
</tr>
<tr>
<td>Org. crime – State relationship</td>
<td>Fragmented-contested:</td>
<td>Fragmented-contested:</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td></td>
<td>- neither side wields ultimate control, instead they form shifting alliances - power flows in two directions (top-down and bottom-up, from politicians to criminals and vice versa)</td>
<td>- neither side wields ultimate control, instead they form shifting alliances - power flows in two directions (top-down and bottom-up, from politicians to criminals and vice versa)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Mexico</th>
<th>Russia</th>
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<table>
<thead>
<tr>
<th>2000-2014</th>
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<tbody>
<tr>
<td>Regime type</td>
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</table>

| State capacity | Low state capacity: |
|               | - central government’s control over security organizations weakens |

<table>
<thead>
<tr>
<th>Org. crime – State relationship</th>
<th>Fragmented-contested:</th>
<th>Symbiosis:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- neither side wields ultimate control, instead they form shifting alliances - power flows in two directions (top-down and bottom-up, from politicians to criminals and vice versa)</td>
<td>- organized crime is part of the state - both sides are mutually dependent - state elites are able to suppress organized crime when needed</td>
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</tbody>
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The goal of this project is to uncover the causal mechanisms that led to the shifts in state capacity and, consequently, in the nature of organized crime during the periods of regime change in Mexico and Russia. A survey of the relevant literature reveals three

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56 As Chapter 2 will show, the level of robustness of civil society in Mexico remained rather high from 2000 to 2012, but began to decline in 2012.
processes which stand out among the factors that have shaped organized crime in the two countries: changing levels of federalism; shifts in electoral competition; and changes within civil society. In particular, this research has been guided by the following theoretical expectations:

1: During the transition from authoritarianism to democracy, the initial phases of electoral competition and the emergence of a multi-party system may be associated with higher levels of violence among organized crime groups.

2a: Greater federalism and subnational autonomy, if accompanied by the decentralization of security institutions, are associated with the erosion of the central government’s capacity to control organized crime.

2b: A reversal of initial trends towards federalism and subnational autonomy, accompanied by the recentralization of security institutions, is associated with the greater capacity of central state institutions to reassert control over organized crime.

3: Incomplete market liberalization generates new interests and opportunities that give rise to new agents. This leads to: 1) new types of criminal actors; 2) greater fragmentation of organized crime groups; and 3) the proliferation of organized crime activities.

4: Weaker civil societies tend to be associated with: 1) the involvement of organized crime in a greater range of activities; 2) closer links between state officials and criminals.
1.3 Methodological Approach

In order to test the proposed theoretical expectations, this research employs structured focused comparisons.\textsuperscript{57} In other words, the analyses of the two countries are structured around the same questions in both cases. The study focuses on only those aspects relevant to the relationship between the Mexico and Russia’s respective political regimes and organized crime. In addition, this inquiry combines within-case analyses with a cross-case comparison. These complementary methods allow for both the detailed analysis of each case in its specific historical context and the simplification of historical contexts necessary to allow us to generalize across cases.\textsuperscript{58}

Russia and Mexico may be geographically distant and culturally distinct, yet there are more similarities between them than you might think at first glance. Throughout the twentieth century, both countries experienced major political changes at roughly the same times: both the Mexican and Russian revolutions occurred in the second decade of the twentieth century, culminating in the same year, 1917; both upheavals gave way to authoritarian dominant-party regimes that lasted 71 and 70 years in Mexico and Russia respectively; both countries experienced economic liberalization during the 1980s, followed by the demise of their respective authoritarian regimes and ensuing democratization during the 1990s. Nevertheless, there have been very few scholarly comparisons of Mexico and Russia. Most comparisons that do exist amount to only a brief


\textsuperscript{58} Alexander George and Andrew Bennett, \textit{Case Studies and Theory Development}, 18.
mention: mostly by observers of Mexico. To my knowledge, no systematic comparison of organized crime in the two countries has been conducted to date.

A comparison of Russia with Mexico highlights the similarity of the organized crime challenges faced by the two countries. Unlike other countries that have witnessed the rise of large-scale organized crime, such as Italy, United States, China, Japan, and Colombia, both Mexico and Russia experienced its eruption in the wake of transitions from authoritarian to democratizing regimes. However, the two cases differ in both the dynamics of their transitions and their subsequent political trajectories. Russia experienced a drastic change: from communism and totalitarianism to a formally democratic system and a market economy. Mexico, by contrast, experienced the gradual opening-up of an inclusive authoritarian regime and a relatively smooth transition from a de jure to a de facto democracy. Mexico’s economic liberalization also happened gradually and produced significantly fewer new market opportunities than Russia’s transition to a market economy. These different trajectories led to similar outcomes in terms of the type of organized crime they produced: characterized by its fragmentation, increasing use of violence and growing autonomy from the state. In the later period, however, the countries’ paths diverged, as Russia witnessed the reconsolidation of authoritarianism under Putin while Mexico enjoyed growing political pluralism. At the same time, organized crime in Russia gradually adopted a less violent form, and became more dependent on state-sponsored protection. Mexico experienced increasing levels of violence and the diversification of organized

crime activities and the Mexican state failed in its efforts to control criminal groups. While it is too early to analyze the consequences of the PRI’s 2012 return to power in Mexico, Russia’s example provides us with a possible scenario for the development of a criminal-political nexus in the context of the reconsolidation of authoritarianism.

This dissertation analyzes the period following the momentum of the first economic reforms, which led to further political opening and administrative decentralization in both countries. In Russia, this period begins with the collapse of the communist regime in 1989-1991 and ends in 1999, with the end of Boris Yeltsin’s administration. I also apply this analysis to the period 2000-2014, in which Vladimir Putin reconsolidated central government power. The analysis of Mexico begins in the late 1990s, when opposition parties started gaining significant power at the local level; and focuses on 2000-2014, which witnessed the two presidential administrations of the opposition National Action Party (PAN) and the beginning of the current PRI administration of Enrique Peña Nieto.

Using structured focused comparison, each country is systematically examined across three major aspects of regime change – the level of decentralization, the level of electoral competition and the changes to civil society – and then compared across all three dimensions. In order to facilitate the cross-country comparisons, I utilize the V-Dem online analytical tool produced by the Varieties of Democracy project which measures democracy across multiple dimensions. The V-Dem dataset provides standardized indicators which capture the multidimensional nature of democracy worldwide, thus making cross-national comparisons possible.

This analysis is followed by an examination of the effectiveness of each country’s security organizations, an indicator of changes in state capacity. The organizations selected
for study are directly tasked with combatting organized crime: police, the judicial system, the penitentiary system and (in the case of Mexico only) the military. The effectiveness of these coercive institutions is defined by their ability to fulfill their main functions and is measured using both official statistics and secondary sources.

Because of the limited availability of data on organized crime, due to its latent nature, this study employs the qualitative research method. Governmental statistics constitute the primary data source for the analysis of security organizations and trends in organized crime. However, both the Mexican and Russian governments are known for the unreliability of their official records. This project is therefore heavily reliant on secondary sources, such as journalistic accounts and research reports. These are crucial if you want to obtain information about actual practices within security organizations, which frequently do not correspond to the legal rules.

Although the process of political transition has been uneven within both Russia and Mexico, with high subnational variation in terms of administrative decentralization, reform implementation and electoral competition, a subnational analysis is beyond the scope of this research. Instead, the within-case analyses provide detailed examinations of the evolution of specific criminal organizations which are illustrative of general trends in organized crime in both countries. These within-case studies elucidate the workings of the causal mechanisms behind the changing relationships between the regimes and organized crime. The criminal organizations selected are representative of the evolution and transformation of organized crime in the two countries since they persisted during the transitional periods and present variation over time, in their structures, activities and
relationships with the government. The results of the within-nation analyses will be compared within a common theoretical framework in order to draw generalizable conclusions.

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60 Each criminal organization is analyzed across three characteristics: structure, activities and relationship with the state, following Klaus Von Lampe’s framework. See Klaus Von Lampe, *Organized Crime*, 27.
CHAPTER 2

THE UNFINISHED BUSINESS OF TRANSITION:
POLITICS AND CRIME DURING REGIME CHANGE

Over the most of the twentieth century, Mexican and Russian political systems were dominated by the single-party regimes in which the PRI and the CPSU respectively held a monopoly on power for over 70 years each. Their grip on power weakened significantly in the 1980s and came to an end in 1991 in Russia with the fall of the Soviet Union; and in 2000 in Mexico, when an opposition party won presidential elections. After a decade of chaotic political and economic liberalization, Russia turned back to autocracy in 2000, though conserving some of the democratic features. Mexico, in contrast, remained primarily on a democratic path conserving authoritarian features in some localities.

Although criminal networks existed under both single-party authoritarian regimes mainly in the form of illicit drugs smuggling (in Mexico) and underground economy (in Russia), their operations were controlled by party officials who systematically received their share of profits for shielding criminal actors from legal prosecution. During the transitions from authoritarian rule, deadly and violent organized crime erupted in both countries, with criminal organizations stretching their tentacles over new illicit activities and predating on state weaknesses at an unprecedented scale. After Russia’s return to autocracy, its organized crime became less salient and appears again to be subject to the state’s will.

Why did the democratizing Mexico saw the outbreak of organized crime violence and why did Russian organized crime become less violent and more controllable when Russia returned to the authoritarian regime? In other words, what are the specific features
of a political regime that affect its capacity to control organized crime? This chapter analyses three factors that conditioned the development of organized crime in Mexico and Russia during the process of regime change and its aftermath (encompassing the 1989-2014 period in both countries): electoral competition, decentralization of protection and the robustness of civil society. These three factors represent essential features of the regime change in Mexico and Russia and, taken together, reveal underlying tendencies towards either democratic or authoritarian extreme. In other words, based on these characteristics, it will be possible to place each political regime on the democratic–authoritarian continuum in order to better understand their differences and their relationship with organized crime. While a more authoritarian but strongly institutionalized regime is likely to control the spread of organized crime and the levels of violence associated with it, a more democratic but weakly institutionalized regime may find itself coping with mushrooming criminal groups and high levels of violence.

### 2.1 Electoral Competition

The rise of electoral competition is an essential element of the democratization process. However, political competition is conflictual in nature as it implies the existence of multiple actors competing for power. In the context of a transition from relatively stable forms of authoritarianism, the rise of competition among different political actors (parties, factions, interest groups, illegal armed actors) can often lead to instability because of the uncertain outcomes of elections. Those actors who are about to lose their power may resort to violence in an attempt to preserve status quo.61 Since organized crime in Mexico and in

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the former Soviet Union enjoyed a relatively stable protection from their respective dominant parties (the PRI and the CPSU), the breakdown of the authoritarian regimes and the emergence of other political actors as important players brought instability and uncertainty regarding the mechanisms of protection. This uncertainty often led to heightened competition among criminal actors. Therefore, increased political competition is expected to lead to an increase in organized-crime-related violence.

National-level electoral competition is measured by using the Varieties of Democracy project’s (V-Dem) indicator “elections multiparty.” By “multiparty” is meant the existence of a number of political parties in competition for power within the executive or legislative bodies. The country’s elections are rated as 4 (on a scale of 0 to 4) when they are assessed as multiparty. When one main opposition party is prevented from contesting while other parties are competing freely, the elections are called “almost multiparty” and rated as 3. The elections where at least one opposition party is allowed to contest but the competition is highly constrained – by legal or informal means – are classified as “constrained” and rated as 2. The score 1 denotes “not really multiparty” elections in which no party but multiple candidates from the same party compete for legislative seats or the presidency. Finally, the lowest score 0 refers to the absence of any meaningful competition, when there are no parties or a single party controls a few existing opposition parties. In sum, the higher the score on this indicator, the higher electoral competition is.

To complete the national-level measure, the second indicator is used that reflects the degree of electoral competition at subnational level, that is, in regional and local governments. The subnational party control indicator, also elaborated by the V-Dem

project, reflects the level of control exercised by a single party over regional and local policymaking bodies. When a single party controls virtually all policymaking bodies in all or almost all subnational units (at least 90%), the subnational party control scores as 0 (on the scale of 0 to 2). When 66% to 90% of subnational units are controlled by a single party, the subnational party control scores as 1. Finally, when a single party controls all policymaking bodies in less than 66% of subnational units, the subnational party control scores as 2. In other words, when the subnational party control is high (that is, rated as 0), the electoral competition at the subnational level is virtually absent. In contrast, low subnational party control (rated as 2) means that there is high electoral competition at subnational level. In a transitional setting, high electoral competition (reflected in multiparty elections at the national level and low party control at the subnational level) is expected to create favorable conditions for the proliferation of organized crime and lead to the rise of organized-crime-related violence.

2.2 Decentralization of Protection

Although democratization does not always imply decentralization, these two processes in practice were highly correlated in Mexico and Russia. Both countries share a common federal structure where government consists of three tiers – federal, regional (states in Mexico and oblast’s – provinces in English—in Russia) and local (municipalities) – but, like all federations, they vary across space and time in their degree of decentralization.

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64 Although academic literature points out different types of decentralization, this dissertation refers to political decentralization, or the devolution of decision-making power from the federal to regional and local governments.
During the authoritarian periods in both countries, main political decisions, including those related to security policies and resource distribution, were adopted at the federal level by party leaders while subnational-level government officials had to execute them in order to remain in power. That is, authoritarian regimes in both countries were politically centralized. Likewise, the protection that criminals received from politicians was centralized and depended ultimately on the party leaders.

The democratization process altered the relationship between federal and local politics; local governments in Mexico and Russia received higher degree of autonomy and were able to limit the regulation of their activities by the central government. The decentralization of decision-making power implies the existence of a greater number of relevant players than under a more centralized government. The more players are involved, the more difficult it is for different levels of government to achieve coordinated actions. Criminal organizations, in turn, have to pay bribes to a higher number of local officials as well as to arm themselves in order to resist other criminal organizations. As a result, the equilibrium of protection became compromised and turf wars among different criminal groups became more probable. Thus, political decentralization can lead to the increase in the levels of violence.

The degree of the decentralization of protection depends on which level of government takes security-related decisions thus determining the interaction among politicians, security organizations and criminals. The decentralization of protection is

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measured by the number of police forces at each level of government as well as by looking at which level of government funds law enforcement tasks. A centralized government is expected to be more effective in controlling organized crime than a decentralized one.\textsuperscript{66}

### 2.3 Robustness of Civil Society

Societal factors also play an important role in shaping organized crime during political transitions. When a robust civil society\textsuperscript{67} is able to monitor and expose governmental wrongdoings, the mechanism of “social accountability” is in place.\textsuperscript{68} As a result, such control mechanisms as independent media and social mobilization, allow non-governmental organizations (NGOs) and other social associations challenge corruption in public offices thus contributing to the establishment of the rule of law. In order for criminals to infiltrate governmental structures freely, the citizens must be either not capable or not willing to resist the influence of organized crime. Thus, the presence of robust civil society can prevent the evolution of organized crime into a stage when it becomes symbiotic with the government. In contrast, by suppressing civil society, the regime creates favorable conditions for the spread of corruption and organized crime into all levels of government.

Robust civil society is understood “as one that enjoys autonomy from the state and in which citizens freely and actively pursue their political and civic goals, however


To measure the robustness of civil society, the V-Dem project has designed the *core civil society index* that ranges from 0 to 1. The 0 value refers to a context in which citizens are not free to collectively pursue their political and civic goals; and 1 refers to a context where citizens can participate actively and autonomously from the government in pursuing their political and civic goals. The closer a particular civil society is to 0, the weaker it is. Weaker civil societies tend to be associated with the involvement of organized crime in a greater range of activities; and closer links between state officials and criminals (stronger criminal – political nexus).

This chapter argues that the described factors foment certain nature of organized crime in the context of a political transition. Although general literature indicates that there is a relationship between other factors, such as geographic location, level of industrialization and socio-economic context, and the form of organized crime on a certain territory, they are not incorporated into this analysis as they are beyond the theoretical scope of this research.

### 2.4 Mexico

Mexico is a federation composed of 31 states, one federal-status city (Mexico City) and 2,435 municipalities. During the 1990s, the country experienced gradual changes both in political and economic systems. Organized crime, that had been present in Mexico for decades, also transformed and adapted to the new conditions. This section explores how such factors as the increase in electoral competition, the decentralization of protection and

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69 Michael Coppedge et al., *V-Dem Codebook v6*, 61.
the suppression of civil society in the transitional Mexico created new opportunity structures for organized crime.

2.4.1 Electoral Competition in Mexico

Although Mexico has been a formal democracy with regularly held elections since 1917, the national and local elections were constrained and their outcome was predictable during the most of the twentieth century. The PRI maintained an electoral authoritarian regime by ensuring their victory at all levels of government and still holding regular elections as a façade. On the wake of the economic crisis of the 1982, when the PRI’s political influence was significantly weakened, opposition parties were able to make inroads into the local politics by winning several municipal elections. Electoral competition then expanded to the state level with the first opposition victory of the gubernatorial election in 1989, when the Party of National Action (PAN) took power in Baja California state. Figure 2.1 shows that since the beginning of the 1990s (the earliest available year in the V-Dem database is 1991), Mexico’s score on the “elections multiparty” indicator was continuously rising until reaching the mark of 3.9 in 1997. That year, the federal legislative elections took place and the PRI lost the majority of the seats in the Chamber of Deputies for the first time. Finally, the 2000 PAN victory in the presidential elections marked the transition to a multiparty political system. The level of electoral competition further maintained stable until the last presidential elections of 2012 (also the last available year in the database).

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Similarly, the number of sub-national units with an incumbent party other than the PRI has been steadily growing during the last decade of the twentieth century and maintained at the same level during the first decade of the twenty-first century (see Figure 2.2). If in 1988 Mexico scored 0.4 on the “subnational party control” indicator – meaning that the PRI had virtually controlled policymaking bodies in almost all subnational units – in 1990, the score went up to 0.9. That is, during the decade prior to the turning point of 2000, the PRI preserved control over most of the subnational units, but not all of them. Finally, in 2000, the score jumped from 0.9 to 1.7, which reflects the weakening control of the PRI over the subnational politics. Indeed, as of 2014, the PRI governed 19 out of 32 states, followed by the PAN (6 states) and the PRD (4 states). At the local level, the PRI governed 63% of municipalities followed by the PAN and the PRD who controlled 16%
and 10% of municipalities respectively.\textsuperscript{71} By 2014, 24 states had seen a non-PRI governor at least once.\textsuperscript{72} Thus, in just one decade of the 1990s, Mexico moved from constrained to multiparty electoral competition and from a single-party control over subnational politics to the political pluralism.

Figure 2.2. Subnational Party Control in Mexico, 1988-2014

![Subnational party control](image)

Source: Graph generated by Varieties of Democracy Online Analysis, https://v-dem.net/en/analysis/variableGraph/.

Governors in Mexico are elected every six years, cannot be reelected and, due to the increasing political pluralization, it is often unpredictable which candidate will hold the next office. In the context of uncertain election results, informal agreements between


politicians and criminals became unstable which created a situation of uncertainty prompting criminal organizations to arm themselves and compete for turf. Establishment of different political parties at different levels of sub-national governments created a situation where more officials had to be bribed by a criminal organization in order to ensure its control over the illicit activities on a respective territory. As the costs of drug trafficking went up, criminals had to diversify their activities for a greater revenue. At the same time, the enforcement of informal agreements with criminals resulted compromised because of frequent alternations of parties in power. Thus, political competition resulted in criminal competition – with a violence tag attached to it – among different DTOs fighting for territorial control.

In this context, the survival strategy of organized crime included fragmentation (emergence of new fractions and split off groups as well as street level gangs) and diversification of their activities in order to finance their fight for turf. According to calculations by the Mexican scholar Eduardo Guerrero, there were about 11 organized-crime groups active in Mexico in 2007, whereas in 2010 their number reached 114.

Political competition, however, does not always predict violent outcomes. Some states, such as Veracruz and Tamaulipas remained strongholds of the PRI power, traditionally governed by a governor from this party. While Tamaulipas had very little party alternation at the municipal level (the majority of mayors have belonged to the PRI);
Veracruz has seen much more political competition among mayors, with the governing party at the state level remaining consistent (PRI). Nevertheless, these states were engulfed by violence and infighting among different drug-trafficking organizations for the territorial control. Thus, even under a one-party monopoly over the state government, there can be an increase in violence due to the turf wars. Therefore, the political competition does not seem to predict violent outcomes, but rather serves as a favorable context for them.

2.4.2 Decentralization of Protection: Going Local

Recent studies on Mexico show that the increase in drug-related violence during the late 1990s and 2000s can be partially attributed to the political decentralization as well as the administrative decentralization of law enforcement organizations, such as the Attorney General’s Office and Federal Judicial Police. As Rios points out, “as institutions become more decentralized, the ability of the central government to control lower level authorities and keep them from engaging in independent corruption activities should decrease.”

In the context where party officials could control and regulate illicit drug-trafficking activities, even the corruption mechanisms within local and federal police forces were structured hierarchically, reflecting the authoritarian and centralized nature of the

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78 This situation changed in 2016, when the PAN gained the governorship in both states.
79 Tamaulipas has long been a scene of turf wars between the Gulf cartel and its former affiliate Los Zetas; while Veracruz has been disputed among Los Zetas, the Gulf cartel, the Sinaloa cartel and Cartel Jalisco Nueva Generación (CJNG). David Saúl Vela, “Cártel de Jalisco se expande a Veracruz para enviar drogas,” El Financiero, May 5, 2015, http://www.elfinanciero.com.mx/nacional/cartel-de-jalisco-se-expande-a-veracruz-para-enviar-drogas.html.
regime. That is, the tasks of providing protection to some criminal organizations and selectively punishing others were given to security organizations directly by the top officials within the PRI and bribes were distributed accordingly. Under the PRI regime, every local police force was responsible for providing protection to drug-trafficking business within its respective jurisdiction.

During the period of the PRI hegemony, Mexican municipalities merely implemented most of state and federal decisions. In the 1980s-1990s, however, local governments began to obtain greater resources, functions and powers. With the increasing party alternation at the local level, municipalities gained greater autonomy from regional and federal governments. Now they could determine their sources of income and expenditures and had a greater say on a range of local issues, including law enforcement, while steadily receiving more funds from the federal government. Notably, among federal funds for these functions, public security sector presented most mismanagement, according to the external audit.

Mexican police is a highly decentralized institution. It is regulated by all three levels of government – federal, state and municipal – where state and municipal police

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84 Alejandra Gómez Céspedes, “The dynamics of organised crime in Mexico.”
constitute roughly 33% and 40% of all national police forces respectively (Table 2.1). As of 2010, out of total 430,000 police forces in Mexico, 40,000 were federal, 227,000 state and 164,000 municipal.89 About one fourth of the public security funds are provided by the states.90 This leads to huge disparities in the performance of police forces at subnational level, poor coordination among them and opens the possibility for linkages to organized crime.

Table 2.1. Breakdown of Mexico’s Law Enforcement Personnel (June 2007)

<table>
<thead>
<tr>
<th>Police</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Preventive Police and National Migration Institute</td>
<td>18,296</td>
<td>4.97%</td>
</tr>
<tr>
<td>State ministerial police</td>
<td>25,615</td>
<td>6.95%</td>
</tr>
<tr>
<td>Federal ministerial police</td>
<td>5,900</td>
<td>1.60%</td>
</tr>
<tr>
<td>State preventive police</td>
<td>94,587</td>
<td>25.68%</td>
</tr>
<tr>
<td>Mexico Federal District preventive police</td>
<td>77,132</td>
<td>20.94%</td>
</tr>
<tr>
<td>Municipal preventive police</td>
<td>146,785</td>
<td>39.85%</td>
</tr>
<tr>
<td>Total Police</td>
<td>368,315</td>
<td>100.00%</td>
</tr>
</tbody>
</table>


Although there is no strict causal relation between police decentralization and violence, high decentralization of law enforcement created favorable conditions for the collusion of police and criminals. It is precisely the municipal level police that is considered the most vulnerable to penetration of organized crime. During a professional evaluation initiated by the Calderon administration, 13% of all municipal police did not pass the

certification exam.\textsuperscript{91} Mayors in some localities have been able to provide protection to criminal organizations through loyal police chiefs to the extent that led some analysts to talk about the “Co-opted State Reconfiguration” at the municipal level; that is, a situation when criminal organizations seek to alter and influence the political regime from within by altering public policies at their advantage.\textsuperscript{92} While these weaknesses were offset by the strict centralized control during the PRI governance, they came into surface when the government became increasingly less coordinated and protection jurisdictions became uncertain.\textsuperscript{93}

While there was a significant increase in drug-related violence during the Calderon administration, it was concentrated in certain areas. In 2007, only 15\% of municipalities had experienced growth in drug-related homicides while in 2011 this number increased to 44\%.\textsuperscript{94} From 2007 to 2011, during the Calderon administration, the proportion of municipalities infected with drug-related homicides organized crime violence increased from 15\% to 44\%.

This surge in criminal activities by DTOs was possible due to the tight cooperation between police and criminals. Since there is no reliable data on how many policemen were suspected and sentenced on corruption charges, the argument can be demonstrated using

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{93} Viridiana Rios, “How Government Structure Encourages Criminal Violence.”
\end{itemize}
\end{footnotesize}
illustrative cases. On September 26th, 2014, 43 students from a rural teachers’ college – Ayotzinapa – in the state of Guerrero were kidnapped by the municipal police in the town of Iguala, Guerrero, (with the possible complicity of state and federal police as well) and handed over to the local drug cartel called Guerreros Unidos. Two years later there was still no trace either of the students or their bodies. This egregious tragedy vividly demonstrates the collusion of criminal groups and local authorities in Guerrero and in many others regions of Mexico. According to various reports, the Iguala mayor’s brother-in-law was the leader of the Guerreros Unidos and the mayor himself had been directly implicated in a prior murder of a local activist two years earlier.95 The mayor’s wife used her political influence to protect the criminal group in exchange for generous bribes. Federal government intervened late in the case of Ayotzinapa and initially was blaming the local authorities for their lack of competence.96 A statement by the president Peña Nieto himself serves as evidence of the federal government’s lack of control over some of Mexican municipalities: "The Iguala tragedy has combined unacceptable conditions of our institutional weakness that cannot be ignored. A criminal group in control of the territory; municipal authorities who were part of the criminal organization’s structure itself; municipal policemen who in fact were criminals at the orders of delinquents."97

The state of Michoacan serves as another illustration of the dysfunctionality of municipal governments. In the first decade of the twenty first century, violence in the state spin out of control; the number of municipalities where organized crime operated expanded

from 5 during the early 2000s to 112 in 2014 out of 113 total.\textsuperscript{98} Criminal organization La Familia Michoacana, as well as the criminal group Los Caballeros Templarios later, were able to dictate their rules and extort all classes of population including mayors of some municipalities.\textsuperscript{99} The state government has been impotent and practically absent in Michoacan which led the federal government to intervene with federal police and military forces in the first year of Calderon administration. The state is a site of an infamous “michoacanazo,” a 2009 federal operation in which the total of 38 local and state officials, including 11 mayors, were arrested on charges for providing protection to La Familia Michoacana cartel. Notably, all of them were shortly released and reinstated in their capacities due to the “lack of evidence” by the federal investigators.\textsuperscript{100}

Localized nature of politics led to the fragmentation of organized crime groups and localization of criminal activities.\textsuperscript{101} The example of Guerreros Unidos, a local criminal gang working closely with local level authorities, demonstrates how fragmented the structure of organized crime became during the period of political changes. Most of criminal groups focused on local level crimes, instead of large-scale transnational business.

Thus, the lesser regulation by the central government of regional and local policies as well as poor coordination among the three levels of government resulted in the breakdown of established bribery mechanisms and the blurring of territorial limits of criminal operations. The ensued violence put in light a symbiotic nature of political –

criminal nexus. Although the measure to create a unified police command (*mando único*) was proposed repeatedly by the Calderón administration, it was stalled in the PRI-dominated congress. The security crisis during the period of the PAN presidencies, however, prompted the government of Enrique Peña Nieto to launch a legislative initiative to substitute more than 1800 municipal police agencies with 32 highly professional state police departments, a step toward a greater centralization of the police. It remains to be seen if this measure will boost the police performance.

### 2.4.3 Civil Society Robustness in Mexico

Before the democratic transition, the Mexican hegemonic party did not pursue suppression of civil society, but rather its cooptation. Many special interest organizations, such as labor and peasants, were incorporated within the PRI that exerted control over them. During the 1990s, the Core Civil Society Index for Mexico grew from 0.46 in 1991 to 0.85 in 2001 (Figure 2.3). In that period, civic associations managed to advance several democratic reforms, and the Index maintained at a relatively high mark of 0.85-0.84 throughout the PAN presidencies. However, according to experts, civic organizations’ achievements have been limited and the civil society in general remained weak and unable to exert a significant leverage on political parties. Indeed, the decrease of the Core Civil Society Index after

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102 Jan Martínez Ahrens, “Peña Nieto elimina la policía municipal.”

103 The measure did not clarify, however, how the professionalization of the state police forces would be carried out initially or maintained over time or what would be the fate of the corrupt police officers dismissed from the purged municipal forces. This latter issue is especially critical because tens of thousands of corrupt or unqualified municipal policemen could be purged and, thus, become available to organized crime groups as *sicarios*, as has occurred in Mexico repeatedly over the last decade.


the PRI administration of Peña Nieto came to power in 2012 demonstrates the volatile nature of the civil society achievements during the previous administrations.

Figure 2.3. Core Civil Society Index for Mexico, 1988 – 2014

*Core civil society index*

*Source:* Graph generated by Varieties of Democracy Online Analysis, https://v-dem.net/en/analysis/VariableGraph/.
Social polarization in Mexico is one of the causes of general mistrust in both public institutions and other people outside one’s inner circle. As a result, informal networks and clientilistic practices pervade Mexican society undermining any attempt of reforming the police and contributing to the “unrule of law”. The mistrust in the police among Mexican citizens leads to the underreporting of crimes. According to the Mexico’s national victimization survey ENVIPE 2012, only 12.8% of crimes are been reported to the police. This lack of collaboration between citizens and police in providing security creates a favorable environment for organized crime operations.

In the case of Mexico, organized crime seems to be especially rampant in communities with poor societal organization because there is no strong civil society to prevent its development. At the same time, in localities that are strategically important and have civil society formations, criminals try to eliminate them in order to conduct their illicit operations unchallenged. The above mentioned example of the forced disappearance of the 43 students in the town of Iguala, Guerrero, also serves as an illustration of the confrontational relationship between civil society and organized crime in Mexico. Rural teacher’s colleges, like the Rural Normal School of Ayotzinapa where the missing students came from, have been historically for poor students, have had close ties to guerrilla movements and have been considered a cradle of social unrest. Since the municipality where the crime took place was controlled jointly by Guerreros Unidos and a
mayor linked to them, the political-criminal alliance was decisive in suppressing protest groups that could potentially disrupt their criminal activities.

In the aftermath of the Iguala event, civil rights activists reported numerous police abuses and arbitrary detentions during peaceful demonstrations in front of the National Palace in Mexico City in November 2014. The government’s often brutal responses to legitimate popular demands and its decision to charge some protesters with federal crimes suggest that the Peña Nieto’s administration seized an opportunity to suppress an incipient social movement under the guise of fighting organized crime. Thus, while presenting a democratic facade to the international community, the Mexican state has remained authoritarian in practice by continuing to marginalize and criminalize potentially disruptive civil society movements.

The weakness of civil society in Mexico can be also observed in the deficiencies of freedom of speech evidenced by abuses against journalists. The Committee to Protect Journalists calculates 33 journalists’ murders confirmed to be directly related to their work since 1992. However, according to the Reporters Without Borders, who uses different

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10 For example, on November 20, 2014, during a major manifestation on the Mexico City main square in demand of justice in the Ayotzinapa tragedy, Federal and Mexico City police arbitrarily detained 11 civilians and physically abused many others. The detainees were falsely accused of organized crime, attempted murder and riot, and transported to the SEIDO (Office for Special Investigations on Organized Crime). They were released a week later and reported multiple physical and psychological abuses by the SEIDO personnel. See “Detenidos del #20NovMx acusan torturas físicas y psicológicas; piden garantías,” Proceso, November 30, 2014, http://www.proceso.com.mx/389465/detenidos-del-20novmx-acusan-torturas-fisicas-y-psicologicas-de-autoridades.

11 On the wake of the forced disappearances perpetrated in many cases by the police and military forces, families of the victims and other activists take initiative of searching their relatives in their hands. One of such initiative is Gobernanza Forense Ciudadana (Citizen Forensic Governance) headed by two young forensic scholars who conduct searches and identifications of human “restos” found in mass graves. As stated by the leaders themselves, the purpose of the organization is to “deprive the State experts of the monopoly on truth.” See Jenaro Villamil, “Gobernanza Forense Ciudadana: la búsqueda independiente,” Proceso, December 27, 2014, http://hemeroteca.proceso.com.mx/?page_id=278958&aa51dc26366d99bb5fa29e4747565fec=391644.

methodology, a total of 89 journalists and other communications workers were murdered in Mexico between 2000 and 2015, with a notable rise in murders during the Calderon’s offensive against drug-trafficking organizations. In the 2016 World Press Freedom Index, Mexico ranks 149th out of 180 countries which makes it the deadliest country for the media in the Western Hemisphere. The killings and forced disappearances of journalists are more common in states controlled by organized criminal groups and plagued by corruption among public officials, such as Tamaulipas, Veracruz and Michoacán. The majority of victims are media workers who cover the topics of corruption and security and expose links between criminals and politicians. For example, fourteen Veracruz journalists were murdered from 2000 to 2015, which prompted Reporters Without Borders to list the state among the most dangerous places in the world for media workers. The state has seen an unprecedented number of journalists’ killings since the PRI governor Javier Duarte took office in 2010. The assassination of most of the reporters is believed to be related to their work in exposing state corruption and links to organized crime as well as criticizing the governor. The lack of freedom of speech does not only highlight the incompleteness of Mexico’s democracy, but also reveals the criminal-political nexus that is especially pronounced at the local level.

In sum, the weakness of civil society in Mexico during the transitional years allowed for its suppression by the criminal – political alliance. The relationship between citizens and organized crime evolved from that of accommodation during the PRI rule to the one of confrontation in the 2000s, when society became heavily affected by criminal activities.

2.5 Russia

In the late 1980s-early 1990s, Russia endured drastic political and economic changes. These changes began in the second half of the 1980s with the Gorbachev’s perestroika and implied both political and economic liberalization. At the same time, after the collapse of the highly centralized unitary state in 1991, the country transited to a highly decentralized federal form of government. As for the beginning of 2014, Russian Federation was composed of 83 regions, including two federal-status cities (Moscow and St. Petersburg).\(^{117}\) However, the degree of electoral competition, federalism and robustness of civil society has varied over time in the post-Soviet Russia. This section analyzes how these factors affected organized crime, which underwent serious transformations parallel to those of the political regime.

\(^{117}\) After the annexation of the Crimean peninsula in 2014, Russia counts 85 regions.
2.5.1 Electoral Competition in Russia

During the existence of the Soviet Union, there was only one party, the Communist Party of the Soviet Union which essentially controlled all aspects of political and socio-economic life in the country. Thus, the analysis of the electoral competition in Russia starts with the first elections to the Soviet Congress in 1989. These elections, however, were semi-competitive, serving as a political tool for Gorbachev to advance his reform agenda, rather than an instrument of crafting democracy. First Russia’s presidential elections occurred in 1991, shortly before the collapse of the Soviet Union, in the context of social revolution, when neither democratic institutions had been crafted nor rules of the game had been agreed upon. In contrast, the 1993 parliamentary elections, which were founding for Russia, drew all major political forces into the contest. The 1995-1997 electoral cycle, when both parliamentary and gubernatorial vote took place, is considered by analysts as the most competitive in the post-Soviet history of Russia.

As shown on Figure 2.4, during the 1990s, Russian legislative and presidential elections were closer than ever to be considered entirely competitive; throughout most of the 1990s, Russia maintained the score of 3.7 on “elections multiparty” indicator, which falls between “almost multiparty” and “multiparty” categories. After Putin de facto came to power in 1999, the competitiveness level of national elections (both parliamentary and presidential) decreased gradually until it fell into the category of “constrained,” reaching the 2.8 mark in 2012. Since then, there has been no transfer of power between different political forces at the national level. A similar dynamics can be seen at the subnational

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level elections. In 1989, right before the collapse of the Soviet Union, the CPSU controlled all policymaking bodies in almost all subnational units, scoring 0.1 on the V-Dem scale (Figure 2.5). The dominant party still controlled most regional and local politics in the first years after the fall of the USSR but the politics were becoming increasingly plural. For the second half of the twentieth century, the “subnational party control” indicator remained at its highest level, 1.3 points. Indeed, during the 1995-1997 electoral cycle, the 52 gubernatorial elections showed a high degree of uncertainty and the incumbents lost in about half of them.\(^\text{119}\) In contrast, the 1999-2001 regional elections resulted just in one third of changes in governorships after allegedly rigged elections,\(^\text{120}\) which is reflected in the score drop down to 0.8 points. The downward trend continued until 2014 reaching 0.3 points that year. Thus, on both national and subnational levels, by 2014 Russia returned to the levels of electoral competition as low as at the moment of the Soviet Union’s fall.

\(^{119}\) Michael McFaul and Nikolai Petrov, “Elections,” 46.  
\(^{120}\) Michael McFaul and Nikolai Petrov, “Elections,” 50.
Figure 2.4. Degree of Competitiveness of National Elections in Russia, 1989-2012

*Elections multiparty*

Source: Graph generated by Varieties of Democracy Online Analysis, [https://v-dem.net/en/analysis/VariableGraph/](https://v-dem.net/en/analysis/VariableGraph/).

Figure 2.5. Subnational Party Control in Russia, 1989-2014

*Subnational party control*

Source: Graph generated by Varieties of Democracy Online Analysis, [https://v-dem.net/en/analysis/VariableGraph/](https://v-dem.net/en/analysis/VariableGraph/).
It is precisely in the decade of the heightened electoral competition, during the mid-1990s, when criminal organizations and smaller groups mushroomed all over the post-Soviet space, thriving on multiple economic opportunities and the inability of the State to control them. The level of electoral competition presents significant variations across Russia’s regions; and in the 2001-2010 decade, Irkutsk region (oblast’) was one of the national leaders in political pluralism, according to the Russia’s regional democracy rating.121 Situated in Eastern Siberia, it is an industrially advanced region, home to metallurgy, mining, logging, and oil industries. It is also home to multiple criminal groups that, to certain degree, have presence in all cities of the region and in all sectors of the local economy. Irkutsk crime rates, for example, are 70.5% higher than the average Russia’s crime rates.122 Most of the street crime as well as most of the 200 criminal groups detected by law enforcement are supervised and coordinated by the Bratskaya criminal organization,123 the largest and most powerful criminal organization in the Eastern Siberia formed in the late 1980s.124 The Bratskaya’s monopoly on most businesses, however, is constantly disputed by other criminal groups, consisting of ethnic minorities (such as Ingush and Chechen criminal groups).125 Many illegal activities in the region receive protection from local administration, as in the recent case of illegal logging carried out by

121 See the democracy rating of Russian regions, compiled by the Carnegie Moscow Center in Nikolai Petrov and Aleksey Titkov, Reyting demokratichnosti regionov Moskovskogo Tsentrta Karnegi: 10 let v stroyu (Moscow: Carnegie Moscow Center, 2013), http://carnegieendowment.org/files/CP_Petrov_Rus_2013.pdf.
123 Named after their home city of Bratsk, Irkutsk region.
125 Ibid.
a small group of people (4 persons) personally supervised by a local mayor. There was even a situation in the period of 2001-2010 when 6 mayors of the region were simultaneously under arrest on corruption charges.

Given the available evidence, it is difficult to establish a strict causal relationship between the level of electoral competition and levels of violence. Nevertheless, it is safe to argue that the absence of stable political protection for illicit businesses—that results from high electoral competition—prompts the competition among numerous criminal groups. Moreover, the nature of organized crime in regions also depends on other factors, such as the presence of large industrialized cities and their infrastructural connectedness with Moscow and St. Petersburg. It is typical of Russian organized crime to take root in large industrialized cities with plenty of opportunities for profit.

2.5.2 Decentralization and Recentralization of Protection in Russia

One of the major results of the collapse of the Soviet Union was a process of rapid decentralization of Russian politics combined with fiscal decentralization. During the 1990s, regional elites became increasingly autonomous from the federal government, controlling key economic and administrative resources in many regions and cities. At the same time, the central government’s coercive and distributional capacity significantly weakened. Local governments did not have incentives to perform well as they were not controlled by the Center in the absence of a strong party system. Local politics were

127 Anna Repetskaya and Anna Khristyuk, “Organizovannye prestupnye soobschestva,” 27.
characterized by the collusive relationship between local officials and economic elites (enterprise directors). These politico-economic coalitions have resisted the central government and prevented it from exercising effective governance in the regions.

Devolution of resources from the federal to regional governments included the decentralization of the control over coercion.129 Governors obtained the right to partially fund police personnel which resulted in about one-third of police units supported by local and regional budgets. Since subnational budgets had less resources than the federal one, the capacity of the regime to contain the spread of multiple groups dedicated to protection racket lowered significantly compared to the Soviet period.

Since Putin came to presidency, he began the process of recentralization of politics by implementing institutional reforms directed at the strengthening of vertical power. The country was divided in seven federal okrugs with a federal executive representative appointed to supervise each okrug. As part of the larger federal reform, the central government began consolidating its control over local law enforcement. In 2001, soon after Putin assumed office, he issued a decree that created regional MVD departments for each federal district, all coordinated by the MVD central apparatus in Moscow. This move had as its purpose to remove the control over law enforcement from the realm of subnational governments. This strategy was culminated by the 2011 Law on the Police that consolidated the control over police forces under the President. The law revoked the 1993 provision of shared funding and reinstated total federal funding for police forces, including the transfer of land properties occupied by police into federal disposition. Thus, the federal

129 See Brian Taylor, *State Building in Putin’s Russia.*
government in Russia regulates the delivery of public security services, provides funds for them and executes public security policies.

High level of centralization is also reflected in the system of appointments of regional police chiefs that depend on the decision in the MVD central apparatus in Moscow. The central apparatus also actively employs the mechanism of horizontal rotation of cadres. That is, police chiefs are periodically relocated from one region to another, which ensures their loyalty to their superiors in Moscow rather than to the governors.\footnote{Nikolay Petrov, “Siloviki in Russian Regions: New Dogs, Old Tricks,” \textit{The Journal of Power Institutions in Post-Soviet Societies} 2 (2005), http://pips.revues.org/331.} As a result of these law enforcement and political recentralization reforms, the Russian state was able to reduce the levels of violence in Russia by prosecuting the most violent of criminal groups and by regaining control over key country’s resources.

In sum, although the federal center had weakened significantly vis-à-vis local-based organized crime during the 1990s, it was able to partially reinstate its capacity to control criminal activities throughout the country by consolidating its control over the law enforcement. Security organizations have played a key role in the process of recentralization of protection in Russia during the 2000s. Regional differences still remain but the regime capacity to control violent organized crime prevail over most of the country’s territory.
2.5.3 Civil Society Robustness in Russia

During the Soviet rule, the Communist Party prohibited any voluntary political or human rights association, suppressing civil society activity outside governmental structures. Thus, the post-Soviet Russia inherited a weak civil society in terms of its political impact and civic engagement. The situation changed with the advent of the liberal opening (known as *perestroika* and *glasnost*) in 1985, when the Core Civil Society Index rose from the minimal 0.06 in 1985 to its highest mark of 0.73 over the 1990s (Figure 2.6). In 2000, the index began dropping reaching 0.31 mark in 2013-2015, the lowest in the post-Soviet period. The drop in the index can be partially attributed to the government’s restrictive legislation on nongovernmental organizations and the crackdown on peaceful mass manifestations that gained momentum in 2012.

Figure 2.6. Core Civil Society Index for Russia, 1985 – 2015

*Core civil society index*

*Source:* Graph generated by Varieties of Democracy Online Analysis, https://v-dem.net/en/analysis/VariableGraph/.
From December 2011 till 2013, Russia saw a major wave of mass anti-government protests in Moscow against allegedly flawed parliamentary elections. The manifestations, initially organized by the leaders of several opposition parties, prompted the Putin’s administration to adopt restrictive laws on protest actions. Some of the manifestations ended with massive arrests of protesters, including opposition leaders Boris Nemtsov and Alexei Navalny.

Indeed, it has become common in recent years for the Russian government to use legal institutions to suppress independent movements thus not allowing for the development of a robust civil society. During the 2012 anti-government political manifestations, departments for serious crimes investigation all over the country were charged with political cases aimed at punishing protesters.

In another example, the so-called “artwork theft case” that took place in 2014, the investigators accused an ally of the opposition leader Alexei Navalny in stealing a painting by a street artist from a public space fence in the city of Vladimir. The case looked even more absurd when the theft of an unknown painting of approximately $2 value was taken by the department of especially serious crimes. As it appears, the criminal process targeting activists from Navalny's Anti-Corruption Foundation was part of a broader campaign against Navalny after he had helped to lead the anti-government protests in 2011-2012. These examples demonstrate that law enforcement in Russia is highly politicized. In particular, with the strengthening of authoritarian tendencies in Russia under the Putin’s presidency, the Investigative Committee eventually became a powerful player in Russian politics and a governmental tool of selective justice.
The pressure on independent media has steadily grown since the Putin’s return to the Kremlin in 2012. All major TV-channels in Russia are state-controlled. Although there are a few independent radio and newspaper outlets, they play marginal role in spreading information among general population. Russia occupies the 148\textsuperscript{th} place in the 2016 World Press Freedom Index (just one place above Mexico) out of 180 countries. Since 2012, the government started to implement restrictive legislative measures against advocacy and human rights nongovernmental organizations, especially those receiving funds from abroad. As a result, after the adoption of the repressive laws, the Ministry of Justice designated 131 groups as “foreign agents.” By June 2016, at least 18 groups, among them prominent civil rights NGOs, had to stop their work, while many others had to limit their activities.\textsuperscript{131}

According to the Committee to Protect Journalists, the total of 36 journalists were murdered in Russia since 1992 in direct reprisal for their work.\textsuperscript{132} Most of them reported on corruption and crime. The most resonant case has been the assassination in 2006 of Anna Politkovskaya, a prominent journalist, writer and human rights activist, a vocal critique of Putin’s policies, who exposed human rights violations perpetrated by the Russian military in Chechnya.

It is important to note, however, that there has been a wave of anti-corruption measures in the recent years, during which numerous public officials, including an ex-Minister of Defense, were charged with embezzlement. These cases, however, rarely end with severe punishment. The fight against corruption in Russia is mostly top-down,

\textsuperscript{132} Committee to Protect Journalists, https://www.cpj.org.
initiated by the federal government, and is highly selective. When the governmental wrongdoings are exposed by civil society representatives they encounter serious obstacles.

In addition, the sense of entitlement for civil rights and liberties as an inherent attribute of democracy is relatively weak among Russian population. According to the 2010 survey conducted by the Levada Center, 72% of Russian citizens would accept “some violations of democratic principles and limitations on civil liberties,” if needed to maintain order (meaning political and economic stability). In contrast, only 16% of respondents prioritize democracy even when “it implies a loosening of the grip on destructive and criminal elements.” These results suggest that the majority of the population in Russia associates democracy with the disorder (based on the experience of the 1990s) and prefers the order that comes at the cost of transparency and civil liberties. The mechanism of “social accountability” can hardly work in these conditions. The individuals or organizations that expose corruption among public officials are often threatened with legal action, harassed, prosecuted, or even killed. In the general environment of impunity and corruption, organized crime is free to act under the governmental protection.

2.6 The Transition Process in Mexico and Russia

This chapter analyzed the regime characteristics of Mexico and Russia in the periods of political transitions in order to situate these countries on the continuum of democracy – authoritarianism. The political regimes in both countries have evolved after the collapse of the twentieth-century authoritarianisms. Figures 2.7-2.9 clearly show the convergent and

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divergent dynamics when comparing Mexico and Russia. Before 2000, both countries followed similar paths of democratization, meeting the basic requirements of the competitive elections and the freedom of civil society fairly well. Further, while the Mexico’s political system became increasingly competitive and more decentralized, especially after the 2000 presidential elections, Russia, after a decade of political pluralism in the 1990s, reverted its course towards less competitive and more centralized government (Figures 2.7 and 2.8). Civil society in both countries sprang during the transitional years, then maintained stable during pluralist governments, but later came under pressure revealing authoritarian tendencies of the new governments (Figure 2.9). In terms of human rights violations and freedom of press, Mexico and Russia are almost at the same level.

Figure 2.7. The Degree of Competitiveness of National Elections in Mexico and Russia, 1991-2012

Source: Graph generated by Varieties of Democracy Online Analysis, https://v-dem.net/en/analysis/VariableGraph/.
Figure 2.8. Subnational Party Control in Mexico and Russia, 1988-2014

Source: Graph generated by Varieties of Democracy Online Analysis, https://v-dem.net/en/analysis/VariableGraph/.

Figure 2.9. Core Civil Society Index for Mexico and Russia, 1984 – 2014

Source: Graph generated by Varieties of Democracy Online Analysis, https://v-dem.net/en/analysis/VariableGraph/.
The major effect that the rise in electoral competition through the decade of the 1990s had on organized crime in both countries was the breakdown of established corruption networks. This introduced the element of uncertainty in transactions between politicians and criminals and increased competition among criminal groups. Just like rival drug-trafficking organizations in the transitional Mexico were left on the territories controlled by the contending political parties, having to bribe different levels of government for protection; newly created business enterprises in Russia, both legal and illegal, acted in the context of contending protection agencies and uncertain corruption mechanisms.\textsuperscript{134}

Political decentralization in Mexico and Russia has been accompanied by the decentralization of law enforcement, or the transfer of responsibilities for maintenance of law and order from federally-controlled local branches to regional or local government authorities. Decentralization of protection led to the spread of corruption to different levels of government and spheres of life. As a result, the equilibrium among the existing corruption networks broke down and prompted criminal organizations to become more violent in their turf wars for illicit businesses, to fragment into smaller groups and look for new sources of revenue. The low levels of coordination among different territorial branches of security organizations and among security organizations themselves reduced the regimes’ capacity to fight the spread of criminal activities. While in Mexico, the decentralization continued well into the 2000s, in Russia, the process reverted in many ways in the 2000s, when Putin began regaining control over the vast political terrain. The Russian law enforcement has been more centralized than its Mexican counterpart and, as a

result, the Russia’s regime capacity to reduce violence and dominate organized crime has been significantly higher.

Both countries entered the transitional stage with weak or non-existent civil societies that became more robust over the transitional years. However, corruption had become so deeply entrenched in the society itself during the authoritarian periods that civil society was not to deter criminal-political alliances from evolving. In Russia, organized crime has been coopted by the regime but has not been allowed to dominate politics. In contrast, in Mexico, criminal groups have proven to be stronger than politicians on many occasions and have managed to influence the political regime. In both cases, however, the regimes have routinely suppressed civil society not allowing the control mechanisms of social accountability to develop fully and prevent the spread of corruption. Moreover, a decentralized government, such as the Mexican, facilitates the localization of organized crime and violence related to it within local communities. Thus, unlike electoral competition and decentralization, the robustness of civil society does not present significant variation between the cases of Mexico and Russia. This suggests that in the context of initially absent or weak civil society, it is a less consequential factor when it comes to the development of organized crime.\textsuperscript{135}

In sum, Mexico’s institutions and civil society entered the processes of electoral competition and decentralization unprepared. While the country has moved further in democratic direction in the beginning of the 2000s, it submerged deeper in violent turf wars among multiple criminal groups who even managed to control sociopolitical life in certain

\textsuperscript{135} On a caveat, this conclusion is a result of measuring civil society with the V-Dem analytical tool. While more precise measurement for each particular case may lead to slightly different inference, the V-Dem Civil Society Robustness Index, due to its comprehensiveness and universal applicability, is the optimal tool that allows to compare both countries.
areas. Despite meeting the basic prerequisite for the democracy in a large part of its territory, the competitive elections, Mexico still falls short of being called a “liberal democracy.” The extremely poor performance of public institutions, the poor record of human rights, the lack of freedom of press, the pervasive corruption, as well as the tight political-criminal nexus, land Mexico into the category of “illiberal democracy.” In addition, the increasing governmental crackdown on the dissent sends worrying signs of a possible reversal towards a more authoritarian regime.\(^{136}\)

In a similar fashion but more than a decade earlier, after experiencing the unintended consequences of the democratization with weak institutions, Russian government opted for turning towards a more authoritarian regime once Putin came to power in 2000. As a result, it was able to increase its capacity to confront criminal organizations, to significantly reduce violence, and to occupy dominant position in the criminal – political relationship. The Russian “success,” however, came at a cost of a tightened grip on civil society and suppression of social movements. This case represents a classic example of electoral authoritarianism, an essentially authoritarian regime which still holds elections that are, nevertheless, restricted by formal and informal rules in order for the ruling elite to preserve its power.\(^{137}\)

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CHAPTER 3

STATE COERCIVE CAPACITY DURING REGIME CHANGE: SECURITY ORGANIZATIONS IN MEXICO AND RUSSIA

3.1 Assessing the Performance of Security Organizations

The regime capacity to control organized crime depends on the performance of law enforcement and criminal justice system. Ineffective police and justice organizations provide fertile ground for large-scale organized crime through impunity, corruption and low operational capacity. During the PRI’s hegemony in Mexico and the Communist Party regime in the Soviet Union, their respective security forces served the regime rather than population. The authoritarian governments utilized police to protect themselves from political opposition in exchange for the impunity and relative autonomy. This resulted in low professionalism of the police and justice organizations and widely practiced human rights abuses. Guided by the political loyalty rather than the letter of law, police forces of both countries were left untouched by modernization processes. Authoritarian legacies made these institutions resistant to changes and affected their effectiveness during political transitions. When faced with the increasing power of organized crime and growing levels of violence after the breakdown of authoritarianism, both Mexico and Russia implemented major efforts to reform their law enforcement and criminal justice systems and invested significant funds in their security sectors. These reforms, however, have led to divergent results and have not necessarily strengthened the state capacity.

The goal of this chapter is to take a comprehensive look at Mexican and Russian coercive institutions and assess their performance during the period of political change.
This task involves an examination of the evolution of the legal code in these countries as well as of the key security organizations that are directly tasked with combatting organized crime in these countries; namely, the police – and the military in the case of Mexico, – the judiciary and the penitentiary system. The effectiveness of these organizations determines whether the state has strong or weak response to organized crime. According to the Index of State Weakness in the Developing World published by the Brookings Institution in 2008, Russia is significantly weaker than Mexico (occupying the 65 position and the 120 respectively, from weaker to stronger) on overall state performance. The Index also places Russia below Mexico in terms of the security indicators. However, the differences in the levels of violence in Mexico and Russia force us to go beyond the general weakness problem in order to take a look at specific institutions that are involved at preserving security of the state and its citizens. Therefore, this chapter looks at how the security organizations of both countries are structured, how and under what legal mandate they operate, and what are the results of their operation as measured by the available data on homicide, impunity, and incarceration rates.

The principal security organizations in charge of combatting organized crime in Mexico and Russia are presented in Table 3.1. The analysis is performed according to the logic of crime control procedure: policing, prosecuting and punishing. The police is responsible for preventing crime and confronting criminals; it is also usually the first institution where citizens report crimes. If the criminal is caught, the police turn them over

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139 In Mexico, the task of battling criminal organizations on the ground and catching members of organized crime is shared by the police and the military. Therefore, they are both included in the analysis of crime policing in Mexico which focuses on the Federal Police and the Armed Forces. In Russia, the military does not routinely participate in combatting organized crime and is not included in the analysis.
to the prosecutor’s office that investigates and prosecutes the crime.\textsuperscript{140} Finally, the crime must be punished by the penitentiary system, usually by sending the criminal to prison. Although there are subnational variations in the institutional performance within both countries, they are beyond the scope of this dissertation. Instead, this chapter focuses on the federal level agencies in order to present a national panorama of the state of the security organizations. Moreover, the federal agencies have been traditionally stronger than their local counterparts. Thus, if the analysis succeeds in demonstrating their weakness, it will be a valid indicator of the institutional weakness nationwide.

<table>
<thead>
<tr>
<th>Law enforcement (Policing crimes)</th>
<th>Mexico</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Federal Police (under the Ministry of the Interior, SEDENA, SEMAR)</td>
<td>- Police (under the Ministry of the Interior, MVD)</td>
<td></td>
</tr>
<tr>
<td>- Federal Drug Control Service (FSKN)</td>
<td>- Federal Security Service (FSB)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criminal justice system (Investigating and prosecuting crimes)</th>
<th>Mexico</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Federal Prosecutor’s Office (under Attorney General’s Office, PGR)</td>
<td>- Procuracy (Prokuratura)</td>
<td></td>
</tr>
<tr>
<td>- Courts</td>
<td>- Investigative Committee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Courts</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Penitentiary system (Punishing crimes)</th>
<th>Mexico</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Federal Penitentiary System</td>
<td>- Federal Penitentiary Service (FSIN)</td>
<td></td>
</tr>
</tbody>
</table>

Effectiveness is defined as how well an organization achieves its goals, or fulfills its basic functions. Police, for example, is not considered effective if the crime rates are

\textsuperscript{140} In practice, the investigation may precede or go parallel to catching of the criminal by the police, but for the sake of simplification it follows the section on policing.
high or if the arrest warrants issued by the prosecutor are not fulfilled, allowing for the suspects to remain free. An investigative body is not considered effective if a large part of the investigations remains open. Courts are not considered effective if they cannot cope with the number of pre-trial detainees and if the judicial decisions are subject to outside pressures which results in wrong sentences. Prisons, in turn, are not considered effective when they do not fulfill their main functions, such as keeping criminals away from committing crimes and limiting their physical mobility.

Based on these assumptions and the available data, the relative effectiveness of the security organizations in Mexico and Russia is measured by comparing common indicators. Police effectiveness is measured by the percentage of completed arrest warrants\(^{141}\) and crime rates.\(^{142}\) The absolute number of homicides from official sources of the two countries should not be compared because of the differences in their respective methods of counting homicides.\(^{143}\) Moreover, the official crime statistics in both countries are not completely reliable because of a high percentage of latent and unreported crimes; studies that use health departments’ data instead of the police record usually find higher number of homicides. Nonetheless, the available data allows us to observe general trends of violence in Mexico and Russia and to compare them respectively. Prosecutor’s Office (Prokuratura in Russia; Ministerio Público in Mexico) is measured by the percentage of “cleared” cases (completed investigations) by the end of the year (clearance rate is

\(^{141}\) Unfortunately, there is no available data on this indicator for Russia. Therefore, it is used only in the analysis of the Mexican institutions.

\(^{142}\) Although police performance cannot be solely held accountable for variations in crime rates that are usually driven by numerous factors, it is still “the single most important contribution that police make to the well-being of society” (Robert Davis, “Selected International Best Practices in Police Performance Measurement,” RAND, 2012, 2, https://www.rand.org/content/dam/rand/pubs/technical_reports/2012/RAND_TR1153.pdf).

\(^{143}\) Russia’s statistics includes the number of homicide attempts disregarding if they were completed or not.
calculated as a ratio of the cleared cases to the total of reported offences). Courts’ effectiveness is measured by the number of pre-trial detainees within the penitentiary system. A high percentage of non-convicted detainees is an indicator of the low performance of judiciary system that cannot process all the suspects but, nevertheless, deprives them of liberty. In addition, courts must be independent in order to effectively settle disputes between parties and punish criminals. If courts are influenced by outside interests, it creates the environment of impunity and opportunities for organized crime.

Penitentiary system’s effectiveness is measured by three indicators that correspond to the three main purposes of the incarceration. The deterrence effect (dissuading potential criminals from committing crimes as well as those who serve sentence from committing crimes after their release) is measured by the number of recidivist crimes. Likewise, the number of escapes from prison shows how prisons fulfill their incapacitation function (physical disabling of offenders to continue committing crimes). Finally, the rehabilitative, or correctional, function (helping ex-convicts reintegrate into society and become law abiding citizens) is measured by the number of ex-prisoners reintegrated into society.

Although some of these indicators are not directly related to organized crime but rather measure the overall performance, it is assumed that the police organizations’ capacity to control criminal groups depends on how well they fulfill their basic functions. Together, these indicators present an overview of the working of law enforcement and justice systems whose main purpose is to impose constraints on the criminal behavior. Moreover, in the absence of reliable quantitative data on such practices as corruption within law enforcement and justice institutions, I resort to qualitative data, such as commentaries by scholars, politicians and journalists.
The overall performance of an institution is affected by the institutional stability, understood as durability of institutional arrangements over time. It is measured by the frequency of major reorganizations and changes in leadership within an institution. Every major reform implies the transformation of rules, leadership, mission and personnel. Every change in leadership leads to a deeper organizational change as the leaders tend to assemble the new teams. A high turnover of staff affects the consistency of policies and the quality of their implementation. These changes frequently lead to a setback in the previous achievements and undermine the performance of an institution as a whole. Thus, the performance of an institution is generally higher when the leadership turnover is low.

This chapter begins by exploring the Mexican security organizations, followed by the analysis of their Russian counterparts. The concluding section summarizes the findings by comparing coercive institutions of the two countries. However, the cross-country comparison is hindered by the differences between Mexican and Russian institutional structures and between the availability of data in these countries. To overcome these shortcomings, the concluding comparative section focuses on the comparison of the performance trends within each country over the period of 1991-2014, rather than on a direct comparison of individual indicators.
3.2 Security Organizations in Mexico

3.2.1 Mexico’s Never-Ending Police Reform

Mexico started major efforts to reform its law enforcement in the 1990s as a response to a security crisis. In 1995, the National Public Security System (SNSP) was created as a coordinating body for different security organizations at all three levels of government. In 1996, the newly-adopted Federal Law against Organized Crime introduced a new legal framework specifically for combatting organized crime, the task that belongs to the federal jurisdiction. Federal funds designated for public security saw an almost 12-fold increase in 1998 compared to 1996.\textsuperscript{144} President Zedillo’s efforts to reform the public security system culminated in 1999 with the creation of the Federal Preventive Police (PFP).

The PFP, renamed into Federal Police (PF) in 2009, was a new, partly militarized, better-equipped police force of over 10,000 personnel.\textsuperscript{145} Its mission was broad and included prevention of drug-trafficking and organized crime as well as investigative functions in support of federal, state and municipal authorities. During the next two administrations, between 2000 and 2012, the PFP became the central instrument of fighting organized crime. During this period, the PFP force grew significantly in size, especially during the first year of Calderón administration, when it saw a sharp increase of 68.6\% (see Figure 3.1). By 2014 it employed about 41,000 police officers, which represents a 296\% increase over the number of personnel in 2001. Accordingly, between 2001 and 2012, the

\textsuperscript{145} This 10,000 police force was integrated by three existing preventive police bodies (Migration, Fiscal and Highway police), 700 intelligence agents from the CISEN as well as by 4899 soldiers from the Ministry of Defense. See John Bailey and Jorge Chabat, eds., Transnational Crime and Public Security: Challenges to Mexico and the United States (Boulder, CO: Lynne Rienner Publishers, 2002).
Ministry of Public Security (SSP) saw a 281% increase in budget, mostly during the Calderón administration.

![Figure 3.1. Federal Police Personnel in Mexico, 2001-2014](source: Elaborated by the author based on the data from Presidencia de la República, Segundo Informe de Gobierno 2013 – 2014 (Mexico, D.F.: Gobierno de los Estados Unidos Mexicanos, 2014), 44, http://www.presidencia.gob.mx/segundoinforme/.)

Mexico’s federal police experienced a high number of large-scale reforms during the political transition. Figure 3.2 shows the main restructurings (marked with short arrows) that occurred within the Mexico’s federal preventive police during its existence. It was created by the Zedillo administration in 1999 within the Ministry of the Interior (SEGOB) and almost immediately transferred to the newly-created Ministry of Public Security (SSP). The following Calderón administration turned it into a Federal Police granting it a broader investigative function. Finally, the current administration of Peña Nieto dismantled the SSP and returned the Federal Police under the SEGOB’s control. Thus, since its creation in 1999, every administration has contributed a reform altering the existing dynamics of the organization.
Despite numerous reforms and increases in funding during the state-led offensive on drug cartels by the government of Calderón, Mexico’s Federal Police has not been able to address the challenge of organized crime in the period of political transition. Although the homicide levels in Mexico had been declining in a long term since the 1990s, they peaked in 2008 from 8.1 to 12.6 per 100,000 of inhabitants (See Figure 3.3). During the whole Calderón sexenio, police was not able to prevent homicides, most of them organized-crime-related, from rising.

Source: Elaborated by the author.
Against the backdrop of the police reform, Mexico’s governments has been resorting to the armed forces in order to fight off criminal organizations. The militarization of public security in general and counterdrug policies in particular is not new to Mexico. Mexican army has been involved in eradication campaigns since the 1930s. However, only in 1995, in the context of the rising power of drug trafficking organizations, president Ernesto Zedillo assigned the counterdrug mission to the Mexico’s armed forces on the permanent basis. Next presidents from the PAN, Vicente Fox and Felipe Calderón, expanded further the military’s participation in the fight against drug trafficking. The

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Figure 3.3. Homicide Rate in Mexico per 100,000 of Population, 1990-2013


monthly average of army elements deployed for this mission increased from 19.3 thousand to 51 thousand during the Calderón’s military crackdown on organized crime.\footnote{Secretaría de la Defensa Nacional, Transparency request No. 0000700037011, Estado Mayor, March 9, 2011.}

The Mexican state resorted to the militarization as a temporary measure while reforming the police that was seen as profoundly corrupt and unable to solve public security problems. The military presence in Mexico’s combat with organized crime, however, has been consistently growing. As the levels of violence skyrocketed during the Calderón administration, former military officials were appointed to direct police agencies in the most violent localities. By 2013, the total of 36% of municipalities had their police departments headed by officials with military background. Moreover, during the Calderón presidency, the SEDENA (army and aviation forces) budget saw an increase of 173%, while the SEMAR (navy) budget grew 147% (Figure 3.4). The total number of military personnel grew 11% during both PAN administrations.\footnote{Sergio Aguayo Quezada and Raúl Benítez Manaut, eds., \textit{Atlas de la Seguridad y la Defensa de México 2012} (México, D.F.: Colectivo de Análisis de la Seguridad con Democracia, A.C., 2013), 161.}
Mexican armed forces have played crucial role in capturing numerous organized crime leaders. However, despite the deployment of more than 50 thousand soldiers, the insecurity increased as the levels of violence grew exponentially during the Calderón administration (2006-2012). The removal of drug kingpins has not reduced the resilience of criminal organizations that quickly adapted to the external pressures.

In addition, the presence of the military in the fight against organized crime, carries the risk of providing criminal organizations with human capital. During the Fox presidency (2000-2006), the SEDENA registered 107,158 desertions. This number is especially worrying given that deserters are frequently recruited by criminal groups, such as the case of the violent Zetas cartel that was initially formed by 40 deserters from military special forces. In 2008, *El Universal* newspaper reported that one out of three drug traffickers has
The Calderón’s term, however, saw a decreasing trend in the number of desertions (Table 3.2), which might be a result of raising salaries and improving living conditions for soldiers.

Table 3.2. Deserted SEDENA Personnel, 2005-2011

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of desertions</td>
<td>20,224</td>
<td>16,405</td>
<td>16,641</td>
<td>9,280</td>
<td>6,879</td>
<td>4,398</td>
<td>1,394</td>
</tr>
</tbody>
</table>


In sum, the effectiveness of the Mexico’s armed forces in the fight against organized crime has been relative. Although the increases in budget and the modernization of armed forces may have contributed to the professionalization of the military, its participation in police missions has been accompanied by the increase in violence and has had corrosive effects on the institution, such as human rights violations and desertions.


150 Through May 31.

151 During their formation, military members are trained to destroy the enemy using heavy military armament, while the police is trained to maintain order in the communities utilizing as little force as possible (see George Withers, Lucila Santos and Adam Isacson, “Preach What You Practice,” Washington Office on Latin America, November 2010, https://www.wola.org/analysis/preach-what-you-practice-the-separation-of-police-and-military-roles-in-the-americas/). This discrepancy results in a higher risk of human rights violations when members of the military become involved in police tasks. Thus, during the Calderón’s presidency, the SEDENA became the governmental agency most accused of human rights violations (Comisión Nacional de los Derechos Humanos, Informe de Actividades 2011 (México, D.F.: CNDH, 2012)). Complaints against the army include arbitrary detention, torture, forced disappearances and extrajudicial killings. In 2011, the CNDH received 1695 complaints of abuses by members of the army, 769 complaints for the abuses by the police directed to the PGR, and 495 complaints for members of the Navy. For comparison, in 2006, the SEDENA had been the subject of only 376 accusations. See Sergio Aguayo Quezada and Raúl Benítez Manaut, eds., Atlas de la Seguridad, 188.
3.2.2 Criminal Justice System in Mexico

Mexico’s body in charge of the investigation and prosecution of federal crimes is the Federal Attorney General's Office (PGR), headed by the Attorney General who forms part of the Presidential cabinet. It gained a greater role in fighting organized crime after the Federal Security Directorate (DFS), the Mexican intelligence agency was dissolved in 1985. The PGR includes an Assistant Attorney General's Office specialized in organized crime integrated by six special units divided by the type of criminal activity. The process of investigation is directed and completed by the Public Prosecutor’s Office (Ministerio Público, MP) that belongs to the PGR structure. It is assisted by the federal ministerial police that carries out arrest warrants.

In the period of ten years, from 1990 to 2000, when the PRI authoritarian regime was crumbling and the democratization process began spreading at the subnational level, the PGR had six Attorney Generals; and it saw seven directors in the subsequent period of the 2000-2015 (Figure 3.5). The inconsistency in the leadership of a key law enforcement organization have significantly weakened Mexico’s capacity to control organized crime. Moreover, as several studies pointed out, the PGR’s decentralization since 1996 has greatly contributed to the fractionalization of state-sponsored protection, or informal pacts with criminals, and triggered higher levels of violence.153

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Likewise, the PGR’s agency responsible for fighting organized crime suffered numerous transformations. In 1988, the Salinas administration (1988-1994) created the Department of Investigation and Fight against Drug-Trafficking (Coordinación de Investigación y Lucha contra el Narcotráfico) that was later transformed into the National Institute to Combat Drugs (INCD). It eventually was dissolved in 1997 by the Zedillo administration (1994-2000) in the wake of the allegations of protection the drug czar General Gutiérrez Rebollo provided to the drug lord Amado Carrillo Fuentes (El Señor de los Cielos).\textsuperscript{154} The INCD was quickly substituted with the Special Prosecutor’s Office for Crimes against Health (FEADS), an anti-narcotics prosecution office. Parallel to the

\textsuperscript{154} Although the scandal is widely described as an example of the corruption within the highest ranks of Mexican military, there is a version that General Gutiérrez Rebollo was arrested for digging into the alleged ties between notorious drug traffickers and the then-President Ernesto Zedillo’s family. See “Gutiérrez Rebollo indagaba vínculos de la familia Zedillo con el narco,” Aristedegui Noticias, May 29, 2012, http://aristeguinoticias.com/2905/mexico/gutierrez-rebollo-indagaba-vinculos-de-la-familia-zedillo-con-el-narco/.
FEADS, another agency was created under the PGR: the Special Unit against Organized Crime (UEDO). Both lasted until 2003, when military raided FEADS offices in multiple states after allegations on corruption. The then-Mexico’s Attorney General Rafael Macedo de la Concha admitted that UEDO and FEADS were two agencies with respective police force, overlapping functions and lack of coordination. Consequently, the existence of both agencies represented unnecessary bureaucracy and affected the performance of the PGR in fighting organized crime.\textsuperscript{155} The Fox administration made another attempt to clean up the house and in 2003 created the Assistant Attorney General's Office for Special Investigations on Organized Crime (SIEDO) which was renamed into SEIDO in 2012.\textsuperscript{156} Besides, since 1992, PGR was equipped with an intelligence tool against organized crime, Center for Drug Control Planning (CENDRO), which was transformed into Cenapi in 2003.

The investigative police, directed by the \textit{Ministerio Público}, also suffered several transformations since the 2000. The Federal Judicial Police (PJF) known as a notoriously corrupt agency was dismantled by Fox in 2001. Instead, the PGR created the Federal Investigation Agency (AFI). The AFI, however, also compromised itself and its functions were transferred to the new Federal Ministerial Police created by the Calderón administration in 2009 (See Figure 3.6).\textsuperscript{157}

\textsuperscript{156} Guillermo Valdés Castellanos, \textit{Historia del narcotráfico en México}, 326-327.
\textsuperscript{157} The AFI itself was officially disbanded in 2012.
Every major reform was preceded by a massive firing of police officers. According to the PGR data, more than 7,000 officers left federal judicial police in the last five years of its existence, from 1996 to 2000; and about 900 officers were fired before the AFI was officially eliminated. Overall, the ministerial police and its predecessors saw almost 15,000 officers dismissed from 1991 to 2014. The implications of massive firings of police officers are worrisome as many of these officers get hired by criminal organizations for the lack of job opportunities in Mexico.

Numerous restructurings did not succeed in making the PGR more effective in investigation and prosecution of crimes. According to the data from a victimization survey by the INEGI, the MP took action only in half of crimes reported in 2013. In the rest of

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158 Procuraduría General de la República, information request through IFAI, folio 0001700142515, May 14, 2015.
cases the crime was not resolved or no action was taken.\textsuperscript{159} When the number of unreported crimes – that constitutes an average of 83%\textsuperscript{160} – is taken into account, the MP results even less effective.

For the cases where a preliminary investigation was initiated, official data show that the MP slightly improved its performance in completing the investigations during the Fox administration (Figure 3.7). Since 2006, however, its performance began to deteriorate. In 2012, 34% of the open preliminary investigations remained pending. The heavy workload results in the MP personnel focusing on more serious crimes leaving aside small offences that accumulate over the years and elevate the numbers of uncompleted investigations. At the same time, since 2006, the number of federal MP agents began to grow sharply, from 1179 in 2006 to 1798 in 2012. Overall, from 2000 to 2012, the number of federal agents of the \textit{Ministerio Público} more than doubled (from 1572 to 4219).\textsuperscript{161} The growing number of agents together with a deteriorating performance shows that higher quantity of agents does not necessarily lead to a better quality of conducting investigations.\textsuperscript{162}

\textsuperscript{159} Instituto Nacional de Estadística, Geografía e Informática (INEGI), \textit{Encuesta nacional de victimización y percepción sobre seguridad pública (ENVIPE) 2014} (Mexico, D.F.: INEGI, 2014), http://www.beta.inegi.org.mx/proyectos/enchogares/regulares/envipe/2014/. This number does not account for unreported crimes that represent a significant portion of all crimes committed. Importantly, most of the respondents (65.6\%) declared that the crime was not reported due to the lack of trust in authorities. Specifically, for such reasons as the fear of extortion, waste of time, long and difficult procedures, and distrust. This shows the weak linkages between police and society which further weakens law enforcement capacity vis-a-vis organized crime.

\textsuperscript{160} Marien Rivera and Rafael Ch, “\textit{Números rojos del sistema penal},” Centro de Investigación para el Desarrollo, no. 000, año 1, October 2011, http://cidac.org/numeros-rojos-del-sistema-penal/.


\textsuperscript{162} Numerous journalist reports point out the unprofessionalism of Mexican investigative police. For example, the investigative report of the events in the town of Iguala, Guerrero state, where 43 rural teachers’ college students were abducted by the municipal police (with the possible complicity of state and federal police as well) and handed over to the local drug cartel called Guerreros Unidos on September 26, 2014, shows a number of irregularities and improper investigation into the case. The objects (such as vehicles) crucial for the investigation were not protected by the PGR in order to preserve the evidence and not all the witnesses were interrogated. Moreover, the report shows that all the omissions were done by the PGR purposefully,
Another valuable data provided by the Mexico’s criminal justice statistics is the number of the completed arrest warrants. The arrest warrant to apprehend the suspect is issued by a judge after the investigation is completed and the investigative police directed by the MP is charged with carrying it out. If a warrant order is not fulfilled by the police, the suspected criminal remains free. Thus, the MP’s efficiency can be measured by the number of the processed arrest warrants compared to the total of the arrest warrants issued by a judge. Figure 3.8 shows that the police in Mexico carried out only 21% of the arrest warrants in 2012. Although this percentage is four times higher than it was in 2000, it still means that at least 65% of the suspects remain free.

apparently to cover the unlawful actions of the federal police and the army whose elements were also present in the area during the events (Anabel Hernández and Steve Fisher, “La investigación de la PGR encubre al Ejército y a la Policía Federal,” Proceso, no. 1990, 21 December, 2014, 8-14).
In an ideal case, an investigative body should be autonomous from the executive power so that political interests do not influence investigations and do not allow politicians involved in crime to avoid punishment. The Mexican Ministerio Público, however, is incorporated into and subordinated to the PGR which is a part of the Federal Government’s Executive branch. Consequently, the MP cannot be considered autonomous institution and the investigative process is ultimately controlled by the President. Throughout the most of the PRI hegemonic rule, the PGR’s head was appointed exclusively by the President. After the 1994 reform, the Attorney General’s appointment became subject to the ratification by the Senate.\footnote{See Jonathan Hazael Moreno Becerra, “Perspectiva del Ministerio Público como Organismo Constitucional Autónomo,” \textit{Epikeia} 11, Summer 2009, http://epikeia.leon.uia.mx/} However, the PGR’s head still can be removed from his post by the President
unilaterally. This lack of judicial independence has serious implications for the rule of law in Mexico; the investigation cannot be impartial when crimes committed by the government through corrupt police and politicians are investigated by the government itself.

The next stage of criminal justice process is court trial. It took Mexico long time to begin an overhaul of its judicial system. The criminal justice reform began in 2008 and implied a shift from a mixed-inquisitorial to an adversarial system of criminal procedure throughout all 32 states and Mexico City. Although the reform was scheduled to be fully implemented by June 2016, only 6 states had the new penal code operating in their full territory in 2015. The implementation of the reform has been accompanied by the introduction in 2014 of a new Single Code of Penal Procedures that regulates all judicial procedures across the national territory, thus making the Mexican criminal justice system more centralized than before. The Single Code has significant implications for the federalism in Mexico; now all 32 states have to adhere to the standardized rules of criminal procedure and to abandon their respective independent codes. Thus, in its effort to strengthen institutional capacity, Mexican federal government has opted for the centralization of its judicial system by depriving the states of the right to legislate their penal procedures.

When it is determined that a crime must be brought to trial and the suspect is detained, he is deprived of liberty while awaiting the trial or the final court sentence. This

164 24 states utilized the accusatorial system only partially and one state (Sonora) did not show any progress on the reform implementation. See David Vicenteño, “A un año del nuevo sistema penal,” Excelsior, June 19, 2015, http://www.excelsior.com.mx/nacional/2015/06/19/1030298#imagen-1.
waiting time is an indicator of the court’s effectiveness. Most Latin American penitentiaries have relatively high percentage of pre-trial detainees\(^\text{166}\) who have not been proven guilty of the crimes they are accused of. In worst cases, the pre-trial detention can last for years.

The number of the pre-trial detainees in Mexico has been growing steadily since 1995, which indicates that the courts’ capacity to process the detainees did not improve during the democratic period. Overall, prisoners held without final sentence constitute more than half of the inmates in Mexico (Figure 3.9).

Figure 3.9. Pre-trial Detainees in Mexico, 1995-2013 (in percentages)

![Graph showing pre-trial detainees in Mexico, 1995-2013](image)


The most telling indicator of the criminal justice effectiveness is the level of impunity. Impunity is defined as the absence of punishment and can be calculated as the

\(^{166}\) Pre-trial detention here refers to any detention with no final conviction.
ratio of the number of convictions to the number of offenses.\textsuperscript{167} Since homicide is the crime that is most likely to be registered, it allows to control for unreported crimes that constitute over 80% in Mexico. Thus, the number of convictions for homicide relative to the total number of homicides serves as a good measure of impunity.

In Mexico, the perpetrators of 78\% of murders were convicted in 2006, this percentage dropped to 26\% by 2012, primarily due to the rise in violence (Figure 3.10). To be more precise, the available data also allow us to see the approximate level of impunity for organized crime violence in Mexico. The percentage of convictions for homicide in federal jurisdiction (in the majority of cases it means that the homicide is related to organized crime activities) was remarkably low throughout both Fox and Calderón administrations. It constituted 7\% of all presumably organized-crime-style murders in 2001, and just 1\% by 2012.\textsuperscript{168} That is, by the end of the Calderón administration, almost all of the organized-crime-related executions remained unpunished, making of Mexico a country with almost 100\% impunity.

\textsuperscript{167} Two slightly different indicators, “convictions for homicide” and “convicted for homicide” are utilized for Mexico and for Russia respectively. Although the ratio \textit{convictions/homicides} represents a more exact measure of the impunity (since one person can commit more than one homicide), it is not available for Russia. Thus, the ratio \textit{persons convicted/homicides} is used in the Russian case.

\textsuperscript{168} The data on the number of organized crime-style executions is from \textit{Milenio} newspaper, cited in Kimberly Heinle, Cory Molzahn, and David A. Shirk, “Drug Violence in Mexico: Data and Analysis Through 2014,” Justice in Mexico Project, University of San Diego, 2015, 22, https://justiceinmexico.org/2015-drug-violence-in-mexico-report-now-available/ 7. The data on the number of convictions is from INEGI.
3.2.3 Penitentiary System in Mexico

Similarly to the police forces, Mexican penitentiary system is decentralized; the penitentiaries are managed by all three levels of government: federal, state and municipal. Most of the correctional institutions are administered by the state governments (73%), the 19% is controlled by the municipal governments, while the federal government manages only 4% of the Mexican prisons.170

The overall performance of the penitentiary system is directly affected by its occupancy rate (the number of inmates relative to prisons’ capacity). When a prison is 120% filled, it is considered seriously overcrowded by the UNODC. Despite the resource influx during the Calderón administration, Mexican prisons have remained seriously overcrowded.

169 Data for 2011 is not available.
overcrowded and ineffective. While in 1995, the national average occupancy rate was 102%, in 1998, it quickly reached the critical line of 120%\textsuperscript{171} By August 2014, it already constituted 127% (See Figure 3.11).\textsuperscript{172} Overall, Mexican prisons have seen a significant increase in prison population rate (proportion of inmates per 100,000 of national population) since 2000 (see Figure 3.12). During the Calderón presidency, the percentage of overcrowding slightly dropped due to the increase in the federal government’s investment in new high-security federal prisons, but rose again during the Peña Nieto’s term.\textsuperscript{173} The period of 2000-2014 characterized by the hardline state policies against organized crime, saw a 32% increase in incarceration rate.\textsuperscript{174} At the same time, the heavy governmental crackdown on drug cartels during the Calderón administration filled

\textsuperscript{171} National average is a tricky statistic in analyzing prisons overcrowding, as it overlooks significant variations in occupancy rates across the country and conceals extremely high levels of overcrowding in particular prisons. Thus, while in some states prisons are not filled even to 100% of their capacity (in 2013, the lowest rate was in Zacatecas, 46.1%), in others overcrowding is as high as 188% (Nayarit, as of 2013). Variations are even more dramatic when occupancy rates are compared across the prisons. For example, according to the SEGOB data from 2013, the worst overcrowding was observed in particular prisons of Puebla, Guerrero, Hidalgo, Estado de México and Sonora, where the occupancy rates exceeded 300%: Puebla (578%), Guerrero (463%), Hidalgo (427%), Estado de México (336%), Sonora (319%). See México Evalúa, La Cárcel en México, 34.

\textsuperscript{172} The national occupancy rate rose dramatically between 1995 and 1999, during the period of a major rise in incarceration rates (number of prisoners per 100,000 of national population); prison population doubled in 1995-2004 (from 93,574 to 205,821 convicts respectively). The highest occupancy rates were registered in 1999 and 2009, 131% and 130% respectively (Presidencia de la República, Primero Informe del Gobierno and Presidencia de la República, Segundo Informe del Gobierno).

\textsuperscript{173} During the Calderón administration, the federal penitentiary system received a major boost. When Calderón came to office in 2006, he found the federal penitentiary system composed only of 4 prisons, one colony and one center for psychological rehabilitation. By the end of his administration, Mexico had the total of 13 prisons of median and high security, one high-security penitentiary complex (rebuilt from the existing colony at Marias Islands) and two more federal prisons in construction. Federal expenses for the federal penitentiaries continued growing during the Peña Nieto administration; in 2013, federal penitentiary system saw a 137% budget increase (Cámara de Diputados, Presupuesto de Egresos de la Federación para el Ejercicio Fiscal 2013: Ramo 36 Seguridad Pública, notacefp / 009 /2013, February 25, 2013, 9, http://www.cefp.gob.mx/publicaciones/nota/2013/febrero/notacefp0092013.pdf).

\textsuperscript{174} At the international level, Mexico had the 64th largest prison population rate out of 221 countries as of 2015. See International Centre for Prison Studies, http://www.prisonstudies.org/.
Mexican prisons with small-level drug offenders without disrupting the production and trafficking chain or levels of drug-related violence.\textsuperscript{175}

Figure 3.11. Overcrowding in Mexican Prisons, 1995-2014\textsuperscript{176}

\textit{Source}: Prepared by the author based on data from Presidencia de la República, \textit{Primero Informe del Gobierno} and Presidencia de la República, \textit{Segundo Informe del Gobierno}.

Figure 3.12. Prison Population Rate in Mexico, 2000 – 2012 (per 100,000 of national population, pre-trial detention included)

\textit{Source}: International Centre for Prison Studies


\textsuperscript{176} Data for 2014 is as of July 30.
In order to see how the Mexican penitentiary system performs in terms of the deterrence, the measure of recidivism—based on the number of convictions issued to people with previous criminal record—is used. The available data for years 2009-2012 shows that out of all inmates in Mexico in the common jurisdiction, about 15% are likely to commit crime again after their release (Table 3.3). In other words, out of every 100 sentenced inmates, 12 had served sentence before. As with other official data on crime in Mexico, these numbers should be considered the lowest margin because the number of unreported crimes is extremely high in Mexico and it is unknown how many of them are committed by ex-convicts. Despite national average lower than 20%, some states have higher recidivism rates.177

Table 3.3. Incidence of Recidivism out of All Convictions in Mexico, National Average, 2009-2012

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidence</td>
<td>14.3%</td>
<td>13.6%</td>
<td>14.7%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

*Source: INEGI*

A major cause of recidivism is the scarcity of social reintegration programs. In theory, prisons should help reintegrate individuals in the society after their release; Mexican federal prisons are even called officially “Federal Centers for Social Reintegration” (*Centros Federales de Readaptación Social*). However, only a tiny fraction

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177 In Mexico City, for example, recidivism reached 35.2% in 2012 (See Ana Cecilia Escobar, Rubén Rivera and Cynthia Castañeda, “12 de cada 100, reincidencia delictiva en México,” *Periodismo de guerra* (blog), May 31, 2014, https://periodismodeguerra.wordpress.com/2014/05/31/12-de-cada-100-reincidencia-delictiva-en-mexico/). Huge disparities among states in recidivism rates can be partially explained by the lack of the common reporting criteria. See México Evalúa, *La Cárcel en México*, 50.
of all prison population in Mexico is formally reintegrated into society. While the earliest available record shows that 995 ex-prisoners found an employment through the Office of Social Reintegration (Dirección de Reincorporación Social) in 1995, only 33 ex-convicts were officially employed through this institution in 2012.\textsuperscript{178}

Prison overpopulation leads to the defective governability within the penitentiaries where rules are often established by the prisoners themselves. According to a recent report by the National Commission of Human Rights in Mexico, more than a half of Mexican penitentiaries are controlled by the inmates.\textsuperscript{179} As a result, prison violence and mass escapes have been a recurrent practice within the penitentiary system. According to the CNDH report, for example, between 2010 and 2013, 507 inmates were murdered and 294 injured in the Mexico’s penitentiaries.\textsuperscript{180} Mexican prisons are notorious for mass prison breaks due to the widespread corruption among prison personnel and loose control over the prisoners. A high incidence of notorious mass escapes found in journalistic reports (ranging from 30 to 150 inmates) shows that the incapacitation purpose of prisons in Mexico is severely compromised.\textsuperscript{181}

\begin{itemize}
\item \textsuperscript{179} Comisión Nacional de los Derechos Humanos, \textit{Diagnóstico Nacional de Supervisión Penitenciaria 2013} (Mexico, D.F: CNDH, 2013), 505.
\item \textsuperscript{180} Comisión Nacional de los Derechos Humanos, \textit{Diagnóstico Nacional}, 621.
\item \textsuperscript{181} For example, in 2009, 53 members of the Zetas cartel escaped from a Zacatecas prison; in 2012, 37 members of the same cartel escaped from a prison in Nuevo León after killing 44 inmates affiliated with the rival Gulf Cartel. In 2010, 85 inmates escaped from a Reynosa prison and 151 prisoners escaped from a Nuevo Laredo prison. In 2012, 131 inmates walked out of a prison in Piedras Negras and the same year 21 inmates resulted dead in a prison break attempt in Durango. In February 2013, 5 dangerous criminals left a Prison in Hermosillo after bribing 12 guards. Finally, the most infamous prison break occurred in July 2015, when the Sinaloa cartel boss “El Chapo” Guzmán escaped through a tunnel underneath his cell from a maximum security prison west of Mexico City after being held there for just 15 months (África Semprún and David Ordaz, “Fugas, riñas, homicidios... las cárcel de México suman 1,063 ‘incidentes’ en cinco meses,” \textit{El Economista América}, July 14, 2015, http://www.eleconomistaamerica.cl/nacional-eAm-mx/noticias/6867698/07/15/Fugas-riñas-homicidios-las-carceles-de-Mexico-ssuman-1063-incidentes-en-cinco-meses.html).
\end{itemize}
3.2.4 Concluding Remarks on Mexico’s Security Organizations

The examination of the performance of the security organizations in Mexico in the past two decades has shown that their effectiveness decreased while the country took on the democratization process. Both the Federal Police and the Prosecutor General Office have suffered numerous organizational restructurings beginning in the mid-1990s. This instability only exacerbated the existing shortcomings, such as corruption and low professionalism. In a similar fashion, the growing presence of the military on the streets has led neither to the retreat of organized crime, nor to the professionalization of the police.

The revamping of the criminal justice system across the national territory that began in 2008 has presented additional challenges for the weak judicial institutions. Finally, Mexican prisons echo common deficiencies found in other Latin American penitentiaries, such as the overcrowding, the inhuman living conditions, criminal activities conducted within and from the prisons, the inmates’ control over a large part of life inside the prison, and the prison violence.
3.3 Security Organizations in Russia

3.3.1 Russian Police

In Russia, the function of fighting organized crime is shared by the Ministry of Internal Affairs (MVD) and the Federal Security Service (FSB). Both agencies are extremely closed in nature which makes an objective analysis of their performance very difficult. After the collapse of the Soviet Union, the MVD personnel has been gradually shrinking. As almost all public institutions, the police suffered from serious budget cuts in the years following the fall of the totalitarian Soviet state; it was not uncommon for the retired police agents to move into mushrooming private security organizations that often participated in the protection racket of the emerging small businesses. By 2005, the MVD force consisted roughly of 1.2 million police agents, a significant reduction compared to 3.5 million in 1988.

The modern Russian police (formerly called militsiya) experienced major reforms during the Dmitry Medvedev’s presidency (2008-2012). In 2011, two decades after the collapse of the Soviet Union, Medvedev passed the Law on the Police aimed at modernizing the law enforcement commonly perceived as corrupt and ineffective. After

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182 The rapid expansion of organized crime into different spheres of life during the 1990s prompted the government to elevate its threat to the national security level and to include the Federal Security Service into the fight against it. See Evgeniy Mokhov, FSB: Bor'ba s organizavannoy prestupnost'yu (Moscow: Vuzovskaya kniga, 2006), 8.
183 Vadim Volkov, Violent Entrepreneurs.
184 Brian Taylor, State Building in Putin’s Russia.
the Law on the Police was adopted, the federal funding of the MVD doubled. Among other security organizations, the MVD has been the biggest beneficiary of the budgetary spending on the security and law enforcement sector after the collapse of the Soviet Union. Its budget share within the sector grew from 38% in 1995 to 50% in 2014. At the same time, the 2011 Law on the Police reduced police personnel to 1.1 million, mostly the administrative apparatus, in order to optimize expenditures. At the international level, however, Russia still has a relatively high rate of police officers. According to the UNODC data from 2013, Russia’s police force consists of 522 officers per 100,000 inhabitants, compared to the average of 333 in other European (see Table 3.4 in Section 3.4 of this chapter).

The specialized agencies fighting organized crime in Russia have also experienced transformations that reflect the evolving balance of power between the state and organized crime. The key agencies to fight organized crime in the 1990s were the highly acclaimed Regional Departments for Combatting Organized Crime (RUBOPs) within the MVD structure. Before 2001, the heads of regional MVD departments were appointed in coordination with local governments, thus making RUBOPs vulnerable to the local authorities’ influence. After the 2001 Federal Reform, the 12 existing RUBOPs were eliminated and their personnel was transferred to the newly created 7 MVD regional departments. The lowest-in-chain departments for combatting organized crime were still preserved at the local level as UBOPs and responded directly to the regional MVD

departments.¹⁹⁰ Later, in 2008, a presidential decree substituted UBOPs for the
departments for fighting extremism, while the functions of combatting organized crime
were transferred to the regular criminal police departments.¹⁹¹ This move suggests that the
regime capacity vis-à-vis organized crime increased and the government stopped
considering fight against it a priority worth of a separate department.

The scarcity of data on the Russia’s security service, FSB, due to the traditionally
closed nature of the organization does not allow to conduct a comprehensive analysis of its
performance. However, a quick look on its leadership allows to see the patterns of stability
of the institution. As can be seen on Figure 3.13, the FSB, saw high rotation in its leadership
under the Yeltsin’s administration. While Yeltsin appointed six FSB directors from 1993
to 1999, there were only two in the period of 1999-2015, both appointed by Putin. Thus,
the organization of the Russia’s security service underwent a period of instability during
the democratization process of the 1990s, and stabilized only when the government
reverted to the authoritarian tendencies.

¹⁹¹ Vladimir Putin, *O nekotoryh voprosah Ministerstva vnutrennih del Rossiyskoy Federatsii*, Decree of the
President of Russian Federation N 1316, September 6, 2008 (Moscow: Kremlin, 2008),
Russia’s homicide statistics present a relatively optimistic picture. The levels of violence had been steadily growing in the 1990s and reached their peak in 2001 with the total of 33,600 homicides, or 23.2 murders per 100,000 inhabitants. When Putin assumed office in 2000, Russian society entered a phase of relative stability and the number of homicides began to decrease. In 2014, there were 11,933 registered homicides, or 8.3 per 100,000 inhabitants (Figure 3.14). That is, the level of violence reduced 64.5% in 13 years of the electoral authoritarianism reaching the late-Soviet-period levels.
Figure 3.14. Total Number of Homicides in Russia, 1985-2013

Source: Higher School of Economics.

Another federal agency responsible for the fight with organized crime in Russia was the Federal Drug Control Service (FSKN). Russia is both a drug producing and a drug trafficking country; it also represents a lucrative market for Afghan heroin (Europe’s largest) due to its geographical location. On the wake of the market liberalization, the decade of the 1990s in Russia was characterized by growing drug markets, increasing number of drug users and dropping heroin prices. To confront the growing drug use and

192 The red line represents the police record data, while the blue line represents the Health Department’s statistics.
194 While the MVD was still in charge of the drug control function, drug seizures grew 3.5 times from 1990 to 1999. Since the institutions were weak during that decade, the number indicates how exponentially the drug market grew in the 1990s. See Letizia Paoli, “Illegal Drug Trade in Russia,” Max Planck Institute for
drug trafficking problem, in 2003, president Putin transferred the drug control function from the MVD to a newly created federal service that responded directly to the president. The FSKN was formed on the basis of the abolished Tax Police, widely seen as corrupt, utilizing the same premises and staffed with the same people. Since its creation, the Service maintained the steady number of personnel of 40,000 people that was reduced to 35,000 by 2016. The FSKN’s mission was to lead the state efforts against trafficking of drugs, psychotropic substances and their precursors. The organization became notorious for several scandals including its persecution of veterinarians and doctors who used prohibited substances to treat their patients. After 13 years of its existence, the drug control agency was dissolved in 2016 and its functions were transferred to a new department created within the MVD structure. The return of the drug control function to the Ministry of Internal Affairs jurisdiction is another example of a recentralization trend within the Russia’s coercive institutions.

In order to assess the effectiveness of the drug control service, such indicators as drug seizures, indictments for drug-related offences and drug price are utilized. The main drug used in Russia is heroin which is smuggled from Afghanistan through the Central Asian states along the so-called “northern route.” Since the creation of a specialized drug control agency, the proportion of heroin seizures increased by 191% by 2013 as a result of more effective interdiction efforts (Figure 3.15). However, this trend also reflects a significant increase in the volumes of smuggled drugs through the Russia-Kazakhstan border.

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When heroin was just entering the Russian market, with its supply still low, its average retail price reached $200 per gram but it dropped to $38 by 2001 reflecting both the increasing supply and the low effectiveness of the law enforcement. Since the creation of the FSKN, however, street heroin was steadily becoming more expensive reaching $80 per gram in 2013. Nonetheless, Russia remains the largest per capita consumer of heroin in the world. At the same time, cheaper alternatives to heroin, including the growing supply of synthetic drugs, are becoming more popular among Russian youth. Overall, Russia is a major drug consumer with estimated 8.5 million of regular or occasional drug users.

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users as of 2014 (compared to 2-2.5 million in 2010). Although the FSKN was responsible for a nationwide rehabilitation system to treat drug addicts, NGOs and drug counselors argue that there are too few treatment centers for drug users in Russia; drug users often do not have where to go to comply with the court decision of the mandatory treatment. Since most FSKN personnel were former FSB and tax-police officers, it is not surprising that their preventive and rehabilitative policies were not as successful as their interdiction efforts.

According to the FSKN itself, the agency focused its law enforcement efforts on organized crime groups that operate illicit drugs business. At first glance, the agency may have been successful in this task - there was a steady decrease in the number of investigated drug-related organized group crimes from 2009 to 2014 after its initial increase from 2003 to 2005 (Figure 3.16). In 2014, this category of crimes constituted 4.8% of all drug offenses, which may be an indicator of a reduction in organized criminal activity in the illicit drug trafficking. However, the FSKN data does not specify the nature of the “group” which may include all three levels of the organized crime concept in the Russian Criminal Code. Indeed, a closer look at the Supreme Court’s statistics reveals that only 0.1% of all drug-related convictions in 2014 were issued for crimes committed by a “criminal

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200 Allison Quinn, “No Rehab for Russia’s Drug Addicts,” The Moscow Times, June 25, 2014, http://www.themoscowtimes.com/news/article/no-rehab-for-russias-drug-addicts/502524.html. Indeed, according to the FSKN report for 2010, there were only 4 state-run and 70 non-governmental rehabilitation centers for drug addicts in the whole country. The few drug addiction programs supported by the government are generally ineffective.

201 Since the terminology used by Russian law enforcement when referring to organized crime is not consistent and the FSKN publicly available reports are not systematized, this data should be used with caution. A criminal group, according to the Russian Criminal Code, differs from a criminal organization which is more stable and sophisticated.
society (criminal organization)”, while 2% were issued for crimes committed by an “organized group” and 9% - for crimes committed by a “group”. 202 Thus, the “organized group drug crimes” indicator must almost entirely consist of individual incidents of group crimes related to drug-trafficking. Although in its official rhetoric the FSKN presented drug trafficking business as extremely lucrative and popular among transnational criminal organizations, especially of foreign origin, the data reflects that, like in the 1990s, it is still mostly operated by small cells and networks of individuals, unaffiliated with criminal organizations, who lack employment opportunities.203

Figure 3.16. Investigated Drug-Related Crimes Committed by a Group, 2003-2005 and 2009-2014204

![Graph showing drug-related crimes committed by a group from 2003 to 2014.]


The number of drug-related offences (which include production, storage, transportation and selling of illicit drugs) registered an increase of 79% in 1993-2014.

204 There is no data available for 2006-2008. The data presented show the number of drug-related group crimes investigated by all law enforcement agencies (including FSKN, MVD and FSB) of Russia. About 80% of these crimes were investigated by the FSKN.
According to the Supreme Court data, the absolute majority of those convicted for drug-related offences in 2014 were convicted for drug possession with no purpose of selling illegal substances (80.4%) and only 19.2% of convictions were issued for drug dealing. In the context of growing number of drug-related offences over the past decade, this trend shows that the FSKN had been disproportionately targeting drug users despite its official rhetoric of a balanced approach that implies supply and demand reduction as well as the treatment of drug addicts.

Figure 3.17. Registered Drug-Related Offenses, 1993-2014 (in thousands)

Source: compiled by the author based on the MVD data via Federal Statistics Service.

Because of the absence of hard data and reliable information, it is worth looking at indirect indicators of the drug situation in Russia. As a result of the Russia’s conservative policies that oppose harm reduction practices, it is one of the few countries in the world where the registered HIV cases are consistently growing (at the rate of 10% annually, see

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205 MVD data via Federal Statistics Service.
206 Judicial Department at the Supreme Court of the Russian Federation, www.cdep.ru.
207 Data for 2013 is not available.
Figure 3.18), 56% of them being transmitted through needle sharing among injecting drug users.\textsuperscript{208}

![Figure 3.18. Registered Cases of HIV in Russia, 1994-2014 (annual total)](image)


In sum, the FSKN structure had been remarkably stable since its creation in 2003 which was also reflected in the continuity of its policies. However, general environment in which corruption flourishes and fosters drug trafficking still curbed its effectiveness. Although the FSKN might have been effective in controlling small-scale drug-trafficking, it failed to reduce the demand for illicit drugs and implement harm reduction policies. It can be argued, however, that the Russian state has managed to prevent drug-trafficking networks from evolving into large-scale criminal organizations, such as Mexican drug cartels, and that the FSKN had contributed to this relative success.

\textsuperscript{208} Natal’ya Chernova, “SPID. Vysokaya skorost’ rasprostraneniya,” \textit{Novaya Gazeta}, July 1, 2015, http://www.novayagazeta.ru/society/69039.html. Although harm reduction policies, such as drug replacement, maintenance therapy, sterile syringe access, and supervised injection facilities proved effective in Western countries that implement them, they are still harshly criticized by Russian drug control and public health officials.
3.3.2 Criminal Justice System in Russia

Russia’s closest equivalent to the Attorney General's Office is the Procuracy (Prokuratura), a formally independent branch whose main functions are oversight of governmental agencies and criminal prosecution. The Procuracy institution consists of the Prosecutor (Procurator) General’s Office and regional and local prosecutor’s offices subordinated to it. Prior to 2007, it also fulfilled an investigative function. Currently, the criminal investigation function belongs to a separate body, the Investigative Committee created in 2007 within the Procuracy structure. Unlike the Mexico’s Ministerio Público, the Investigative Committee’s mandate does not cover other law enforcement organizations, such as the MVD or the FSB, each of which has its own investigative unit.209 However, the Investigative Committee is relevant for the present analysis as it investigates the majority of serious crimes, such as homicide, corruption and participation in a criminal organization.

The Russia’s Procuracy preserved its extensive mandate and passed to the post-Soviet era almost unchanged. After a short period of instability in the 1990s, when it had four Procurators General, the organization remained relatively stable from 2000 to 2015, with only two Procurators General, both appointed by Putin (see Figure 3.19).

In the Russian criminal procedure, preliminary investigation follows the opening of a criminal case. The Investigative Committee’s data for 2013 and 2014 show that it opened a criminal case just in 17% and 16% of cases respectively, that is, the 83-84% of reported crimes result in inaction of the IC. Even given that many of the reported crimes are dismissed for being outside the IC jurisdiction, it is still a high number that shows the ineffectiveness of the investigation. At the same time, in contrast to Mexico, Russian citizens tend to file crime reports simultaneously in MVD and Investigative Committee hoping for it to be processed at any agency. Out of opened criminal cases, the IC investigated 50% in 2013 and 45% in 2014.210 Thus, given the possible overreporting of crimes in Russia, the investigation in both countries can be considered at the same effectiveness level.

When the Russia’s Investigative Committee was created, its director was appointed by the Federation Council on the recommendation of the president. In 2011, the Committee

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became formally independent from the Procuracy and the President was given the right to appoint the IC’s head without legislative approval. In theory, the complete separation of the Procuracy and the IC is a positive move that can strengthen the independency of the justice system by providing a mechanism of checks and balances. It is a step forward from the 1995 Law on the Procuracy according to which the members of this institution could be investigated and prosecuted only by the Procuracy itself. In practice, however, the separation of the IC from the Procuracy is rather a mechanism of “divide and conquer” in order to limit the power of the Prosecutor General, as can be seen from several public confrontations between the two agencies.211 Thus, Putin strengthened the IC’s role as an instrument loyal to the executive.

During the Soviet rule, judges were members of the Communist Party and the whole courts system was a mere political tool of the governing elite. The fall of the Soviet Union ensued a period of legal reform. Main goals of the reform movement were: creating an independent judiciary, introducing an adversarial system and jury trials, limiting the procuracy’s oversight over the courts, strengthening the rights of defendants and the principle of presumption of innocence, and guaranteeing the transparency of court procedures. The project was too ambitious for a country in social, political and economic turmoil as Russia was in the 1990s, and the reform took more than twenty years to complete. Still, during the whole post-Soviet period, Russia has had a single code of criminal procedure operating in the country’s territory.

Russia’s courts reveal a positive trend in terms of the number of pre-trial detainees, which reduced 29% from 2005 to 2012 but started growing slowly in 2014 (Figure 3.20).

211 This issue will be illustrated in Chapter 4.
Nevertheless, the positive trend in the Russia’s pre-trial statistics has been achieved due to exogenous factors – such as the humanization of criminal procedure legislation during the Medvedev’s presidency and several massive amnesties – rather than a better court performance.

Figure 3.20. Pre-Trial Incarceration in Russia, 2005-2014 (persons)


The judicial statistics on homicides and convictions for homicide allows for an assessment of the levels of impunity and, consequently, of the performance of the judicial system in Russia. In 2003, approximately 62% of homicides were punished, while in 2014 their portion increased to 78% (Figure 3.21). This also represents a positive trend in the legal proceedings in Russia.
3.3.3 Penitentiary System in Russia

Russia’s penitentiary function is executed by the Federal Penitentiary Service (FSIN). The system consists of 984 institutions that include pre-trial detention centers (SIZO), corrective colonies, juvenile colonies and prisons all of which are financed by the federal government. After the prison population rate in Russia had grown significantly in the transitional period of 1990-1999 (from 473 to 729),\(^{212}\) it dropped 35% over the period of 2000-2014. Putin’s administration managed to reduce the number of prisoners, the trend that continued up to 2015 (Figure 3.22). The reduction of the total prison population, however, was achieved mainly through large-scale amnesty programs rather than by effectively reforming the criminal justice system. Despite the high number of prisoners – as of 2015, Russia occupied the 11\(^{th}\) place in the ranking of 221 countries by their prison

\(^{212}\) International Centre for Prison Studies, http://www.prisonstudies.org/.
population rate (proportion of inmates per 100,000 of national population)\textsuperscript{213} — Russian prisons are not overcrowded; as of 2015, they were filled to 94% of their official capacity.\textsuperscript{214}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure3.22.png}
\caption{Prison Population Rate in Russia, 2000 – 2014 (per 100,000 of national population, pre-trial detention included)}
\end{figure}

Source: International Centre for Prison Studies.

In terms of the recidivism rate (the percentage of crimes committed by the previously convicted people relative to the total number of registered crimes), Russian penitentiaries display a negative tendency; according to the official data, the recidivism rate more than doubled since the collapse of the Soviet Union (from 14% in 1990 to 29% in 2014, see Figure 3.23).\textsuperscript{215} In 2011, the MVD stated that every third crime in the country was recidivist.\textsuperscript{216} Although the Russia’s official rhetoric has emphasized the rehabilitative aspect of the penitentiary system as a major factor in crime prevention, there has been no unified federal regulation and social rehabilitation of former inmates has been the responsibility of regional governments. As a result, there is a lack of funding and there are

\textsuperscript{213} Ibid.
\textsuperscript{214} Ibid.
only 200 social rehabilitation centers for former inmates with the total capacity of just 9,000 in the whole country. Overall, this data shows that Russian prisons do not fulfil their rehabilitative function.

Figure 3.23. Recidivism Rate in Russia, 1991-2014
(% of total number of registered crimes)


The order in Russia’s prisons is established by the prison administration which is evidenced by the number of riots, strikes, violence and prison breaks that appear to be significantly lower in Russia than in Mexico. For example, there were a total of 15 homicides registered in Russia’s penitentiaries in 2013, a relatively small number given the high prison population rate in the country. Although there were reportedly 29 prison

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218 The same year, there were 83 homicides registered in Mexican prisons.
breaks in Russia in three years, from 2010 to 2012, they tended to be individual escapes and, occasionally, committed in small group of less than 10 people.\textsuperscript{219}

At the same time, the FSIN seems to be the weakest link among the security organizations in Russia. The salary of the FSIN employees is one of the lowest among law enforcement agencies, so is their level of professionalism. The organization is widely criticized by human rights activists and NGOs as highly non-transparent and inefficient. Corruption has been a major characteristic of the Russian penitentiary system ranging from ordinary guards to higher ranks. Such practices as the extortion of inmates and their families by prison personnel and the illegal appropriation of federal funds remain common in the Russia’s penitentiary system. A number of recent scandals revealed several common schemes of money laundering and embezzlement through state contracts within the agency. For example, in 2010, the FSIN administration signed a contract for installation of new surveillance equipment with shell companies linked to an organized crime group leader. The equipment almost entirely was not operational and was mostly left uninstalled while the 1.2 billion of rubles (equivalent of approximately 34 million of US dollars) that had been paid for it were transferred abroad. The hi-tech equipment served as a means of embezzlement through overpriced governmental contracts, a usual practice in the Russian bureaucracy. Precisely when the new technology was being introduced in 2010, the number of prison breaks increased and the number of murders inside the penitentiaries increased by 53%. Authorities related this tendency to the reduction in penitentiaries’ personnel numbers coupled with flawed technologies. When the scandal surfaced, prison security was

reinforced and the number of escapes reduced by 36.5%. On the wake of the scandal, the FSIN’s head was arrested and is currently under investigation.\textsuperscript{220}

\subsection*{3.3.4 Concluding Remarks on Russia’s Security Organizations}

The empirical analysis of the Russian coercive institutions has confirmed the theoretical expectations about their performance during political transitions. The examined security organizations experienced a period of decay in the decade of the democratization and improved their performance during the subsequent consolidation of the authoritarian state. Although the success has been relative, as several weaknesses remain (such as the investigation of crimes or the prevention of the recidivism), the overall tendency across different security agencies reveals positive trends in their performance and a higher stability after president Putin assumed power.

\subsection*{3.4 Mexican and Russian Security Institutions in Comparative Perspective}

This chapter shows that during the periods of political transition, Russian security organizations have demonstrated a better performance than their Mexican counterparts. With the advent of political pluralization, Mexican security organizations have suffered from numerous changes and the lack of continuity between different administrations which negatively affected their capacity to fight organized crime in the late 1990s-early 2000s. In contrast, in Russia, the continuity in organizational politics has been a key element in the

strengthening of the state capacity during the 2000s. Thus, the electoral authoritarian regime of Russia has proved to be more stable than the flawed democratic regime of Mexico.

The police corporations of both countries underwent major reforms after the breakdown of their respective authoritarian regimes. In terms of the number of police officers per 1000,000 population, both countries saw a reduction in police personnel but Russia preserved a relatively high rate at the international level (Table 3.4). The effectiveness of the police forces is best illustrated by the outcomes of their work, the levels of violence. Although the Mexico’s police and military personnel and budget increased significantly over the past decade, it did not translate into more security as the homicide rates climbed up since 2008. Russia, in contrast, reduced its police force in numbers but still increased its budget to improve the service conditions for police agents since the beginning of the 2000s. The sharp drop of the homicide rate in Russia since 2002 confirms the effectiveness of these reforms.

Table 3.4. Police per 100,000 Population in Mexico and Russia, 2002-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Mexico</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>486</td>
<td>n/a</td>
</tr>
<tr>
<td>2006</td>
<td>n/a</td>
<td>612</td>
</tr>
<tr>
<td>2007</td>
<td>n/a</td>
<td>626</td>
</tr>
<tr>
<td>2008</td>
<td>n/a</td>
<td>626</td>
</tr>
<tr>
<td>2009</td>
<td>364</td>
<td>623</td>
</tr>
<tr>
<td>2010</td>
<td>357</td>
<td>543</td>
</tr>
<tr>
<td>2011</td>
<td>361</td>
<td>521</td>
</tr>
<tr>
<td>2012</td>
<td>355</td>
<td>521</td>
</tr>
<tr>
<td>2013</td>
<td>371</td>
<td>522</td>
</tr>
</tbody>
</table>

*Source: UNODC.*

Mexico finds itself in a constant gridlock of its own institutional weakness. Alternation of political power at the local and national levels created a context of instability of political arrangements with no incentives for a deep reform. Most reforms of security organizations combatting organized crime were redundant and superficial. There have been positive initiatives, such as creation of the single police command (*mando único*), but they have not received continuation. Every administration since the late 1980s has created a new law enforcement agency, which subsequently was compromised by providing state protection to organized crime activities. Every time the new agency recruited new, supposedly “clean” agents after background and psychological profile check while old agents had been suspended and investigated. These institutional depurations provide a valuable source of human capital for organized crime groups as they recruit some of the dismissed agents. The recent implementation of the judicial reform and the Single Code of Penal Procedures can be considered first steps towards a greater centralization of the decision-making power and a reinforcement of the regime capacity to fight organized crime.
Both Mexico and Russia have attempted to structure their law enforcement forces following the pattern of their governments’ federal organization. Nonetheless, their police corporations have resulted quite different. Even though the control over coercion in the post-Soviet Russia was formally a shared power between central and subnational governments, in practice it was much more centralized than in Mexico. After a brief period of fragmentation and decentralization of state security corporations, such as the KGB and the MVD, in the 1990s, the resulting multiple agencies became rather consolidated during the Putin presidency. Moreover, the mechanism of rotation of cadres, revived during the Putin’s first term, has helped to prevent organized crime from establishing close ties with regional police. All FSB and MVD regional chiefs as well as prosecutors are replaced about every 3 years and frequently come from a different region. Thus, while in Mexico the police followed the path of decentralization and became embroiled in local power politics, the Russian police became increasingly centralized and fully dependent on the federal budget.

The prosecution and investigation organizations in both countries have experienced reforms during the transitional years, but Russia’s Procuracy and Investigative Committee seem more stable than their Mexican counterparts. The inconsistency in leadership of the Mexican Federal Attorney General's Office affected negatively its capacity to meet security challenges with due performance. The Russia’s prosecution capacity, in contrast, was strengthened during the electoral authoritarian period as shown by the positive trends in the levels of impunity.

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222 Brian Taylor, *State Building in Putin’s Russia*, 37-38. During the Putin’s presidency, security organizations became major players in Russian politics as many members of the presidential administration came from their ranks.
Court systems of both Mexico and Russia were inquisitorial under the authoritarian regimes of the PRI and the Communist Party respectively. Both countries have implemented major legal reforms during their political transitions and introduced new Codes of penal procedure described by some observers as revolutionary in both cases.\textsuperscript{223} It took Mexico 8 years after the 2000 political transition to introduce a national code of penal procedure and by 2015 it was implemented only in the half of the states.\textsuperscript{224} Unlike Mexico, Russia has had a single code of criminal procedure operating in the country’s territory since the fall of the Communist regime. The existence of a common procedure significantly contributed to the stability of the Russia’s judicial system.

Like other security institutions, the Russian penitentiary system presents a higher degree of centralization. Still, Russian penitentiaries outperform the Mexican on just a few indicators. Russia’s prisons are not overcrowded, they seem to be more under the control of the government authorities and they exhibit less prison violence and prison breaks compared to Mexico. At the same time, the mortality rate excluding homicide, is more than four times higher in Russia’s penitentiaries exposing the deplorable living conditions and poor medical care (Table 3.5). Moreover, the penitentiaries of both countries perform poorly in dissuading former inmates from committing new crimes, as evidenced by the trend of increasing number of recidivist crimes in the past years. In sum, both Mexican and Russian prisons provide favorable conditions for formation of human capital for organized crime. Nevertheless, the Russian government has been more successful in managing such


aspects of its penitentiary system as the occupancy rate, the prison breaks prevention and the control over the inmates.

Table 3.5. Prison Population Rate and Deaths among Prison Population in Mexico and Russia

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>Mexico</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prison population rate</td>
<td>2015</td>
<td>212, a 32% increase from 2000</td>
<td>446, a 35% decrease from 2000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(per 100,000 of national population)</td>
<td></td>
</tr>
<tr>
<td>Mortality rate</td>
<td>2013</td>
<td>140</td>
<td>615.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(per 100,000 of prison population)</td>
<td></td>
</tr>
<tr>
<td>Homicides in prisons</td>
<td>2013</td>
<td>83</td>
<td>15</td>
</tr>
<tr>
<td>(total)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ICPS; FSIN; CNDH.

The dark side of the strengthening of the regime capacity in Russia has been the appropriation of legal and illegal businesses protection by law enforcement organizations. If in the 1990s, organized crime groups predated on businesses and utilized police as mediators, in the past decade, the security organizations, such as MVD and FSB, took over this profitable source of revenue. Even though the stability brought by the reversal of the democratization process might not have eradicated the corruption within the Russian law enforcement, it did shift the balance of power vis-à-vis organized crime and significantly reduced the levels of violence. In this sense, law enforcement has been a crucial tool in the Putin’s agenda of state building. In contrast, Mexico’s state institutions resulted unprepared for the increasing power of organized crime; their poor performance contributed to the escalation of violence. Moreover, frequent changes within security institutions exacerbated the instability of informal arrangements between criminals and politicians in the context of growing electoral competition. Thus, the democratization did not make Mexican security
organizations stronger, while the reversal of the democratization process strengthened Russian law enforcement and criminal justice system.
CHAPTER 4

THE DARK SIDE OF THE REGIME CHANGE: REGIME TRANSITIONS AND CRIMINAL NETWORKS IN MEXICO AND RUSSIA

This chapter examines organized crime in the transitional Mexico (1989-2014) and Russia (1989-2014). Its goal is to provide a closer look at the processes of the evolution of criminal organizations’ structure, activities and the relationship with the political regime in order to provide evidence for the theoretical expectations exposed in the previous chapters. The focus on these three dimensions reflects the three main approaches to organized crime described by von Lampe.225 Specifically, the case studies presented in this chapter show how criminal organizations fragmented, diversified their activities, and became more autonomous from the political regime during the transitional stage.

Although there are numerous criminal groups of different structures and modes of operation in both countries, the selected examples illustrate the general patterns shared by most of the groups. The examples have been selected based on their longevity and visibility as it allows tracing their evolution in a comprehensive way. The Sinaloa cartel and Los Zetas of Mexico, as well as the Orekhovskaya criminal organization of Russia, are representative of general tendencies among criminal networks. During their periods of operation, Mexico and Russia witnessed significant political and economic changes that affected these criminal groups. Moreover, their activities were actively targeted by law enforcement, which makes possible their detailed examination through abundant journalistic accounts and scholarly research. The decision to analyze only one Russian criminal organization is justified by the fact that Russian organized crime moved to a new

stage after 2000 and this transformation in itself merits a separate analysis. In the contemporary Russia, organized crime is highly latent due to the shift in its structure and activities that will be described further in this chapter; no large criminal organization stands out. Therefore, the section on the contemporary Russian organized crime explores the overall criminal landscape in the country through the lens of the political and economic changes.

4.1 From Cartels to “Cartelitos”: The Evolution of Organized Crime in Mexico

When the process of pluralization marked Mexican politics in 1989 with the election of the first non-PRI governor, Mexican organized crime began its process of decentralization. First major divisions within drug traffickers can be seen when the Guadalajara Cartel split into several rival groups, each operating within certain territory. While there were six major drug-trafficking organizations in 2006, in a 2014 report, PGR is cited to count 9 major cartels operating with a network of approximately 45 criminal cells under their command (Figure 4.1). According to the Mexico’s attorney general, there were between 60 and 80 drug gangs operating in the country in 2012. Much of this proliferation is due to the emergence of splinter groups that had been part of bigger cartels at some point. Thus, the

226 Other catalyst events include the arrest of the Guadalajara leader Félix Gallardo who shortly afterwards divided Mexican drug routes among 7 lieutenants so that they could coexist peacefully. See Patrick Corcoran, “Mexico’s Shifting Criminal Landscape: Changes in Gang Operation and Structure during the Past Century,” *Trends in Organized Crime* 16, no. 3 (2013): 306-328.
9 major cartels operating in the country under Peña Nieto’s administration are all offshoots of two bigger trafficking organizations of the 1970s, the Sinaloa/Guadalajara-based federation of traffickers and the Gulf Cartel.\(^{230}\) The Jalisco Nueva Generación, the Sinaloa, the Juarez, the Tijuana cartels and the Beltrán Leyva Organization are all successors of the old Cartel of Guadalajara. The Gulf Cartel, in turn, engendered the Zetas, la Familia Michoacana and the Caballeros Templarios.

While some bigger organizations, such as the Sinaloa Cartel, preserved much of their structure and continued operating at the transnational level, controlling the trafficking of illicit drugs from South America to North America and Europe; many of other criminal groups, including the split-offs, operate at the local level seeking to establish monopoly on criminal activities within a certain territory.\(^{231}\) Others are multiple street gangs dedicated to the retail drug sales, who are increasingly linked to bigger groups.\(^{232}\)

Together with the diversification of structures among criminal groups, Mexico has seen the diversification of activities by criminal groups of all sizes in order to diversify revenues to protect themselves from rival groups.\(^{233}\) Many of the newly emerged criminal cells are dedicated not only to drug-trafficking but also to such activities as oil theft, extortion, kidnapping and human trafficking.\(^{234}\) For example, cells under the control of La


\(^{232}\) Patrick Corcoran, “Mexico’s Shifting Criminal Landscape,” 306-328.

\(^{233}\) Certain changes occurred within the drug industry itself. ...Synthetic drugs seizures on the US border tripled since 2009, more meth producing labs since 2008... However, these changes reflect global drug trafficking trends...

\(^{234}\) According to some experts, oil theft went from being an activity of local criminal bands to the second source of income for such drug trafficking organizations as Los Zetas and La Familia Michoacana. See Tania
Familia Michoacana moved from marijuana and poppy seed cultivation and transportation towards manufacturing synthetic drugs, kidnapping, extortion, piracy and counterfeiting, taxation of farmers, small traders and municipal authorities. The dramatic rise of kidnappings and forced disappearances as well as extortion cases in recent years (see Figures 4.2 and 4.3) are indicative of drug-trafficking groups turning to alternative sources of income.

As recent studies have shown, the fragmentation criminal structures in Mexico is partly attributable to the pressure from governmental forces that, during Calderon’s administration, captured leaders of several main cartels. As a result, the potential successors began the internecine wars for the dominance within the cartels themselves. The governmental offensive also increased the competition for the squeezing market among criminal groups of all sizes, who turned to higher degrees of violence in their turf wars. The diversification of criminal activities, in turn, was a response to the heightened competition, as criminal groups had to seek alternative sources of revenue in order to wage their private armies.

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235 Jaime Rivera Velázquez, “El abismo michoacano.”

236 Among drug kingpins captured are Joaquín El Chapo Guzmán, leader of the Sinaloa cartel; La Tuta, leader of the Caballeros Templarios cartel; Vicente Carrillo Fuentes, El Viceroy, leader of the Juarez cartel; Miguel and Omar Treviño Morales, leaders of The Zetas; as well as El Chayo, leader of La Familia Michoacana and Ignacio Nacho Coronel and Arturo Beltrán Leyva, last three were killed in clashes with governmental forces. See Doris Gómez, Dennis A. García y Marcos Muández, “Cárteles, la nueva era.”

Figure 4.1. Mexico’s Major Organized Crime Groups and Territories of Their Operation, 2015

Source: El Universal.
Figure 4.2. Number of Kidnappings in Mexico, 1997-2014

Source: Kimberly Heinle, Octavio Rodríguez Ferreira, and David A. Shirk, “Drug Violence in Mexico: Data and Analysis Through 2014.”

Figure 4.3. Number of Extortions in Mexico, 1997-2014

Source: Kimberly Heinle, Octavio Rodríguez Ferreira, and David A. Shirk, “Drug Violence in Mexico: Data and Analysis Through 2014.”
Local political authorities are under constant pressure from criminal groups and are often punished for refusing to provide them protection or for protecting rival criminal groups. According to the Justice in Mexico project’s data, 80 mayors and former mayors were killed in Mexico from 2006 through 2015 (Figure 4.4), with many of the cases presenting signs of organized-crime-related homicides. These waves of attacks against municipal authorities evidence the weakness of the local level governments; state and federal level politicians are attacked less often. In June 2010, a PRI candidate for the governorship of Tamaulipas Rodolfo Torres Cantú was assassinated a week before the election that he was likely to win allegedly by members of a drug-trafficking organization. Later the same year, a former governor of Colima Silverio Cavazos Ceballos was also assassinated, allegedly by La Familia Michoacana cartel because “he was getting in the way” of the cartel. The higher number of attacks on public officials after Calderon launched his “war on drugs” compared to the beginning of his administration (2006-2007) is indicative of the evolution of organized crime towards more localized phenomenon that depends more from local-level activities, such as extortion, drug sales, kidnappings, theft, etc. In order to carry out these activities, criminal groups need to ensure the protection from the local political leaders and their respective police forces. Most importantly, organized crime filled in the void left by the weak state institutions and fulfills functions

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238 This dataset does not include victims from lower political ranks, such as party candidates for municipality councils. See Kimberly Heinle, Cory Molzahn, and David A. Shirk, “Drug Violence in Mexico: Data and Analysis Through 2014,” 22.


240 Patrick Corcoran, “Asesinatos de alcaldes de México.”
that, at least in theory, are reserved for the state. For example, it is not uncommon in some areas, such as the state of Veracruz, to see criminal brigades patrolling the streets or imposing a curfew on local communities.

Numerous testimonies reveal that political parties receive support from criminal organizations. Powerful organized crime groups in some cases even participate in the selection of mayoral candidates or tax municipal authorities, as in the case of La Familia Michoacana and Caballeros Templarios. Evidence also abound about police forces of all levels being on the cartels’ payroll. The power balance is manifested even more explicitly in the cases when the cartels overpower in weaponry the regular army or police forces during the clashes. On occasions, criminal groups came to openly defy federal and state governments. For example, messages left on the narco-banners in Tamaulipas on March 8, 2016 and signed by the Cartel del Noreste, a fraction of Los Zetas, demanded the Mexico’s president and the governor of Tamaulipas to revoke the extradition process of their captured leaders Miguel Ángel and Omar Treviño Morales, “Z40” and “Z42” respectively, to the U.S. The message states that the cartel will continue its attacks on “innocent civilians” in retaliation, if the government proceeds with the extradition. These facts illustrate that local governments in parts of Mexico have lost ground to the criminal organizations.

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242 For example, in 2015, in the state of Jalisco, a military helicopter was downed by gunmen with a rocket launcher. In 2016, in the state of Sinaloa, allegedly members of the Sinaloa cartel ambushed a military convoy killing 5 soldiers. Notably, the attack was carried out with grenades, while the soldiers had only automatic weapons (see “Sons of El Chapo suspected of Mexican convoy ambush that killed five soldiers,” The Guardian, September 30, 2016, https://www.theguardian.com/world/2016/sep/30/mexican-soldiers-killed-military-convoy-ambushed-sinaloa).

243 “Fracción de Los Zetas, ahora Cártel del Noreste, advierte masacre por extradiciones,” Proceso, March 16, 2016, http://www.proceso.com.mx/433674/fraccion-los-zetas-cambia-a-cartel-del-noreste-advierte-masacre-extraditan-al-z-40-z-42. This situation reminds of Colombia in the 1990s when major drug cartels announced the war on the government because of the extradition process, which led to the wave of high-profile assassinations.
networks and that the Mexico’s political regime in general does not control these networks anymore.

**Figure 4.4. Mayors and Ex-Mayors Killed in Mexico (January 2006 – December 2015)**

![Bar chart showing the number of mayors and ex-mayors killed in Mexico from 2006 to 2015.](image)

*Source: Justice in Mexico Memoria dataset.*

These trends are illustrated in detail by the following case studies. While the Sinaloa Cartel is representative of the old generation of organized crime in Mexico, Los Zetas cartel belongs to a newer generation and is illustrative of the newer tendencies in the evolution of Mexico’s criminal landscape.

### 4.1.1 The Sinaloa Cartel

The Sinaloa cartel is considered one of the most powerful criminal organizations in Mexico and in the world. Established in the mid-1980s and based primarily in Culiacán, the capital of the Sinaloa state, the cartel has survived several decades of the “war on drugs” without
showing significant signs of weakening. The leader of the cartel, Joaquín Guzmán Loera, alias “El Chapo,” was brought into business by Pedro Aviles, one of the first contrabandists in Mexico to traffic marijuana in bulk. It consolidated in the mid-1990s composed by three leaders and their clans: that of “El Chapo” Guzmán, Ismael “El Mayo” Zambada and Juan José Esparragoza Moreno (“El Azul”). The cartel eventually took control of major drug routes through Central America and Mexico, supplying U.S. and European markets with heroin, cocaine, marijuana and methamphetamine.

The Sinaloa Cartel can be better described as a federation, rather than a hierarchical structure under a single leadership. Its three leaders, “El Chapo”, “El Azul” and “El Mayo,” have all cooperated through their separate organizations. The cartel relies on at least 10 local enforcement cells in the states it dominates, that serve the leadership in different tasks, from providing protection to charging the “right of passage” fee (“derecho de piso”) from rival bands. In 2002, the federation allied with the Beltran Leyva brothers, also from the Sinaloa state, forming the so called “Blood Alliance” (“La Alianza de Sangre”). The Beltran Leyva Organization (BLO) served as enforcement wing for the Sinaloa Cartel in its turf war against the rival Gulf Cartel. In 2008, however, the Beltran Leyvas broke away and the two former allies entered in turf wars against each other forming new alliances with other criminal groups. During the process of militarization of Mexican cartels, around

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245 Ibid.
247 Indeed many of the federation’s members were related through marriage or blood.
248 The BLO had their own armed force unit since 2005, Guerreros Unidos, operating in the poor state of Guerrero. These, in turn, became an independent group after the death of the last of the Beltrán Leyva brothers in 2009. See Jan Martínez Ahrens, “Mexico’s new generation of cartels.”
2007, the Sinaloa federation created another armed wing, Gente Nueva, in order to fight off rival cartels and government forces and take control over trafficking routes.\(^{249}\) In 2011, another rupture within the Sinaloa Cartel gave rise the Jalisco Nueva Generación Cartel (CJNG). By 2015, this relatively new organization reached levels of the territorial control comparable to that of the Sinaloa Cartel.\(^{250}\) The new organization was able to consolidate its power due to its control over several ports on the Pacific and Gulf of Mexico coasts. The ports, located in the states of Michoacán, Colima and Veracruz, have served the cartel as transit points to receive shipments of chemical precursors from Asia on the one hand, and to ship methamphetamine to Europe and Russia on the other hand.\(^{251}\) In addition, the CJNG became notorious for its high military power and retaliatory attacks against the police and military forces. For example, in 2015, in an unprecedented attack, members of the cartel shot down a Mexican army’s helicopter, killing eight soldiers, in Guadalajara, Jalisco state. The cartel has participated in multiple shoot outs with the police forces that in one case resulted in killing of 15 policemen.\(^{252}\)

Turf wars between the Sinaloa Cartel and its rivals in different territories across Mexico drove up levels of violence in various cities. For example, the border city of Juarez, situated on a major drug-trafficking corridor, saw unprecedented levels of bloodshed from 2008 to 2010 in a battle for its plaza between the Sinaloa Cartel’s “Gente Nueva” and the


\(^{251}\) David Saúl Vela, “Cártel de Jalisco se expande a Veracruz para enviar drogas.”

\(^{252}\) Tania Montalvo, “Con Peña Nieto, ‘El Chapo’ y Jalisco Nueva Generación dominan el negocio de la droga.”
Juarez Cartel’s “La Linea” enforcer units. Ciudad Juarez turned into Mexico’s most violent city from 2008 to 2011, with the homicide rate over 200 per 100,000 in 2010, partly because the large cartels employed youth gangs as their manpower. As Nathan Jones writes, once smaller street gangs get involved into the conflicts between larger criminal organizations, these conflicts usually become even more violent. It is believed that the Guzmán’s cartel essentially emerged victorious out of this battle which has significantly contributed to the city’s drop in murder rates, 19 murders per 100,000 inhabitants, which represents a more than 90% decrease from the 2010. This pacification has been largely attributed to the dynamics of power struggles between the cartels rather than to the successes in the government’s security strategy.

Illicit drugs cultivation, production and trafficking remain the main source of income for the Sinaloa Cartel. The cartel dominates the global cocaine market, and is also a major producer and supplier of heroine, methamphetamine and marijuana. Although the Guzmán’s organization is also involved in prostitution, money laundering and arms trafficking, it is generally perceived as predating less on local-based illicit activities affecting general population; unlike the younger, territory-oriented cartels, such as Los

Zetas or La Familia Michoacana.\textsuperscript{257} The Sinaloa cartel rather invests in innovation, such as diversifying smuggling techniques. Maintaining business-oriented model of operation is one of the strategies in order to minimize the risk of government intervention.\textsuperscript{258}

According to the NarcoData website, the Sinaloa cartel has been active in 24 out of 31 Mexican states since its foundation.\textsuperscript{259} Nowadays, the Sinaloa cartel’s tentacles stretch across some 17 Mexican states (Figure 4.5) and the cartel’s presence was noticed in about 50 countries.\textsuperscript{260} It controls production, trafficking and distribution chain of most of its illicit drugs and resembles a transnational holding in the way it conducts its operations. In order to move large shipments of cocaine from the Andean region (Colombia, Peru, Bolivia, Ecuador) to Central America and Mexico to eventually reach the U.S. market, the Sinaloa Cartel has partnered with local criminal groups that work like franchises for their Mexican partners. The Sinaloa Cartel provides protection and logistical services to them; however, the cartel’s influence is reportedly growing and it has increased its control over the cocaine production and distribution processes in the region.\textsuperscript{261} According to recent reports, the Sinaloa cartel controls about 35% of cocaine shipments originating in Colombia.\textsuperscript{262}

\begin{flushright}
\textsuperscript{257} Nathan Jones, \textit{Mexico’s Illicit Drug Networks}, 104. \\
\textsuperscript{258} Nathan Jones, \textit{Mexico’s Illicit Drug Networks}. \\
\textsuperscript{260} “Sinaloa Cartel,” \textit{InSightCrime}. \\
\textsuperscript{261} Rafael Croda, “El de El Chapo, un ‘narcoholding’,,” \textit{Proceso}, no. 1888, January 6, 2013, 6-11. \\
\end{flushright}
The classification of the Sinaloa Cartel as a transactional criminal organization is confirmed by the observation that it prefers to establish agreements with higher levels of government than territorial criminal networks. Thus, it co-opted elements of the federal police and the army during its turf war with the Juarez Cartel that had mostly established links to the municipal and state-level police and politicians. The high-level protection gave the cartel a necessary leverage to dominate the plaza, and at least some local

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263 Nathan Jones, *Mexico’s Illicit Drug Networks*.
authorities shifted their loyalty. As was declared by a former Juarez police official in a 2010 trial, Guzmán authorized him and other members of his police agency to provide information to the U.S. federal authorities implicating Guzmán’s “rivals from the Vicente Carrillo Fuentes’ cartel.” This testimony also illustrates the power relationship between organized crime leaders and members of law enforcement, where the latter, on occasions, appear to follow the orders of the former. A National Public Radio (NPR) analysis of bribery cases showed that the Sinaloa Cartel prefers bribing federal authorities and military, while other cartels focus on bribing municipal authorities.

The cartel is widely perceived as having links to the PAN. When the major crackdown on drug cartels began under the Calderon’s administration, and numerous kingpins were removed by the federal security forces, the Sinaloa’s cartel long-time boss “El Chapo” continued free. Moreover, according to various observers, the government disproportionately targeted members of other cartels. An NPR analysis of federal arrests of cartels’ affiliates during the first half of the Calderon sexenio, shows that his government favored the Sinaloa Cartel, as its arrests constituted 12% of all individual arrested compared to the 44% of defendants who belonged to the Gulf-Zetas cartel. The party even had to issue formal statements in 2010 and 2011 denying its relationship with the criminal organization.

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267 Carlos Antonio Flores Pérez, “Inside Mexico’s Maze of Mirrors.”
268 John Burnett, Marisa Penalosa, and Robert Bennincasa, “Mexico Seems to Favor Sinaloa Cartel.”
At the same time, there are allegations that the U.S. antidrug agency DEA negotiated with the cartel in order to obtain information about the rival criminal organizations.\textsuperscript{269} The alleged links to the highest levels of Mexico’s government as well as to the DEA do not come as a surprise given the facts that “El Chapo,” once the most wanted man in the Western Hemisphere, escaped from a maximum-security prison twice, in 2001 and 2014, only to be recaptured in 2016, and, even during his latest imprisonment under the government of Peña Nieto, the organization’s influence in the global illegal markets continued growing.

\subsection*{4.1.2 Los Zetas}

Los Zetas were born out of 31 members of the elite Airborne Special Forces Group (Grupo Aeromovil de Fuerzas Especiales - GAFES) within the Mexican Army who deserted in 1997 to join the Gulf Cartel as its enforcement wing. First they worked for the Gulf Cartel’s leader Osiel Cárdenas Guillén as hit men, bodyguards or drug runners, but after the arrest and extradition of their boss in 2003, the group decided to break away and became an independent cartel.

In the beginning of their independent operations, the group had approximately 300 members and was headed by Heriberto Lazcano Lazcano, alias "El Lazca" or "El Z-3," and Miguel Angel Treviño Morales (“El Z-40”). It dedicated to the trafficking of drugs, arms and humans. The military advantage of this cartel was hard to overestimate, as Los Zetas stood out with their military training, sophisticated use of arms and intelligence and,

especially, brutality. While fighting territories off from rival cartels, they implemented especially virulent methods, preferring force over negotiation. As a result, other criminal organizations had to rival their brutality making the spike of levels of violence matched by its grotesqueness.

Los Zetas grew quickly into a major transnational criminal organization in Mexico. By 2010, the cartel was present in 405 municipalities, and expanded to Guatemala where they took control of profitable drug-trafficking routes through Central America. Their operations also stretched to the United States border areas where they usually hire U.S.-based prison and street gangs.\(^{270}\) The northern state of Tamaulipas, a Los Zetas’ stronghold, has seen spikes in organized crime-related murders since 2010, when the Gulf Cartel, the Sinaloa Cartel and La Familia Michoacana/Knights Templar began disputing drug trafficking routes in the state controlled by Los Zetas. The scale of the turf war is best illustrated by the egregious massacre of 72 undocumented migrants in San Fernando municipality in August 2010, presumably on the orders of the Ciudad Victoria plaza boss who believed the migrants were transported to serve as reinforcement for the rival Gulf Cartel.\(^{271}\)

Los Zetas’ paramilitary commandoes “enriched” their human resources by recruiting former police officers from Mexico’s federal, state and municipal police agencies; as well as members of the Kaibiles, Guatemalan paramilitary troops experienced in the counterinsurgency warfare. By 2012, the organization reportedly had about 700 to

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1,000 “specialists in violence.”

Besides these ruthless elements, Los Zetas’ ranks include the broad base of small-time recruits who occupy the lowest positions. The organization has an army of street vendors, petty sellers, and bike-riding youngsters who serve as lookouts for “plaza” bosses reporting any strange movement of individuals or vehicles in the neighborhood. These recruits mostly come from poor rural population attracted by the opportunity of income and other bonuses, such as easy access to alcohol, drugs and women. Overall, Los Zetas have been successful at creating their “criminal brand.” Besides terrorizing local communities, the “Los Zetas brand” attracts common criminals who pretend they work for the syndicate and take advantage of the fear it instills in their extortion victims.

Due to their origins as Special Forces deserters, at the beginning Los Zetas was a criminal organization with military-style hierarchy and discipline. The central leadership controlled local cells across all municipalities of which they took control. The cell-like structure allowed the cartel to keep the possibility of an information leak within their ranks to minimum. At the same time, the tight control over local cells rooted in harsh discipline allowed the leadership to take advantage of every criminal activity on a certain plaza. At the top of this paramilitary-styled criminal network were the superior leaders, “El Lazca” and “El Z-40.” They were followed by regional chiefs, or lieutenants, who implemented commands issued by the chieftains and supervised Los Zetas’ criminal operations in assigned regions of Mexico. The third tier were sergeants, who were responsible for several cells each. Cells were small units (5-7 people) specialized in such activities as trafficking.

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routes, extortion, intelligence, kidnapping, and operation of many illegal business owned by Los Zetas (Figure 4.6).\textsuperscript{274} The discipline within the organization was enforced through harsh punishments, which often included torture or death.

Figure 4.6. Organizational Hierarchy of Los Zetas

\begin{center}
\begin{tikzpicture}
  \node [draw] {Top leadership: El Lazca and El Z40};
  \node [draw, below of=Top leadership] {Regional/local leaders (Lieutenants)};
  \node [draw, below of=Regional/local leaders] {Sergeants};
  \node [draw, below of=Sergeants] {Local specialized cells};
\end{tikzpicture}
\end{center}

\textit{Source:} Adopted from George Grayson and Samuel Logan, \textit{The Executioner’s Men}.

While growing and stretching across Mexican territories, Los Zetas’ militarized nature paled. It became harder for the leadership to maintain discipline among numerous cells and the cartel became vulnerable to the fragmentation dynamics. Moreover, because of their extreme ruthlessness and the unprecedented public display of violence, the organization became the main target of the government’s anti-crime efforts during the Calderon’s administration. But even before the longtime Zetas’ kingpin Lazcano was killed in a shootout with the Mexican marines in 2012, he had been involved in internal dispute with his second-in-command Treviño Morales (“Z-40”) and had lost much of its power. Treviño Morales, widely known for his savage brutality, was captured by the marines in

\textsuperscript{274} George Grayson and Samuel Logan, \textit{The Executioner’s Men}, 33-34.
2013; his brother and a possible successor, Alejandro “Omar” Treviño Morales, alias Z-42, was arrested in 2015.  

The high-profile arrests within the organization and killings of the leaders by the federal forces weakened the cartel. After its “spectacular” growth from the end of the 1990s to 2011, by 2012, Los Zetas faced the same destiny of fragmentation and localization as other Mexican cartels. For example, one of Los Zetas’ plaza bosses, Ivan Velazquez Caballero, alias “El Talibán,” openly defied the central leadership of the Z-40 which caused internecine battles within the organization. His arrest in 2012 did not stop the atomization of different cells and a new splinter faction called Los Legionarios was announced the same year in a narco banner in Tamaulipas. This splinter group pledged to consist of followers of the captured boss. By 2016, in Tamaulipas, the territory that had been long disputed between Los Zetas and the Gulf Cartel, Los Zetas split into warring factions, the Cartel del Noreste (the Northeastern Cartel) and Los Zetas Vieja Escuela (the Old School Zetas). Numerous reports indicate that Los Zetas have lost their power to impose discipline on their local cells, more of which operate at their own discretion and tend to profit more from local crime than from transnational activities.

As it often happens with especially powerful criminals, a protected key witness who was going to testify against the Z-40 was murdered in 2015, on the orders of Treviño Morales’ attorney. See Jorge Carrasco Araizaga, “Implicado, asegura que testigo clave de la PGR fue acallado por Los Zetas,” Proceso, June 27, 2015, http://www.proceso.com.mx/408905.


See “Aparecen Los Legionarios en Tamaulipas y le declaran la guerra a Los Zetas,” Proceso, October 12, 2012, http://www.proceso.com.mx/323176/aparecen-los-legionarios-en-tamaulipas-y-le-declaran-la-guerra-a-los-zetas. Although this group did not attract any further attention and its existence is in doubt, this type of narcomantas announcing a new criminal band has become a routine phenomenon in Mexico during the recent years.

The survival of Los Zetas during its battles with rival groups stems not only from their brutality but also from the diversification of their activities. They are one of the first criminal organizations in Mexico that besides trafficking and selling drugs, started employing their force in such ventures as extortion, kidnapping, human smuggling, contraband, petroleum rustling, pirate DVDs, sale of body parts, running prostitution rings, providing protection to other gangs, car theft, and poppies cultivation in Guatemala and Tierra Caliente region of Mexico. Los Zetas also invest the proceeds from their criminal operations into legal businesses such as hotels, restaurants, real estate and casinos among others, mostly along the U.S.-Mexican border. In order to operate at this scale, the cartel keeps communities terrorized and forces citizens to “cooperate”. For example, it establishes agreements with intercity bus conductors in order to identify and abduct migrants on their way to the US border. Local residents are often left without a choice: a refusal to cooperate can cost them their life.

The criminal-political nexus of Los Zetas can be illustrated by the case of the former Veracruz governor Fidel Herrera Beltrán (2004-2010). After he left office in 2010, several former employees from his administration entered the protected witness program of the Assistant Attorney General's Office for Special Investigations on Organized Crime (SIEDO) and denounced their former boss’ links to Los Zetas. According to the witnesses, Los Zetas’ plaza leaders in Veracruz had enjoyed official protection from the governor that allowed them to operate without persecution selling drugs, extorting citizens, trafficking undocumented migrants and kidnapping among other illicit activities. Notably, the

Prosecutor General’s Office (PGR) refused to pursue the investigation into the case and even excluded the witnesses from the protected witness program.\textsuperscript{281}

Another telling case of government officials at the service of Los Zetas is the former Coahuila governor Humberto Moreira arrested in Spain in 2016 on allegations of corruption and money laundering. While Moreira held the governor’s office in Coahuila (2005-2011) he is believed to have embezzled millions of dollars of public funds and provided protection to Los Zetas. It was during his government, when the cartel disappeared an indeterminate number of persons from Allende municipality in March 2011, presumably as a punishment for an unfaithful member of the gang. According to the testimonies of former cartel members, Los Zetas’ hit men sent by Treviño Morales “Z-40,” carried out an operative that wiped out all families with the last name Garza in the municipality who were believed to be family members of the disloyal Zeta.\textsuperscript{282} The illustrative part of this event closely analyzed by a research team from Colegio de México, is the evidence that municipal police received orders from Los Zetas commanders. In the days of the forced disappearances, local police were ordered “not to patrol, not to respond emergency calls and to abduct anyone with the last name Garza” in order to turn them over to Los Zetas.\textsuperscript{283}

Although there is no hard evidence of the implication of the former Veracruz governor in described events, the autonomy and impunity which enjoy Los Zetas demonstrate their monopoly on violence in some areas of the state. Humberto Moreira even

\textsuperscript{282} At least 26 people disappeared just in 2 days.
\textsuperscript{283} Sergio Aguayo, coord., \textit{En el desamparo}, 14-15.
has been portrayed in press as a “subordinate” of Los Zetas. The vulnerability of the governor before his violent “collaborators” is confirmed by the assassination of his own son in 2012, allegedly for laundering money without the cartel’s authorization. After his governorship ended in 2011, Moreira served as the head of the PRI but had to resign amid accusation of corruption and malfeasance. As in most high-level corruption cases, the Mexican government did not prosecute the ex-governor and Moreira was free to continue laundering his money abroad. As suggested by some news outlets, while serving as the PRI leader, Moreira was Enrique Peña Nieto’s political ally before the presidential election of 2012 and might enjoy protection from the top ranks of the federal government.

4.1.3 Concluding Remarks on Mexican Organized Crime

As can be seen from the examples of the Sinaloa Cartel and Los Zetas, even large powerful criminal organizations of Mexico got embroiled in internecine wars and lost some of their cells. It is not uncommon for an enforcer wing to break away from its bosses, such as in the case of the BLO and Los Zetas. Every major organization faces regional challenges and eventually succumbs to the tendency of fragmentation. Thus, Mexico’s organized crime, like the political regime itself, eventually became decentralized.

The diversification of criminal activities has been an inherent feature of the Mexico’s “drug war.” Criminal groups do not limit their activities to drug production and

trafficking anymore. Now they also traffic in humans, arms and stolen oil. Predatory crime that affects local communities, such as extortion, kidnapping and domestic drug sales, has become common. Overall, criminals in Mexico have evolved from occupying a predominantly illicit business niche, to interrupting the regular life of citizens. These dynamics have inflicted higher costs on the population than in the years previous to this widespread diversification of organized crime.

Finally, the relationship of organized crime and the State has also changed in the past two decades. As Patrick Corcoran points out:

Because the drug trade had been so closely managed by the PRI system, the democratic opening removed a significant measure of control over the gangsters. The bureaucrats and functionaries in security agencies who had worked with—and in so doing, kept watch over—the drug trade for a generation were removed. Corruption certainly did not cease, but the salutary effect of having a single political entity dealing with the industry disappeared. Previously, Félix Gallardo may have been the most powerful trafficker, but he was subordinate to a state that bordered on omnipotent. After 2000, it was not clear who, if anyone, the capos answered to.  

The presented case studies demonstrate that the distribution of power between the politicians and criminals is unequal and the police often serves criminal groups who establish the rules of the game on a certain territory. Governors do not profit from high levels of violence on their territories. They do not need excessive negative public attention to their administration, especially while many of them plan to continue their political career in higher places. The fact that criminal groups like Los Zetas are free to perpetrate atrocities and remain unpunished under alleged state protection tells that politicians no longer control the rules of the game. Violence is contrary to the politicians’ interests but they have no power to reduce its levels even under the “partnership” with its perpetrators. Instead of

287 Patrick Corcoran, “Mexico’s Shifting Criminal Landscape,” 306-328.
reigning over the “specialists in violence” politicians go out of their way to conceal its outrageous levels in their states. In this context, the refusals of the criminal justice system to pursue corruption cases evidences the power that dominant criminal groups enjoy at the local and the federal levels, rather than the ability of the corrupt officials to avoid prosecution. In sum, in many cases, especially at the local level, political authorities are not just accomplices of organized crime groups, but their servants.

4.2 From Bandits to Businessmen: The Evolution of Organized Crime in Russia

The 1990s in Russia became known as “the wild 90s,” a period of swiping extreme poverty and social degradation among the majority of the population; and of skyrocketing enrichment and exuberant lifestyle among the “newly rich” few. This was also a period of "criminal wars" prompted by the proliferation of gangs and other violent actors that competed for protection racket.

Drastic liberal reforms adopted during the Gorbachev’s perestroika (1985-1991) provided a broad opportunity structure for criminal activities. The 1987 Law on Individual Labor Activity allowed small-scale individual service provision, marking the beginning of a legal private sector. It was followed by the 1988 Law on Cooperatives, a radical measure that allowed the establishment of private enterprises, operated by organizations called “cooperatives.” Cooperatives regulated private activities independently from the State, in the context of practically absent legislation on private sector. Given the institutional vacuum (especially, the lack of regulations of property rights) and the weakness of the

\footnote{288 For example, as illustrated in Chapter 2, the state of Veracruz is infamous for its suppression of freedom of speech when it comes to the denunciation of the state authorities’ links to organized crime by investigative journalists.}
State, various actors who had the means of violence seized the opportunity of profiting from the nascent business enterprises. Among them were sportsmen, former military servicemen and former police officers, who applied their physical skills and access to weapons in order to extort developing businesses. Under the threat of violence, criminals obliged business owners to share their profits. If the owner refused to cooperate, their business or their family suffered. Thus, criminals themselves created demand for protection by imposing the threat of violence on business owners. Most extortion victims did not file police reports under the fear of retaliation.

Unlike the old generation “thieves-in-law” organizations, the gangs of the 1990s were more loosely structured and less disciplined. Unlike “thieves-in-law,” who maintained a strict code of behavior that prohibited them to enter in any contact with state authorities, the new criminals did not have a code of conduct, employed violence more frequently and used their ties to politicians and law enforcement to ensure their operation. In contrast to a strict hierarchy typical for the Italian Mafia, the Russian organized crime was based on a network structure that could easily survive the removal of the leader and continue operating.

After the Soviet Union disintegrated in 1991 and the country submerged into a deep socio-economic crisis, criminal groups were not satisfied with small-scale contract protection anymore. Larger enterprises that made higher profits, including factories, also became subject to the protection racket. Although the phenomenon of protection racket emerged in the 1970s, it reached an unprecedented scale in the early 1990s. According to

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289 See Vadim Volkov, *Violent Entrepreneurs*.
the police statistics, about 90% of businessmen had to share their profits regularly with their “krysha” (the Russian word for “roof”), or protection agents.\textsuperscript{291}

Observers of Russian organized crime note that criminals gained power vis-a-vis the State during the 1990s. For example, in 1997, Valery Karyshev, a famous Russian writer who served as a lawyer for many organized crime leaders, wrote about the corruption in Russia:

This phenomenon does not have anything new in itself; old relationships that existed in the Soviet Union simply adapted to the new conditions. But nowadays, criminal groups are the ones who determine the rules of the game. Under the old Soviet system, the State used black market as a “lightning rod” only when needed, conceding just some rights to informal businessmen. Under the new system, state officials are indeed just puppets in the mafia’s hands. In the post-Soviet Russia, corruption became an instrument of organized crime against law enforcement, rather than a tool to avoid state control over the economic life. Since political elite had to come to an agreement with criminal groups, that use both hard and soft methods, a new criminal-political symbiosis emerged, with organized crime playing a dominant role.\textsuperscript{292}

Towards the end of the 1990s, however, organized crime-state balance of power began to shift again. This is reflected in the evolution of the krysha, or protection racket, during the post-Soviet period. Initially, the guarantors of security were numerous gangsters whose most “valuable” attributes were physical force and coercion. By the mid-90s, successful businessmen began subcontracting private protection agencies which increased in number by 4.5 times from 1993 to 1998.\textsuperscript{293} These agencies were comprised of the retired police and security personnel who had still contacts in their respective public offices, such as the MVD and the FSB. The scheme remained the same: businessmen were forced to


\textsuperscript{293} Valeriy Karyshev, \textit{Entsiklopediya kriminala}, 30.
make payments to their protection agency. However, now the threat for a refusal to pay an extortion fee included not only a violent retaliation, but also a fabricated or legitimate legal prosecution. Eventually, bandits were replaced by the police and private security firms as protection agents. The evolution of both criminal actors and state agents is illustrated in the following sections.

4.2.1 The Orekhovskaya Criminal Organization

Major urban centers, where most economic activity was concentrated, presented a plenty of opportunities for criminals in the context of burgeoning business activities and the lack of laws regulating them. The capital city of Moscow hosted probably the largest number of criminal bands divided into Slavic and Caucasus (ethnic) criminal groups with constantly clashing interests. In the first half of the 1990s, as soon as the mass privatization began, Moscow saw a wave of “criminal wars” in which many leaders of criminal world were assassinated. A significant part of these murders can be attributed to the Orekhovskaya criminal organization, one of the most notorious criminal groups of the 1990s.

The history of the Orekhovskaya illustrates the typical path of most organized crime groups of Russia. Its formation began in mid-1980s among young people (18-25 years old) who lived in the same neighborhood (in this case, Orekhovo-Borisovo area of Moscow) and were dedicated to sports, such as heavy lifting and wrestling. In the context of the economic downturn in the USSR and of the lack of perspectives in professional sports, they turned to criminal activities under the leadership of Sergey Timofeev (alias “Sylvester,” after Sylvester Stallone for his muscular body build), a hand-to-hand combat instructor.
Initially, the Orekhovskaya gang profited from the shell game (also known as cups and balls), a type of gambling where tricks are frequently used to perpetrate fraud. Shell game was one of the most profitable activities among Russian thieves of the mid-1980s and “Silvestr,” eventually, managed to monopolize protection racket of all game operators in southern Moscow. At the same time, his gang extorted prostitutes and market vendors in the area. After the Law on Individual Labor Activity was adopted in 1987, Sylvester’s gang engaged in the extortion of private drivers. By 1989, the gang controlled all gas stations in southern Moscow as well as petty criminals who profited from car theft. Besides, with the enactment of the Law on Cooperatives in 1988, Sylvester expanded his gang’s operations into protection racket of small-scale business, such as kiosks and cafes.

After his brief imprisonment from 1989 to 1991, Sylvester managed to unite numerous youth gangs into the Orekhovskaya criminal organization. He divided the organization into small brigades, each one responsible for a certain territory and reporting directly to the leader. Eventually, the Sylvester’s gang began extorting larger firms that made higher profits. While its sphere of influence was growing and invading territories under rivals’ control, the Orekhovskaya entered in conflict with ethnic criminal groups, including the Chechen and Kazan gangs, which also had been operating in Moscow for several years. In order to confront its rivals, the Orekhovskaya allied with the Solntsevskaya, another influential criminal organization in Moscow, which resulted in numerous “criminal wars” among mobsters. In the early 1990s, reportedly, approximately 30 banks, 20 large commercial enterprises, hundreds of gas stations, car service stations,
stores, restaurants, night clubs, casinos and all major markets in the capital were under the alliance’s protection racket.294

The Sylvester’s organization is considered one of the most violent and cruel in the 1990s Moscow. The crime boss demonstrated good leadership skills and, in the beginning of the 1990s, was one of the most influential criminal leaders (avtoritet) in the city. However, when “old-school” “thieves-in-law” offered him the title of “thief-in-law”, he rejected the offer.295 This anecdote illustrates the generational changes in the character of a criminal. Sylvester belonged to the new generation of criminal leaders, avtoritety. Unlike their predecessors, the newcomers did not recognize any behavioral code and operated with no principles. For example, they were not squeamish about entering into agreements with corrupt police officers or politicians, and often bragged about their luxurious lifestyle. Eventually, they came to consider themselves more as businessmen than gangsters and often tried to distance themselves from the “thieves’” underworld.296

Sylvester was one of the first criminal leaders to realize the broad opportunities of shifting from openly criminal activities to pseudo-legal business. Together with his financial mastermind Grigory Lerner,297 he created a bank, Moscow Trade Bank, formally headed by their female accomplice Olga. In 1993-1994, the shadow bank, operating under the guise of a respectable entity, took credits from about 20 commercial banks and deposited funds into Lerner’s accounts in Switzerland and Israel. The credits were never paid back and when the creditors tried to recover their funds, they were confronted by the Orekhovskaya gangsters. The presence of such a powerful “krysha” in the context of weak

296 Ibid., 71-72.
297 Lerner is currently serving a prison sentence in Israel.
law enforcement is what allowed the “bank” to operate with impunity. When Moscow police detained Olga and her accomplices in 1994, they soon had to be set free because none of the defrauded businessmen was willing to risk their lives by pressing charges against the “bank.”²⁹⁸

Once the crime boss was murdered in 1994 by one of his multiple enemies, his potential successors began the internecine fighting for his place that resulted in the spike of murders among members of the Orekhovskaya and its fragmentation into a myriad of small groups (according to journalistic accounts, about 15)²⁹⁹. After fighting for power with other factions of the fragmented organization, Sergey Butorin became the new leader of the Orekhovskaya. Unlike his predecessor’s trust in sportsmen, however, Butorin compiled his brigade of former service men, including ex-members of the police and security services. In his strive for power, the crime boss ordered numerous demonstrative reprisals against members of his own brigade if they committed a minor misdeed. Thus, the heightened competition among different factions and rival criminal organizations led to a better armed and more ruthless criminal structure.

By the end of the 1990s, the Orekhovskaya suffered significant losses, both from the internecine fights and from arrests, and was believed to be decimated. However, instead of fully disappearing, the organization rather evolved into a different type of criminal structure, following a common pattern among Russian organized crime groups. Although most of its members were either killed in turf wars or imprisoned, the surviving leaders took upon legal businesses, acquired properties abroad and managed their operations from

there. Butorin and his close allies fled to Spain in the late 1990s after having laundered millions of dollars through foreign banks. Some of them were arrested by Spanish police in 2001 and later extradited to Russia.

Ten years later, in 2011, Butorin’s close ally Dmitry Belkin, who headed one of the Orekhovskaya brigades, was also arrested in Spain. During the 1990s, a major commercial plaza in Moscow region, Odintsovo market, was one of the main revenue sources for the Belkin’s brigade. As it was typical of the new generation of criminals, Belkin, through his relatives, formally shared the ownership of the market with the market director, Sergey Zhurba. In 2014, despite the arrest and an ongoing trial of Belkin, after Zhurba excluded Belkin’s family share from the market ownership, the retaliation attacks followed. As a result, several witnesses in the case against Belkin were murdered; among them, a famous lawyer Natalia Akimtseva, who represented Orekhovskaya’s extortion victims in court.\footnote{Irek Murtazin, “‘Brigada’ soshla s ekranov i snova ubivaet?” \textit{Novaya Gazeta}, October 29, 2014, http://www.novayagazeta.ru/inquests/65907.html?print=1.} Zhurba himself suffered two assassination attempts. Although it is unclear if the businessman has been simply an extortion victim or a financial manager of the gang, the case illustrates the complicated relationship between criminal and business worlds where the line between the two has become increasingly blurred. Thus, twenty years after the Sylvester’s death, the split-off brigades of the Orekhovskaya still remind about their existence.
4.2.2 The New Stage of Protection Business in Russia

According to the official police statistics, which are not fully reliable and tend to present a brighter picture than the actual numbers—the number of crimes committed by an organized group or criminal society almost doubled in the period of 1994-1999 (Table 4.1). In the subsequent years, the tendency of rise in organized groups’ crimes continued after a slight decrease at the turn of the century. From 2003 to 2008, their number increased by 42.6%. This rise can be partly attributed to the higher reporting rate in the 2000s, as criminal groups gradually became less violent and victims became more inclined to report the abuse. Since 2009 to 2014, however, the tendency reversed and crimes committed by criminal groups and organizations dropped by 62.4%. The share of organized crimes within the total number of committed crimes also reduced almost twice from 1.14% in 2008 to 0.63% in 2014. This sharp drop is likely to evidence the growing latency of organized crime, as its shift to a lower visibility makes it harder to detect.

Table 4.1. Dynamics of Crime in Russia, 1991-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Crimes committed by an organized group</th>
<th>Homicide rate (per 100,000 inhabitants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>— 302</td>
<td>10.9</td>
</tr>
<tr>
<td>1992</td>
<td>—</td>
<td>15.5</td>
</tr>
<tr>
<td>1993</td>
<td>—</td>
<td>19.6</td>
</tr>
<tr>
<td>1994</td>
<td>18,619</td>
<td>21.8</td>
</tr>
<tr>
<td>1995</td>
<td>23,820</td>
<td>21.4</td>
</tr>
<tr>
<td>1996</td>
<td>26,433</td>
<td>19.9</td>
</tr>
<tr>
<td>1997</td>
<td>28,497</td>
<td>19.9</td>
</tr>
<tr>
<td>1998</td>
<td>28,688</td>
<td>20.1</td>
</tr>
</tbody>
</table>

301 Ministry of Internal Affairs (MVD), Sostoyanie prestupnosti v Rossii za 1995 god (Moscow: MVD RF, 1996), 12, 15-16; Ministry of Internal Affairs (MVD), Sostoyanie prestupnosti v Rossii za 1999 god (Moscow: MVD RF, 2000), 15, 18-19.
302 — - no data available.
The decline in the use of violence by organized crime can be seen not only in the reduction of the national homicide rate (Table 4.1), but also in the number of detected bands. If in 2007, law enforcement identified 348 bands, in 2010 the number lowered almost by 53%, to 184 bands.\(^{303}\) The Russian criminal code provides a useful distinction between criminal band (an equivalent of a gang) and criminal organization, where the necessary attribute of banditry is considered a consistent perpetration of armed attacks against persons or organizations, while a criminal organization does not necessary use arms to obtain its profit. Although the distinction can be vague in some cases, the tendency of reduction in the number of gangs still illustrates an overall tendency in the reduction of violence.

By the beginning of the twenty first century, old-school “thieves-in-law” faded away and were replaced by more business-oriented *avtoritets*. Although some senior

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leaders of organized crime who survived “criminal wars” are still called “thieves-in-law,” they have more in common with business elite than the old-generation “thieves.” Although there are episodic clashes between rival criminal groups in the cities, especially in Moscow, these are far from the scale of the “criminal wars” of the 1990s and usually do not affect general population. The absence of numerous turf wars suggests that organized crime has consolidated around a few major clans that divided up different spheres of illicit and legal business. Moreover, many of the criminal leaders hide from prosecution abroad, a forced move rather than a choice, which suggests that their grip on the illicit sources of revenue has weakened.304

One of the criminal leaders of the 1990s, a “thief-in-law” Zakhariy Kalashov, alias “Shakro The Young,” left for Spain in 2003 where he organized a money-laundering ring and heavily invested his capital in real estate, banking and oil industry.305 Kalashov returned to Russia in 2015 after serving a prison sentence in Spain. After several senior “thieves-in-law,” including Vyacheslav Ivan’kov (alias “Yaponchik”) and Aslan Usoyan (alias “Ded Khasan”), were killed in 2009 and 2013 respectively, Shakro was widely considered as the next “general” of the thieves’ underworld. However, shortly after his return to Moscow, Shakro was arrested on the accusations of extortion after a failed attempt of his subordinates to demand money from a restaurant owner in the center of Moscow. The incident resulted in a shootout between the pretenders and the protection agency of the restaurant, which turned out to be a respectful private security firm staffed with former personnel of a governmental security organization. The “roof” easily overpowered the

newcomers and Shakro was arrested shortly although he had not been present during the incident.\textsuperscript{306} The outcome of this extortion attempt is illustrative of the new balance of power within Russia’s protection business, where private security firms linked to law enforcement agencies have mostly replaced the bandits’ brigades.

These new “protectors” have divided up their spheres of influence depending on their hierarchy. By the early 2000s, most medium-size and large business companies were “protected” by the police agencies within the MVD structure. Later, after the MVD departments specialized in organized crime (RUBOPs) were dismantled and Putin brought the FSB elite to power, the FSB security agencies took control over protection of most of larger business enterprises. MVD agents were left in control of smaller businesses as well as illegal activities, such as piracy, stolen cars sales, drug trafficking and drug sales. Contemporary criminal groups are often obliged to make regular payments to corrupt members of law enforcement in order to avoid prosecution.

Nevertheless, this mechanism of “divide and conquer” is not exempt of conflicts, which can be illustrated by the so called “gambling case.” In 2011, the Investigative Committee (IC) brought up accusations against several prosecutors and MVD officers for providing protection to a chain of illegal casinos around Moscow city. The accusations were constantly denied by the Prosecutor General Yury Chaika, whose son was also allegedly involved in the corruption scheme. The case evolved into a public confrontation between the Prosecutor General and the IC head Aleksandr Bastrykin and their respective institutions. In the most probable scenario, the IC’s accusations were utilized by the Kremlin as a way to limit the power of the Prosecutor General. Indeed, the lack of authority

did not allow the Prosecutor General’s Office to cancel the IC’s accusations of Moscow prosecutors and terminate the case unilaterally, and made the Prosecutor General Chaika publicly complain about his lack of control over the IC.\textsuperscript{307}

Another example is illustrative of the evolution of a Russian organized crime leader towards a legitimate, business-oriented figure. In January 2016, the Central Bank of Russia revoked the license from the Vneshprombank, until recently one of the largest Russian banks. The bank had existed since 1995 and had among its clients numerous members of Russian political and economic elite as well as major state companies and institutions, such as oil giants Transneft and Rosneft, and the Russian Olympic Committee. According to newspaper reports, Vneshprombank helped some of its clients to draw their capitals out of Russia. The bank founders themselves invested billions of dollars in luxury assets in Europe and the United States. Massive financial fraud eventually led to the collapse of the bank after the Central Bank discovered imbalances in the bank equity.\textsuperscript{308} After the bank’s founder and president Larisa Marcus was detained on suspicion of fraud and her brother and bank’s co-founder Georgy Bedzhamov fled to Monaco to avoid prosecution, the information surfaced in the press that both of them were children of a notorious kingpin Avdysh Bidzhamo (“Alik the Assyrian”), a member of an ethnic-based Assyrian criminal group. In 1995, Bidzhamo was killed in turf wars by the members of the rival Orekhovskaya criminal organization, who fiercely fought all ethnic criminal groups in Moscow. Starting with petty burglary and protection racket to market meat vendors during


the late 1980s, by the mid-1990s, the ethnic-based Assyrian criminal group already profited from trade in oil, weapons, drugs and casinos. The occupation of Bidzhamo’s heirs effectively highlights the generational change that occurred within Russian organized crime in the past three decades.

To illustrate the level of involvement of organized crime in legal business, the Global Competitiveness Index (GCI) can be used. Table 4.2 presents the selected institutional indicators that characterize the business climate in Russia. The data is provided by the GCI, compiled by the World Economic Forum, which ranks countries according to the level of productivity of their economy. Besides the internationally available quantitative data, the GCI conducts a survey among leading business executives in each country in order to collect the opinion data on a national business climate. For each indicator, the Index assigns a score from 1 to 7, where 1 means the lowest level (or the worst possible situation) and 7 means the highest (or the best possible situation). It also ranks the countries according to each indicator, placing the best-ranking country at the top. Given the nature of the Russia’s economic transition of the 1990s, characterized by weakly enforced property rights and organized crime predating on the incipient businesses, the following selected indicators help analyze trends in the interaction between organized crime, business and the state. The cross-year comparison for Russia from 2006 (the earliest available year) to 2014 reveals a positive trend in all of the indicators. The second decade of the 2000s has seen improvements in the perceptions about organized crime and business costs of crime and violence. That is, the business climate in Russia was less affected by both regular and organized crime in 2014 than it had been in 2006. Although such

institutional conditions as the weakly enforced property rights, the relatively high levels of bribes, unreliable police and low levels of judicial independence still hinder the development of healthy business environment, they too have seen some progress in the recent years as their respective scores have increased.

Table 4.2. Selected Global Competitiveness Indicators, Russian Federation 2006, 2010 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2010</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Score 1-7</td>
<td>Rank/125</td>
<td>Score 1-7</td>
</tr>
<tr>
<td>Organized crime</td>
<td>3.7</td>
<td>98</td>
<td>4.0</td>
</tr>
<tr>
<td>Business costs of crime and violence</td>
<td>3.6</td>
<td>83</td>
<td>4.2</td>
</tr>
<tr>
<td>Property rights</td>
<td>3.1</td>
<td>111</td>
<td>2.8</td>
</tr>
<tr>
<td>Irregular payments and bribes</td>
<td>n/a</td>
<td>n/a</td>
<td>3.1</td>
</tr>
<tr>
<td>Reliability of police services</td>
<td>2.9</td>
<td>105</td>
<td>2.6</td>
</tr>
<tr>
<td>Judicial independence</td>
<td>2.3</td>
<td>109</td>
<td>2.6</td>
</tr>
</tbody>
</table>


By the end of the 1990s, the distribution of power between Russian organized crime and the State was more or less equal. As Vadim Volkov points out,

The emerging balance (or stalemate) of forces, combined with the increasing stakes in the economy, have made negotiations more desirable than conflict between protection enterprises; conflict with state law enforcement has become even less desirable.310

Violence is against organized crime interests, criminals need a stable source of income without attracting attention of law enforcement. Given the wide opportunity

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structure for legalization of illicit gains, as well as a credible threat that security organizations began to pose in the beginning of the 2000s, Russian organized crime has transformed into a more business-like version. It became highly active in economic sphere (for example, in 2007, 59.6% of all registered crimes committed by organized groups were of economic nature\(^{311}\)), operating under heavy state protection, with the state security organizations playing an important role in it.

One of the examples of this collaborative relationship is corporate raiding, an illegal appropriation of economic assets, that has become an increasingly acute problem in Russia since the end of the 1990s.\(^{312}\) A product of Russia’s ill-conducted economic transition, corporate raiding has developed into a complex mechanism with various interested actors participating in illegal grabbing.\(^{313}\) An illegal appropriation of a large asset usually requires a team work with a strict division of labor among the participants. Raiding teams can be comprised of a range of actors including representatives of large capital or industrial structures and public servants, who often are the initiators of the raid; lawyers, who are savvy in fabricating legal documents; members of private security firms, former or active law enforcement members, and members of judicial offices, who control the legal process of the case; as well as low-ranking criminal elements comprised of sportsmen and ex-convicts, who are hired to assist in the raid by applying physical force. Notably, recent studies emphasize the growing role of the state agents in the practice of corporate raiding since the early 2000s.\(^{314}\) According to an expert survey conducted by the Moscow Center

\(^{311}\) Anna Repetskaya and Anna Khristyuk, *Sovremennye kriminal'nye vyzovy*.


\(^{314}\) Michael Rochlitz, “Corporate Raiding,” 89-114.
for Political Technologies in 2008, ruling political elites are the most common type of a raider in contemporary Russia.\textsuperscript{315} In his empirical study, Michael Rochlitz demonstrates that the central government allows regional political elites to engage in predatory behavior while they provide sufficient electoral support for the Kremlin.\textsuperscript{316} Therefore, politics in Russia acquired criminal features, which had been already noted by some observers in the first decade of the 2000s.\textsuperscript{317}

In a similar vein, organized crime gradually acquired political features. In Soviet Russia, “thieves in law” acted under informal agreement: they did not have political goals and their code prohibited collaboration with politicians. The new generation of “bandits” that became active during the 1990s, disregarded old rules and began penetrating the politics through nominations for positions at local and regional administrations.\textsuperscript{318} This process developed actively in 1995-1999, when electoral legislation lacked regulations regarding candidates’ criminal record. By the early 2000s, many criminal leaders legalized their position by entering regional and local political offices.\textsuperscript{319} As electoral legislation improved in order to prevent direct access of potential members of organized crime to

\begin{footnotes}
\item[315] Center for Political Technologies, \textit{Reyderstvo kak sotsial’no-ekonomicheskiy i politicheskiy fenomen sovremennoy Rossii} (Moscow: CPT, 2008).
\item[316] Michael Rochlitz, “Corporate Raiding,” 89-114.
\item[318] By the mid-1990s, organized crime gained enough power to penetrate political institutions of the country. It was not uncommon for a member of Duma (Russian parliament) to have multiple “assistants,” officially registered as public servants, who helped the politicians to operate their shadow businesses. Many of these “assistants” were known members of criminal organizations. A telling example of a criminal turned politician is the case of Sergey Sorochkin, a successful businessman, who killed two people already in his capacity of a Member of Parliament and continued working with impunity. While law enforcement was incapable of punishing him, the rival organized crime members completed the task by assassinating him in 1995. See Aleksandr Maksimov, \textit{Rossiyskaya prestupnost. Kto est’ kto?} (Moscow: E, 1997).
\item[319] According to the data from a 2004 survey conducted in 44 Russian regions, 76% of respondents believed that there were people linked to organized crime among members of regional executive and legislative power administrations. See A. Petrova, “Kriminal vo vlasti – obychnoe yavlenie?” Public Opinion Foundation (FOM), last modified August 5, 2004, http://bd.fom.ru/report/cat/powTerr/of043003.
\end{footnotes}
candidacy, criminals (most of whom had turned businessmen) continued penetrating political system in indirect way by financing local political campaigns or promoting their own candidates through the partisan system.  

4.2.3 Concluding Remarks on Russian Organized Crime

The described case studies show how the Russian organized crime evolved from racketeering gangs taxing mostly illegal enterprises, into criminal groups taxing legitimate businesses, and further into business companies raised on the illegally accumulated capital. The criminal world of the early 1990s presented a very fragmented structure with multiple racketeering gangs and warring factions fighting violent turf wars. By the early 2000s, most violent criminal groups were dismantled. Those who survived turf wars and avoided prosecution legalized their profits turning into businessmen or politicians, or left abroad.

Organized crime of the early 1990s became extremely diversified. It penetrated all spheres of the country’s economy (banking industry, smuggling of natural resources), controlled a plethora of illegal activities (prostitution, human trafficking, arms smuggling, narcotics trafficking and gambling) as well as extorted all types of businessmen, including popular singers and owners of big manufacturing plants. The younger generation of criminals focuses on less violent activities, to avoid attention of law enforcement. Nowadays, conflicts among different protection agents are solved mostly by using legal

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321 See also Vadim Volkov, Violent Entrepreneurs.
322 One of the most popular singers of that time, Igor Talkov, was shot dead in 1991, backstage during a concert, in an apparent squabble between his “krysha” (protection) and that of another singer.
mechanisms, such as selective prosecution, through corrupt members of security organizations. As one journalist succinctly puts it, “the criminals of the 2000s look nothing like moody guys in crimson jackets, who used every opportunity to reach out for their weapons. Now they are respectable entrepreneurs, philanthropists, investors, and owners of major businesses.”

The evolution of the business of protection evidences a shift in state-crime relationship over the last decade. While during the 1990s it was characterized by contestation, with organized crime activities spinning out of control; during the early 2000s the relationship entered the stage of accommodation, became mutually beneficial, with state agents occupying the dominant position and establishing the rules of the game. The politization of crime and criminalization of politics further consolidated the nexus between organized crime and political regime.

4.3 Mexican and Russian Organized Crime in Comparative Perspective

This chapter has analyzed the main tendencies in organized crime in Mexico and Russia during the periods of political transition and their aftermath. When compared, Mexican and Russian criminal groups reveal common as well as different trends in their structure, activities and the relationship with the state. The case studies demonstrate that among all factors that shaped the two countries’ criminal trajectories, two conditions stand out that determine the path of organized crime in the context of a regime change: the shifts within markets and the changing state authority. Markets provide the context in which criminal

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actors operate. The level of market openness and the enforcement of market regulations determine the nature of opportunities that criminals are willing to explore. At the same time, the state imposes constraints on criminal actions by exercising its authority through law enforcement. If the state-imposed constraints are too weak and the violators of law are not effectively punished, the law enforcement does not constitute a credible threat to criminals and they are free to exploit market opportunities, especially if these are new and weakly regulated. Thus, the market serves as the driving force behind the exploration of new opportunities by organized crime, while state imposes limits on this exploration.

4.3.1 Structural Adaptation

Criminal organizations’ structures are constantly in flux adapting to the surrounding conditions. For Mexican drug-traffickers, the first major window of opportunity emerged in the late 1980s and the early 1990s, when major Colombian drug cartels were dismantled by the U.S.-backed law enforcement efforts and Mexican criminal networks assumed a greater role in controlling trafficking routes of the Andean cocaine into the U.S. The liberalization of trade between North American countries through the North Atlantic Free Trade Agreement (NAFTA) signed in 1994 presented another opportunity for drug traffickers to take advantage of the increased trade volumes between Mexico and the United States. The free-market agreement has facilitated the flow of drugs across the U.S.-Mexican border as the traffickers utilize the expanded number of containers to carry out the contraband of narcotics.

These market opportunities coincided with the shifts in the law enforcement activities of the State. The gradual weakening of the hegemonic party’s grip on political power that began in 1989 and continued through the 1990s opened opportunities for various political actors, such as PAN, to play a greater role in the Mexico’s political landscape. When the PRI’s monopoly on power began to crumble, Mexican political regime became increasingly plural and decentralized. This decentralization caused the weakening of the coercive capacity of the State as the coordination of law enforcement efforts became more difficult. Moreover, after the murder of the DEA agent Enrique Camarena in 1985, the United States began to pressure Mexico’s government to increase its counternarcotic measures, which also resulted in fractionalization of drug-trafficking networks. As a result of these new market and political conditions, as well as international pressure, a few large cartels began to fragment violently by the late 1990s-early 2000s. The governmental crackdown on organized crime that reached even higher levels during the Calderon’s administration (2006-2012), led to a spike of violence and turf wars resulting in a further fragmentation of criminal networks.

In Russia of the late 1980s, multiple opportunities for illegal enrichment emerged with the liberal economic reforms introduced by the Gorbachev’s administration in 1987-1991. In 1991, even more radical market reforms were adopted, and the State was deprived of its faculty to regulate the market. New market opportunities allowed for the emergence of a new type of criminal groups, different from “thieves-in-law” who had previously dominated criminal underworld. Street gangs took upon the new market opportunities, progressing from a pure extortion to protection racket in all business spheres based on

325 See Chapter 2.
regularly tributary relations. However, since they operated in an unstructured chaotic environment with a weak state authority and few legal constraints, the country became quickly engulfed by the numerous turf wars.

The fall of the Soviet Union in 1991 resulted in the breakdown of the highly centralized totalitarian regime that had regulated nearly all aspects of life in the country for more than seven decades. The breakdown of the Communist Party regime led to the decentralization of political power in the Russia’s regions, where new political actors, whose interests often conflicted with those of the Kremlin, emerged. As a result of this decentralization, security organizations became also decentralized and unstable. The economic crisis only aggravated this situation as law enforcement institutions faced tremendous budget cuts, which did not allow them to keep up with the increasing power of the gangs. State law enforcement efforts did not represent a credible threat to criminal groups fighting for their market share, these continued to fragment. Thus, like in the case of Mexico, the devolution of state authority and the shifting market environment facilitated the fragmentation and proliferation of organized crime in Russia of the 1990s.

The process of organized crime fragmentation escalated in Mexico since the 2000 presidential elections, when further political pluralization led to the weakening of local governments and security institutions; while it receded in Russia since Putin assumed power in 2000, as a result of the strengthening of the political regime’s capacity. In both countries, the transitional periods were marked by the larger criminal organizations

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327 See Chapter 2.
328 Unlike Mexico, however, Russia did not experienced substantial international pressure to battle its organized crime.
fragmenting into smaller groups when their leaders fell prey of the law enforcement or their rivals. As a survival strategy, criminal groups formed ad hoc alliances – such as la Alianza de Sangre between El Chapo, El Mayo, El Azul and the Beltrán Leyva brothers in Mexico; and the alliance of the Orekhovskaya and the Solntsevskaya in Russia. At the same time, organized crime in both countries mutated toward a more militarized, violent form. During the times of the turf wars, criminal organizations resorted to brigades of hitmen in order to fend off their rivals. On many occasions, these brigades broke off later, becoming independent smaller groups who used predominantly violent methods of doing business (e.g. Guerreros Unidos and Los Zetas in Mexico and Butorin’s brigade in Russia). This dangerous atomization process was stopped in Russia by the new political conditions, while in Mexico it still continues its deadly path.

### 4.3.2 Diversification of Criminal Activities

Because of the different opportunity structures, Mexico’s and Russia’s criminal groups developed different activities and geography. While in Mexico organized crime has been mostly active in rural and semi-rural areas, Russian organized crime is predominantly an urban phenomenon. Nevertheless, certain similarities can be traced when looking at the general trends in these countries. While organized crime was in process of fragmentation, it also turned to new criminal activities, such as extortion, kidnappings, and oil theft in

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329 In Mexico, drug cartels have transported drugs mostly through rural territories. Smaller criminal bands have been also displaced from the cities by the police and military interventions and increasingly focused their activities, such as extortion, kidnapping and taxing of agricultural businesses, on rural and semi-rural areas. In some states, the discovery of mass graves (fosas clandestinas) has become a common practice that serves as a gruesome evidence of atrocities committed by criminals in rural areas.
Mexico, to name just a few; and protection racket of larger businesses as well as penetration into key economic sectors in Russia.

The evolution of operational characteristics of organized crime in Mexico and Russia has been accompanied by the changing image of a leader of criminal organization. The early Mexican drug cartels of the 1970s were headed by the clans of drug lords who had an informal code of behavior and maintained a relatively low profile. In the 1990s-early 2000s, their successors adopted a higher profile, exposing their violent and luxurious life in social media and disregarding old codes of behavior. The same is true of Russian “thieves-in-law” who had lived by an even stricter code than their Mexican counterparts and who were substituted by unprincipled autoriteti. The latter, in turn, evolved into business-minded criminals of the late 1990s-2000s.

Figure 4.7 shows the scores assigned to each country by the Global Competitiveness Index editions of 2006-2007 through 2014-2015. According to this index, composed through a survey on the perception of organized crime by business elites, Russia’s indicators reveal a slight improvement of 5 points. That is, costs for business elites imposed by criminals decreased significantly from 2006 to 2014, reflecting the fact that criminals themselves turned into businessmen as well as their expulsion from protection racket by state security organizations. Mexico scored 8 points lower in 2014 than it did in 2008. That is, Mexican businessmen experienced rising costs from organized crime on their businesses precisely when Calderon started implementing his militarized offensive and levels of violence climbed up.

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330 See Doris Gómora, Dennis A. García y Marcos Muédano, “Cárteles, la nueva era.”
Figure 4.7. Organized Crime Costs for Business in Russia and Mexico
(scores from 0 to 7, where 0 is the worst situation for business, 7 is the best)


4.3.3 Political – Criminal Nexus: Shifts in the Balance of Power

The analysis showed that the structure of protection, or who protects whom, is fundamental for understanding the changes within the nature of organized crime in a given territory. Criminals in both Mexico and Russia have conducted their activities through establishing relations with security organizations, such as police, judicial or military agencies as well as politicians. These relations, however, varied over time in terms of their balance of power. The principal power holders are those actors who can convey a credible threat. During the authoritarian periods, the political regime together with its security organizations acted as a coherent body and was strong enough to impose its rules of the game on criminal transactions. Essentially, using the terminology of Snyder and Duran-
Martinez, there was one protector, the state, who provided protection from prosecution to several criminal organizations in exchange for the generous payoffs.331

This coherence was broken during the decentralization of political power in Mexico in 1989, and in Russia with the collapse of the USSR in 1991. The decentralization led to the governments in both countries becoming fragmented and competitive, thus multiplying the number of potential protectors for the illegal actors. As a result, power balance between state agents and criminals shifted. As shown above, in the contemporary Mexico, a significant number of police officers, especially at the municipal level, provide services to and act on the orders of crime bosses. If they do not comply, they are easily killed by hit men. Although the similar dynamics was observed in the early 1990s in Russia, when illegal protection for businesses came mostly from criminal elements outside of the state institutions, in the contemporary Russia, corrupt police officers tax criminals under the threat of prosecution and provide illegal protection to large businesses themselves. That is, in Mexico, criminal groups present a credible threat to state agents, while in Russia, the threat to criminals comes from the state agents. The state is penetrated by organized crime in both cases, but it is subject to criminals’ will in the former case, while controls them in the latter.

After the Putin’s administration began the process of state building – ensuring primarily the control over security organizations— the state managed to reinstate its authority and to recentralize the political power on most of its territory. This process of state-building –the assertion of the state as the major holder of the means of violence through an increase in power of the security organizations— has been one of the main

drivers of the change in Russian organized crime. The bright side of this transformation within the criminal world is that it significantly reduced the levels of violence. The downside, however, has been less evident as it involves the state adopting criminal methods (such as participation in corporate raiding) and criminals attempting to influence politics.
CONCLUSION

Why did not democratization strengthen the rule of law in Mexico and Russia after the breakdown of their authoritarian regimes in 2000 and 1991 respectively? Why does the contemporary Russia outperform Mexico in citizen security and crime control, while ranking lower than Mexico in the corruption and state weakness indexes? This dissertation attempted to answer these questions by comparing the state capacity under different political regimes and by explaining the shifts in the nature of organized crime in the context of political transitions.

Politics and Crime during Transitions: Between Stable Authoritarianism and Unstable Democracy

The comparative analysis of Mexican and Russian organized crime during political transitions rendered important conclusions as well as brought about new questions. After defining the concept of state capacity, Chapter 1 overviewed the historical trajectories of the state-crime relationship in Mexico and Russia and demonstrated that their comparison poses important questions on the ability of security institutions to control organized crime. These questions translated into four theoretical expectations that guided the next chapter.

Chapter 2 described three major processes that characterized the transitional periods in both countries: the rise of electoral competition, the decentralization of state-sponsored protection racket and the rise of civil society. The comparison of the democratic transitions in both countries exposed similar features; they were characterized by the party alteration at the local level, the competitive elections, the decentralization of decision-
making power, and the modest strengthening of civil society. The comparison of the societal dimension of the transitions in Mexico and Russia demonstrated that, measured by national-level indicators, societal accountability plays a minor role in shaping state capacity when the civil society is weak from the outset. Nevertheless, civil society does influence the behavior of criminal actors and it has to be studied in greater detail. Chapter 2 showed how the Mexican political regime transformed from a highly centralized electoral authoritarianism into a decentralized and weakly institutionalized democracy; and how Russia underwent the process of drastic democratization and decentralization followed by the consolidation of an electoral authoritarianism with its recentralization and suppression of civil society. It also demonstrated how Mexico under Peña Nieto is slowly moving in the authoritarian direction. Although it is too soon to anticipate the outcome of this change, it may present an opportunity for a natural experiment for the argument of this dissertation.

Chapter 3 took a close look at the central concept of this dissertation, state capacity. It presented an empirical assessment of the state coercive capacity by analyzing the performance of Mexican and Russian security institutions. The comparison of the performance trends proved that Mexican coercive organizations (the Federal Police, the Armed Forces, the judicial system, and the penitentiaries) became less effective during the democratization process. Similarly, the effectiveness of the Russian police, courts and prisons decreased in the 1990s after the authoritarian breakdown but increased after 2000, when the country turned back to the authoritarianism. Thus, Russian government under the Putin’s leadership opted for strengthening its institutions via authoritarian way in order to reign over organized crime. The security institutions under the new authoritarianism turned
out to be more stable than under the democratizing regime that existed in Russia in the
decade of the 1990s.

Finally, the case studies presented in Chapter 4 linked the theoretical expectations
with the empirical evidence. The Sinaloa Cartel, Los Zetas, the Orekhovskaya criminal
organization, as well as the new type of business-oriented criminals in the contemporary
Russia, all reflect patterns of the evolution of organized crime under different political
regimes. The detailed analysis of these criminal organizations showed that, in broad terms,
organized crime assumes a structure similar to that of the regime. Namely, it becomes more
decentralized, more violent, and more independent from the state when the state-sponsored
protection breaks down with the beginning of the democratization process. The reversal of
this process in Russia and the recentralization of its coercive institutions reduced the
resilience of criminal organizations and returned most of the criminal businesses under the
state control. However, the “success” of the Putin’s regime in controlling organized crime
should be taken with some reservation. The downside of the increased power of the
political regime has been the growing role of security agencies, such as the Ministry of the
Interior (MVD) and the national security agency FSB, in the protection racket.

The conducted comparative analysis of Mexican and Russian organized crime
during political transition has revealed that organized crime transformations are shaped by
two major forces: the regime change and the shifting markets. While the markets provide
opportunities for illegal activities, the state imposes constraints on them through law
enforcement. In the context of democratic transitions and economic liberalization, the crisis
of authoritarian legacies, and the collapse of the centralized political control exacerbated
the incoherence and low professionalism of the security and judicial institutions in Mexico
and Russia. These developments led to: 1) the proliferation and fractionalization of organized crime groups; 2) the diversification of their activities; 3) more extensive use of violence; and 4) their greater autonomy from the government. In other words, the regime change created opportunity structures conducive to the development of new types of organized crime in Mexico and Russia.

The relationship between the state and organized crime depends on the state capacity determined by the power of coercive institutions. The state can effectively control criminal organizations and impose its rules of the game through the protection racket only when it can punish the non-compliers through its security institutions. In this scenario, high levels of violence that attract law enforcement attention turn against criminal interests. Once violence becomes too costly and if there is a possibility to move from purely thugs’ underworld to a different social scale, into legal business, criminal leaders prefer to “earn” a businessman or even a politician status in the society. This transformation happened to Russian criminal gangs in the late 1990s after a decade of fierce fighting for turf. Russia has managed to prevent the expansion of organized crime during the transitional period due to the strengthening of the regime’s coercive capacity. Criminals quickly realized the costs of the violence and used the easily available opportunities to establish legal businesses. Most organized crime leaders opted for the legalization of their revenues because they perceived the threat from the governmental security institutions.

In contrast, Mexican criminal underworld remains highly fractured, split into a myriad of rival bands that predate on the communities, businesses and political power. Why did not Mexican criminals enter the ranks of businessmen and politicians? Why did they remain violent? The answer lies in the structure of incentives. While the conditions
that initially provoked the turf wars are still present and continue causing competition among rivals on the illicit markets, Mexican criminal groups have no incentives to reduce violence significantly because the state does not present a credible threat of punishment to them; the impunity remains at the 90% level.\textsuperscript{332} Therefore, the state should be seen as a coercive actor that co-exists with organized crime in different ways and shapes its behavior.

\textbf{Theoretical Contribution}

This dissertation brings an important contribution to several areas of research. First, it contributes to the literature on state capacity. Despite the existence of a number of international rankings of state capacity, they sometimes present a misleading picture. Although Russia ranks lower than Mexico in the 2008 Index of State Weakness in the Developing World, it does not face similar level of threat to public security. This dissertation looks at the concept of the state capacity from a different perspective, the one that focuses on the effectiveness of the state coercive institutions. The narrower definition of state capacity allows to account for the differences in public security across countries and reflects the state weaknesses overlooked by a broader application of the concept. Empirically, this dissertation contributes to the research on measuring state capacity as it provides useful indicators to assess the effectiveness of security organizations.

Second, this paper is part of the comparative politics literature on institutional strength. This literature focuses on the weaknesses of institutions in emerging democracies

and argues that in the context where the informality prevails over formal rules, institutions are deemed to be ineffective and unstable which hampers any democratic advances. The Russian experience with the electoral authoritarianism proves that the institutions can be stable and relatively effective under a “hybrid regime.” This stability, however, comes at cost of the democratic freedoms.

Third, this analysis also contributes to the discussion on the regime change. Like in many other countries, the democratic transitions in Mexico and Russia did not lead to the democratic consolidation. Instead, they produced unintended consequences by weakening the state and empowering organized crime. These countries constitute the category of the so-called “hybrid regimes,” that encompasses numerous variations of democratic rules with authoritarian features. By analyzing two transitions in Russia—from and to authoritarianism—this work assumes that a “transition” can occur in both directions.

Fourth, this dissertation also adds to the studies of organized crime that often overlook the political context in which criminal networks develop. By moving along the authoritarian – democratic scale, the political regime shapes organized crime. This observation highlights the role of the state-sponsored protection. Moreover, addressing the question of organized crime in the context of the regime change bridges the gap between the disciplines of Comparative Politics and Criminology.

The main strength and novelty of this research is the comparison of two seemingly different countries that, at the same time, reveal important similarities. Landmark events occurred parallel in both countries. The starting point was their authoritarian past.

333 Steven Levitsky and Maria Victoria Murillo, “Variation in Institutional Strength,” 115-133.
lasted for more than 70 years—with its top-down state control over organized crime. The first visible weakening of the regime’s monopoly on power manifested itself in the 1989 elections. The 2000 was the next turning point where the countries’ paths diverged; Mexico continued its road to political pluralism, while Russia reverted to an electoral authoritarian regime. The advantage of the comparative method is that by highlighting the differences and similarities between the cases it draws attention to the phenomena that otherwise could be easily overlooked. It is precisely the divergent results in terms of public security and organized crime that highlight the significance of the return to authoritarianism in Russia for the state-crime nexus.

Avenues for Future Research

This study presents several limitations that should be addressed in the future research. Its major limitation concerns the method of data collection. Due to the illegal nature of the object of study and the unreliable governmental statistics, I use mostly secondary sources. The primary sources, such as the government statistics on crime and public security, are incomplete and do not cover the whole period analyzed. Therefore, this study would be enriched significantly by including interviews with knowledgeable informants as an additional data source.

Another limitation of this analysis is its applicability to other cases. Mexico and Russia were chosen primarily because of their history of the regime change and the salience of their criminal organizations. Therefore, my conclusions are generalizable only to the extent that other cases share the similar characteristics of political transitions. The argument could be strengthened if other cases, where organized crime became especially
powerful due to the weakening of the state apparatus, were included; as well as the cases where organized crime did not spin out of state control after major political shifts.

While this dissertation has focused on the political aspects of the transitions, such as the changes in electoral competition, the level of decentralization and the civil society, it left aside the economic aspect of the transition. Market liberalization, nevertheless, has proven to be the main driver of criminal opportunities. As Mexico and Russia liberalized their political systems, they also liberalized economically, which exacerbated the process of state weakening relative to organized crime because the latter’s opportunities for illicit enrichment broadened. Since both conditions, the political and the economic liberalization, were present in Mexican and Russian transitions, it is unclear if the organized crime outbreak would have occurred without the market opening. Therefore, future comparative research on this subject should include countries where the political liberalization would not be accompanied by the economic transition. The new cases could elucidate the effect of the economic liberalization that remains beyond the scope of this dissertation. Similarly, other comparative analyses should include cases where the political opening was not accompanied by the decentralization of political power, which could produce different result in terms of the structure of organized crime.

Due to space limitations, this dissertation does not address fully the question of subnational variation in the regime qualities and organized crime. Meanwhile, both countries have localities where authoritarian practices prevail more than in others. State capacity in some regions is significantly lower than in others, which highlights the need for a subnational level analysis in order to further validate the causal mechanisms described in this dissertation. Therefore, the existing literature on subnational authoritarianism and
authoritarian enclaves would greatly inform the future research on Mexican and Russian organized crime.  

What’s Next?

The main conclusion of this research is that a stable authoritarian regime outperforms an unstable democracy in its ability to control organized crime. Organized crime became more complex during the political transition periods in Mexico and Russia as different types of criminal structures increased their presence across the countries. The quagmire of multiple cells that emerge ad hoc and operate independently or in short-term alliances presents a much more dangerous landscape for citizen security than a few large-scale criminal syndicates colluded with the State. As a result of the diversification of criminal activities and the spread of violence and extortion, crime–society relationship evolved from accommodation to confrontation. When common criminals united in small gangs can operate and extort communities easily, it can be concluded that the state cannot enforce law even at the local scale, let alone controlling large-scale transnational operations of criminal organizations. This scenario affects general population more than the one when organized crime is at the accommodation stage with the government and the society as it was during the PRI hegemony in Mexico and the Communist Party regime in Soviet Union.

Currently, Mexico is at the stage of disillusionment with democratic rules of the game after they consistently failed to ensure security. Organized crime in Mexico started

as drug-trafficking cartels and eventually evolved into amorphous loose networks of criminals, spread to other illegal activities and gained significant autonomy from the state. During 12 years of a multiparty democracy, the homicide rate in Mexico reached 23 per 100,000 population (representing a threefold increase during the Calderon administration compared to 8 in 2007) as a result of the war on organized crime,\textsuperscript{336} and some municipalities have experienced complete “unrule” of law, with criminals having more authority than the state, and with the police following orders of the criminals. These areas constitute “dangerous spaces,”\textsuperscript{337} territories where the government does not wield control over the force and where violence is a constant reality. Although these zones do not stretch over the whole Mexican territory, they occupy a significant part of it evidencing the weakness of the state. Overall, Mexico has paid a high price for the democracy.

That said, order also comes at a cost. Russia was able to establish order after the “turbulent 90s” with an iron fist of the Putin’s electoral authoritarian regime by recentralizing the power of the Executive, by suppressing civil society and by eroding democratic institutions. The Putin’s regime stabilized its relationship with organized crime in the 2000s by centralizing its control over security organizations and providing stability in informal arrangements between criminals and politicians. It restored the levels of the pre-\textit{perestroika} order and domesticated organized crime by allowing security organizations to predate on criminal businesses. As a result, criminal activities became less violent and less visible to the public as they became regulated by the state itself. Despite the increasing

\textsuperscript{336} The data from Mexico’s National Institute of Statistics, Geography, and Information (INEGI), \url{http://www.inegi.org.mx/}.

authoritarianism of his presidency, Putin delivered so much needed public security to the Russian population. He can be criticized for his failures to establish a truly democratic state but he is praised by the majority of the population for establishing a relative order in the country.

This argument poses an important normative question. At first glance, it may seem that a country in the process of a regime transition is doomed to choose between the order under authoritarianism and the chaos under democracy. This dilemma can be partly solved by narrowing down the concept of democracy and by lowering our expectation from it. As Philippe Schmitter and Terry Karl pointed out in an influential article, the concept of democracy is just a mechanism, a type of political regime that should be deprived of any values attached to it. In other words, stability and governability are neither prerequisites nor immediate product of the democracy.\(^{338}\) Similarly, democracy does not equal to the rule of law; authoritarian legacies tend to persist and they should be taken into account when modernizing state coercive institutions in the context of democratization.

Thus, the problem of “which regime is better” should not be seen as the problem of choice but rather as the one of sequencing. No country can enter a full-fledge democracy immediately after the breakdown of the authoritarianism. Institutions tend to become fragile during any structural change and their consolidation requires time as demonstrated by the proliferation of “hybrid regimes”\(^ {339}\) in recent decades. When there is a history of collaboration between the state and organized crime in the pre-transition period, the countries in transition might be better off by leaving in place some features of the previous


authoritarian regime, such as the centralized power and the limited political competition. Otherwise, as the Russian and the Mexican experiences show, organized crime proves to be more adaptable than the state institutions and seizes the opportunity to break free from the state control during the transition.

I concur with Volkov that the recentralization of decision-making power under the Putin administration is a short-term remedy that has allowed Russia to end the chaos of the 1990s. In a long term, however, this centralization may result precarious and lead to the erosion of democratic potential. Mexico could learn from the Russian experience and centralize its political power, reducing the authority of the regional and local governments, in order to stabilize the state-crime relationship. The centralization of protection might help Mexican security institutions strengthen their capacity and there are signs that this process has already started, as can be seen in the implementation of the single criminal code and the elimination of the municipal police. There are also more worrying signs of the authoritarian response to the crisis by the current president Enrique Peña Nieto as was described in Chapter 2.

So far, it is hard to say which direction Mexico will choose. In contrast to Russia, its authoritarian features seem rather uncoordinated efforts of local nature and are mostly reactionary to the organized crime-related problems; they do not seem to obey an overarching strategy of the central government. In any way, Mexico should be aware of the potential tradeoffs that the move towards the autocracy represents for the democratic gains. Overall, by stressing the weaknesses of a democratizing regime and the strengths of

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an autocracy in controlling organized crime on the examples of Mexico and Russia, this research serves as a cautionary tale for all weakly institutionalized democratizing countries.
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