

SECURITY STRATEGIES

Experiences of the Mexican States of
Chihuahua and Nuevo León



Arturo Ramírez Verdugo & Reyes Ruiz González

Foreword by **Pedro Aspe**

Security Strategies



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of Chihuahua and Nuevo León

Arturo Ramírez Verdugo
Reyes Ruiz González

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Foreword

During the past decade, I have witnessed a sad trend: violence in Mexico is a common subject of conversation both in the country and around the world. This strain of violence is truly atypical and is most damaging to the Mexican society and the image of Mexico in the international arena. Still, at the root of this problem is a structural issue to be dealt with that not only puts stress on public security but also hinders our economic and social development as a country: the lack of a robust rule of law.

This case study, written by Arturo Ramírez Verdugo and Reyes Ruiz González, is particularly valuable in this context for several reasons. First, it is an initial attempt to describe public policies successfully implemented to reduce violence at the state level. In more mature nations than Mexico, regarding their federalism, it is common to see that successful policies are implemented first by local governments and not necessarily imposed vertically by the national government. This document could help in the process of generating more academic research with this view.

Second, the case study approach is appropriate for didactic and analytical reasons in this particular occasion. Given the broad heterogeneity present in Mexican states, finding similarities is not an easy task; once they are found, one should go back to their specific local characteristics to properly study them. This document is effective in that process, as it identifies common security strategies implemented by Chihuahua and Nuevo León, and then describes their particular actions and experiences, which come mainly from personal interviews with top-level government officials in both states.

Third, the authors acknowledge their limitations and thus obtained support from subject matter specialists. Ernesto Canales, a dear friend of mine and a promoter of the New Procedural Criminal Reform, kindly agreed to share his expertise. Also, comments and suggestions were obtained from a very enriching workshop held at the Hoover Institution, not to mention the interviews with state officials.

Finally, after reading the case study, one has to recognize that the security strategies were aimed in the short run to reduce and combat violence, but the key to their success was that the measures taken are part of an integral goal of consolidating the rule of law in the long run. This takes me to my initial claim: a solid preeminence of the legal structure and its enforcement is a key to development, economic growth, and social well-being. I hope we can all learn from this and future documents that will further enrich the discussion.

—*Pedro Aspe*

Former Secretary of Finance,
United Mexican States, and
Co-chair, North American Forum

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Arturo Ramírez Verdugo coordinated this project. Special thanks go to Ernesto Canales Santos for his outstanding collaboration describing the New Procedural Criminal Reform in Mexico.

Arturo Ramírez Verdugo and Reyes Ruiz González are the authors of the case study. Ricardo Enríquez Frola and Jorge Ramírez Mazlum were the main commenters. Several officials from these states' administrations provided important feedback and were also interviewed for this purpose during July and August 2015. Foreword by Pedro Aspe.

We would also like to acknowledge Pedro Aspe, Gary Roughead, and Thomas D'Aquino, alongside the leadership of George Shultz and other representatives from the North American Forum, for their conceptualization and ongoing support of the project—including feedback offered through both a specially-convened Hoover Institution expert workshop at Stanford University, as well as the Forum's 2015 annual meeting in Toronto.

Section I. Introduction

This document aims to describe the similar, although not identical, actions that have been taken by the Mexican states, Chihuahua and Nuevo León, as part of their strategies to successfully reduce the levels of violence that spiked in the period 2010–11 in their territories. The objective of this case study is to motivate the surge of academic literature and formal research related to the evaluation of public policies and actions, mainly at the subnational level (state and municipal), that can be taken to reduce violence and potentially strengthen the rule of law in Mexico. As discussed later in the report, one preliminary conclusion of this study is that, in these cases, the successful policies aimed to build public security institutions that can face exponential increase in violence due to drug traffic organizations (DTOs) or organized crime were implemented not at the federal but rather at the local level.

In this sense, a broader goal of this paper is to increase the interest of academic researchers in the dynamic and diverse characteristics of Mexican federalism. Even though the strict effect of these policy actions upon the level of violence is yet to be determined (i.e., to date there is no econometrically solid published research paper that analyzes the data at the local level in a panel style), preliminary zone-level data and survey-based results show a clear improvement linked to the state government actions. Thus, more in-depth and subject-specific research would be valuable to refine this road map toward reaching safer communities in Mexico.

Two facts are evident from this case study:

1. The processes to build a safer community require active participation from civil society, with financial resources, time, and/or expertise. In other words, the state's actions have a multiplicative effect when the civil society is involved.
2. Full implementation of the measures to revert insecurity is expensive, requires actions that exceed the short term, and imposes such severe stress on local budgets so as to eventually require increases in taxes and reduction in other expenditures for at least the ensuing three to five years. Thus, this strategy also requires a true commitment to fiscal discipline from these states to make it viable and sustainable.

The paper starts with a brief discussion about the increase in violence in Mexico, followed by a state-specific analysis that motivates the existence of a policy-guided reduction in high-impact crimes (HICs). The introduction concludes with a discussion of the lack of consensus regarding a successful model for effective crime reduction at the state level in Mexico and for statewide security implementation is discussed as a concluding subsection of the introduction. In the second section, the main strategies followed by the states of Chihuahua and Nuevo León are described, supported by interviews with relevant state officials. The third section provides some facts about the incurred costs (which were important), the financing strategies, and other social benefits apart from violence reduction. Finally, some concluding remarks are provided regarding federal participation, state peculiarities, and potential research extensions.

1.1 Violence in Mexico 2006–14

As outlined in the Mexican political agenda, one of the main challenges to overcome is the improvement of security across the country. According to the National Security Plan (NSP) for 2014–18, released in April 2014, the consolidation of organized crime in Mexico can be tracked as far back as the 1980s, when a shift in the international economic and political order favored the creation of large-scale illegal

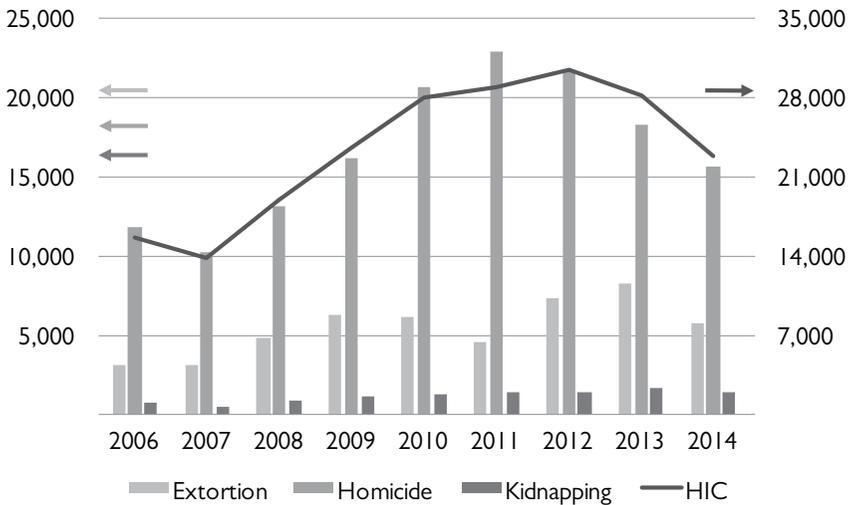


FIGURE 1. Total Number of High-Impact Crimes

Source: *Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública* (Executive Secretariat of the National System of Public Security, SESNSP).

markets in developing countries. Furthermore, the same document states that the rise in the levels of violence was steeper during the period 2006–12, when the number of HICs grew by 93 percent (an average annual rate of growth of 4.9 percent).¹

Robles, Calderón, and Magaloni (2013) mention three main factors that promoted the increase in violence, as supported by the literature on the subject: (1) exogenous changes in the international market for narcotics; (2) the fragmentation of drug cartels into smaller organizations

1. High-impact crimes, as defined in the NSP, are homicide, kidnapping, and extortion. In addition to the federal government's emphasis on these crimes, some independent studies highlight their impact on the general public's perception of public safety. For example, CIDAC's 2015 index on the eight most relevant crimes also considers HICs, along with four types of theft and assault with nonfirearm weapons.

and criminal cells; and (3) the militarized fight against DTOs that began during the administration of President Felipe Calderón. This latter assumption is coherent with figure 1, which shows a considerable increase in HICs in the period 2006–12.

Even if the statistics show that HICs have been contained during President Enrique Peña Nieto's administration (which started in December 2012), the general population has not perceived an improvement in the security environment at the state level, as shown by the *Encuesta Nacional de Victimización y Percepción sobre Seguridad Pública* (National Survey on Victimization and Public Security Perception, ENVIPE, figure 2). If we consider that state insecurity perception is not biased and does represent the real level experienced by individuals, an increase in it accompanied by the reduction in HICs can therefore point to an increase in *cifra negra* (i.e., unreported or uninvestigated crimes). The increase in *cifra negra* for the period 2011–14 is estimated to be 1.8 percent, according to ENVIPE (see figure 3).

In the NSP the Mexican federal government proposed a strategy for public security that acknowledges the complexity of reducing the levels of violence and requires the joint action of subnational governments as well as the civil society.² To implement that strategy, the federal government called governors and mayors, as well as the civil society, to work jointly to combat and prevent crime, according to their own capabilities.

2. The strategy structure proposed in the NSP is divided into ten areas to improve public security:

1. Crime prevention and social network reconstruction
2. Efficient criminal justice
3. Improvement of police forces
4. Transformation of the penitentiary system
5. Promotion and coordination of civil participation
6. International cooperation
7. Information for the citizens
8. Coordination among authorities
9. Regionalization
10. Strengthening of intelligence against organized crime

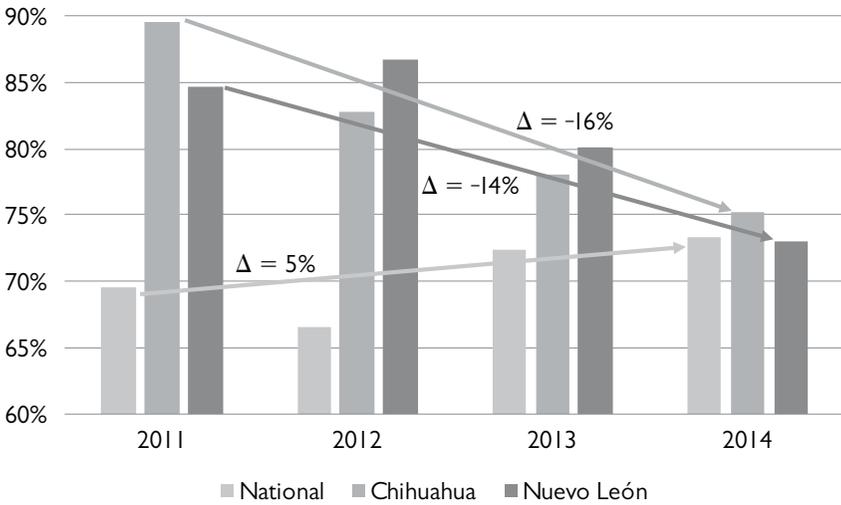


FIGURE 2. State Insecurity Perception (Percent of Population over Age 18 That Consider Their State Insecure)

Source: ENVIPE.

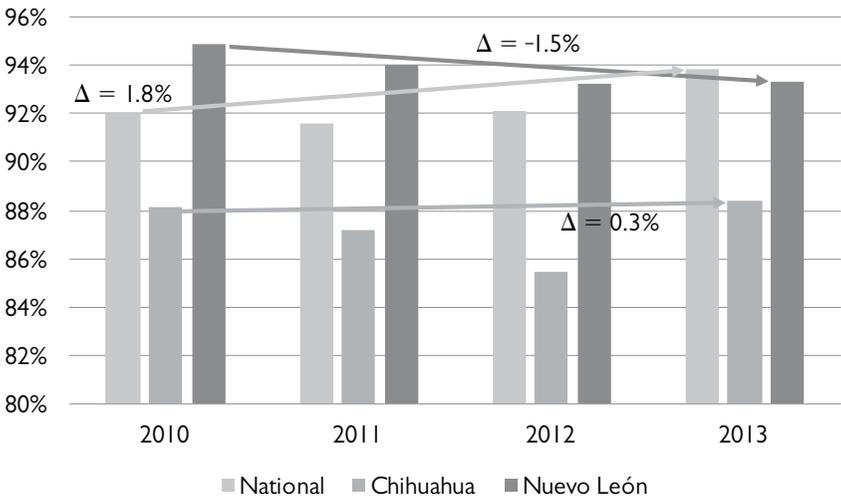


FIGURE 3. Cifra Negra (Unreported or Uninvestigated Crimes)

Source: ENVIPE.

It should be noted that given the social and economic heterogeneity of Mexican states, and the different strategic values that some municipalities and regions have for each DTO, not all of the Mexican territory was stricken by violence in the same way. Therefore it is difficult to assume that there is a unique set of actions at the subnational level that can be implemented to improve public security, which makes the case study–style analysis a valuable tool for identifying potentially successful policies for each region or state.

1.2 Lack of Consensus regarding a Successful Model for Effective Crime Reduction and Security Implementation at the State Level

Despite the need for coordination between the national and subnational governments, as identified by the NSP, there is no consensus regarding a unique model for effective security provision. The new National Gendarmerie (*Gendarmería Nacional*) has been conceptualized as an effort to build a high-quality federal police³ whose main purpose is to combat organized crime, guard high-crime zones (even if there is no presence of organized crime), and protect citizens' productivity and sources of income.⁴

However, there is some evidence suggesting that even a highly professional and effective federal police force cannot provide security in a sustainable manner for a specific zone; Dudley (in Shirk et al. 2014) mentions that municipal and state police forces, which are the closest to the population, are the key to increasing security. Crimes that

3. According to a note in *Milenio* newspaper, only 4 percent of the overall applicants are accepted for training, due to the rigorous examination and trust controls. New recruits earn a wage of 960 USD (2014 levels), 40 percent higher than the average entry-level salary for a federal agent.

4. The decree published in the *Diario Oficial de la Federación* on August 22, 2014, establishes the creation of the *Gendarmería* whose main objectives are the aforementioned. It also considers a special intervention of the *Gendarmería* in case the National Security Council asks for it.

are under state and municipal jurisdiction (*Fuero Común*) have a direct and significant impact on the population's well-being and perception of security, such as HICs. In this sense, a continuous improvement in the federal police force may not contribute to an increase in the population's perception of security. The national body therefore appears to be better suited to the combat of crimes under federal jurisdiction (*Fuero Federal*), including DTOs that have a presence in multiple zones of the country, crimes committed by public servants, and others.

Another topic that should be considered is that federal efforts to establish a common protocol for training and organizing state police forces have not been successful. As will be further discussed in section 2, there is not a robust model for the development of an efficient state police force. While the organization manual that was proposed during the administration of President Calderón proved to be insufficient in practice, President Peña's main strategy has been to focus on the development of the National Gendarmerie and the strategic deployment of military forces in troubled states. In this context, this case study aims to motivate the development of a broad strategy, with the capability of local adaptation, to create an effective model of justice and public security at the state level. Furthermore, it could help to identify the necessary actions and legislation from the federal Congress or government that would benefit subnational administrations, promoting rather than hampering federalism.

Our view is that the civil society in Mexico has a great need for locally based, community-supported, and fully coordinated security forces to promote peace in a specific zone. As Olson (in Shirk et al. 2014) states, the most noticeable signs of frustration with the inability of authorities to address problems of crime and violence are the acts of vigilantism and street justice that have taken place periodically over the last several years. This fact can be observed in the creation of the *autodefensas* in the state of Michoacán in early 2013, which had a particular focus on the rural communities they live in. Our view is that learning from successful local public policies makes it possible to design

a structured, legally constituted, community-based set of security institutions to be developed.

1.3 Chihuahua and Nuevo León: Effective Reduction in Insecurity

According to the report “Drug Violence in Mexico” (Heinle, Molzahn, and Shirk 2015), six of the Mexican states that were hardest hit by violence after 2008 were northern border states (Baja California, Sonora, Chihuahua, Coahuila, Nuevo León, and Tamaulipas). However, in the 2011–12 period, violence patterns shifted toward the center and southern regions of the country, with significant improvements in some key northern states, such as the cases contained in this document.⁵ This shift is clearly visible on a geographical depiction of crime rates (see figure 4).

Chihuahua and Nuevo León are two of the states that perceived an increase in the levels of violence after 2008.⁶ In both cases the incoming state administration, led by the constitutionally elected governor, either received the state in the worst of its violence levels (Chihuahua under Governor César Duarte, who took office in October 2010) or witnessed the exponential growth in insecurity (Nuevo León under Governor Rodrigo Medina, who began his administration in October 2009). Another common feature in both states is the existence of cities with high strategic

5. “Drug Violence in Mexico” (2015) mentions only Baja California, Baja California Sur, Chihuahua, and Sonora as cases where homicide rates were reduced. However, SESNSP statistics show that Nuevo León also had a significant contraction in homicide incidences.

6. The state of Nuevo León is known for its dynamic industry and higher education centers, and has the highest per capita GDP of any state in Mexico (excluding the Federal District, or Mexico City). Chihuahua is the state with the fifteenth highest per capita GDP; however, it should be noted that it has no oil activity, it is the sixth biggest per capita producer of agricultural goods, and it ranks tenth in per capita manufactured production.

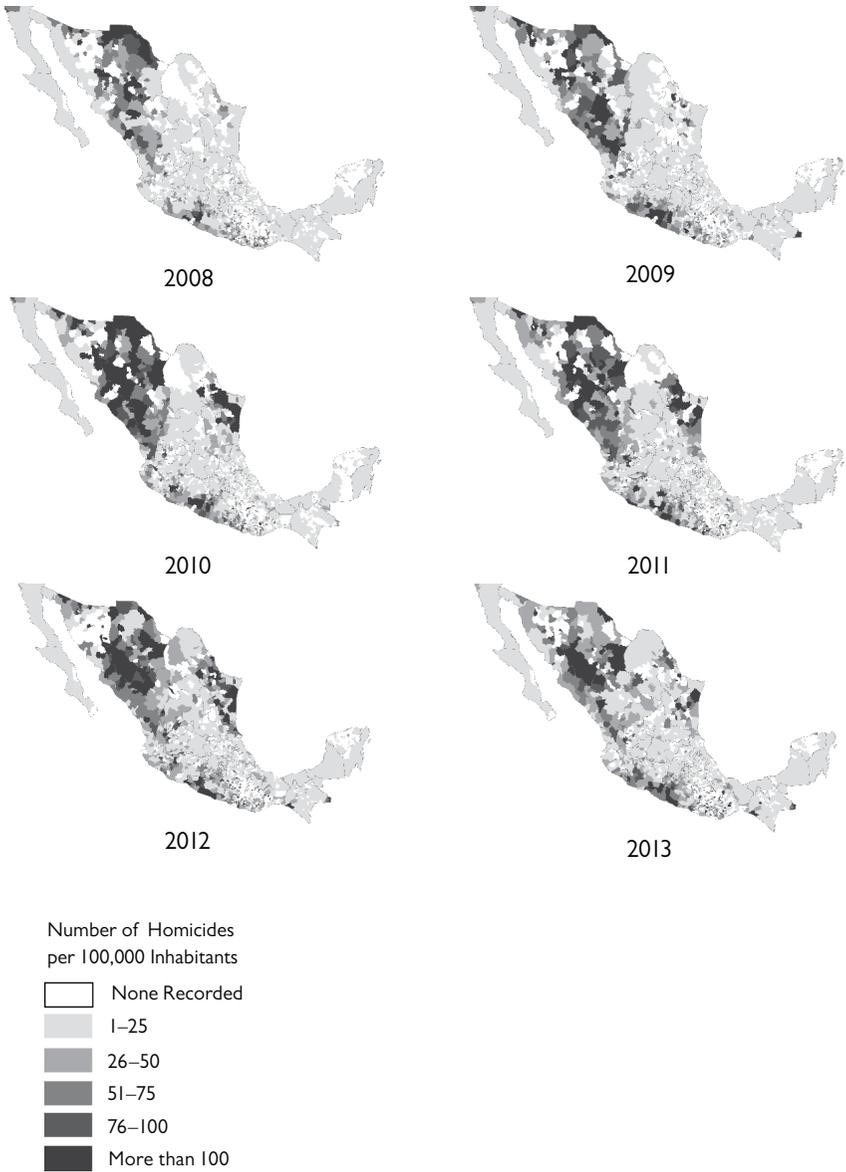


FIGURE 4. Homicides per 100,000 Inhabitants, 2008–13

Source: “Drug Violence in Mexico,” 2015.

value for transnational criminal organizations: Ciudad Juárez in Chihuahua and Monterrey in Nuevo León (OSAC 2015). In addition to this similar security context, there are also some political resemblances: both governors are affiliated with the center political party, Partido Revolucionario Institucional (Institutional Revolutionary Party, PRI), while the presidency at the time of their election was held by the center-right Partido Acción Nacional (National Action Party, PAN).

The evolution of HIC from the period when the current administrations took office is shown in the following graphs. The local increase in homicides was above the national average, peaking in 2010–11 (figure 5), before undergoing a drastic reduction in 2012 and 2013. Kidnappings in Chihuahua were drastically reduced, from above the national rate to just one-fifth of it. Nuevo León had a moderate level of kidnappings, with a high rate in 2012 that has just begun to improve; however, it is well below the national rate (figure 6). Meanwhile, extortion rates in Chihuahua improved significantly, while the issue has emerged as a new challenge for Nuevo León to overcome (figure 7). Despite this increase, however, CIDAC's (2015) analysis states that the negative impact of extortion over the perception of insecurity in Nuevo León is moderated, while other crimes such as vehicle theft (both with and without violence) have a more relevant impact on the citizens' perception of insecurity (figure 8).⁷

Immediate action taken by each state administration to contain the levels of violence led to local reductions in HICs (see figure 9), which was particularly noticeable in 2013 and 2014. This document aims to identify and describe the main set of public policies taken by the states of Chihuahua and Nuevo León to control the insecurity crisis, by focusing on the expenditure structure of their budgets. Our analysis is supplemented

7. A high-ranking officer from Fuerza Civil pointed out in an interview that the increase in extortion is focused on phone scams and not physical violence toward civilians (the so-called *derecho de piso*). According to his experience, people remember and fear the former ways of violence, making phone extortion particularly effective for crime organizations.

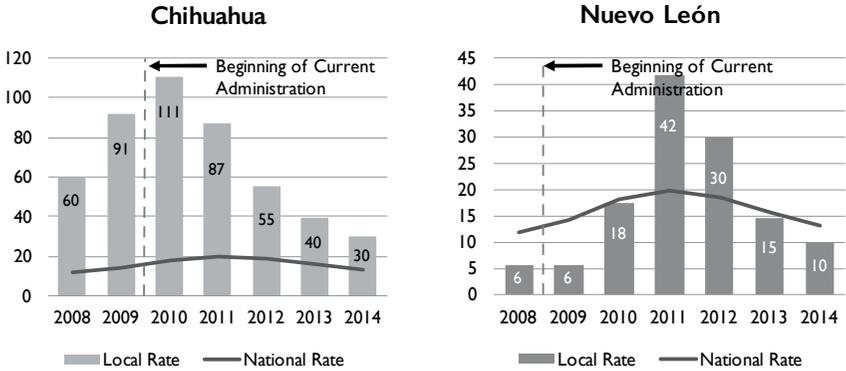


FIGURE 5. Homicide Rates (per 100,000 Inhabitants)

Source: Data retrieved from the National Population Council (*Consejo Nacional de Población, CONAPO*); official crime incidence statistics provided by SESNSP.

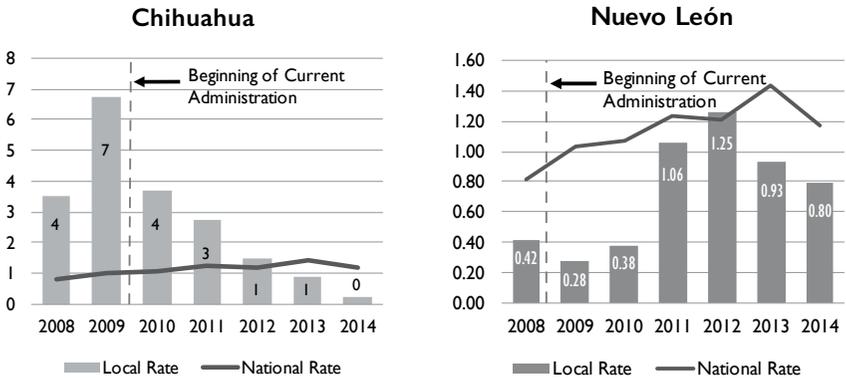


FIGURE 6. Kidnapping Rates (per 100,000 Inhabitants)

Source: Data retrieved from CONAPO; official crime incidence statistics provided by SESNSP.

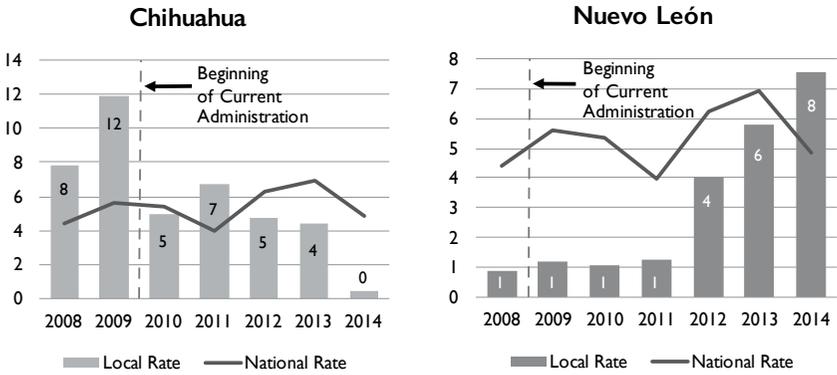


FIGURE 7. Extortion Rates (per 100,000 Inhabitants)

Source: Data retrieved from CONAPO; official crime incidence statistics provided by SESNSP.

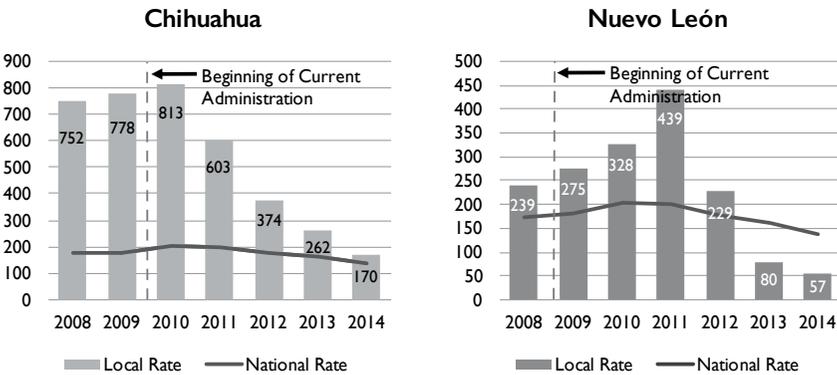


FIGURE 8. Total Number of Vehicle Thefts

Source: Data retrieved from CONAPO; official crime incidence statistics provided by SESNSP.

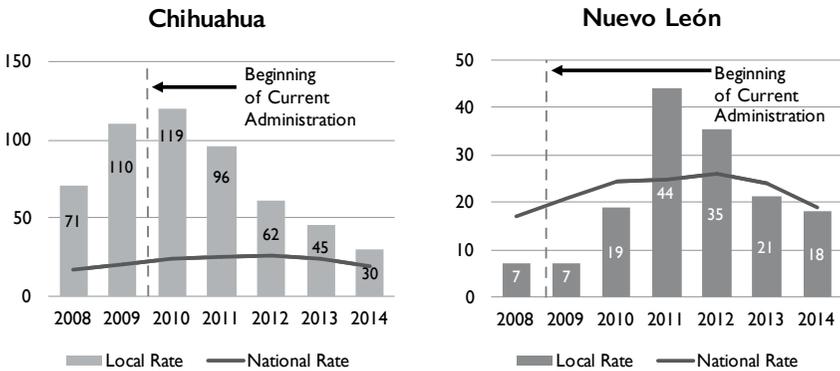


FIGURE 9. HIC Incidence Rate (per 100,000 Inhabitants)

Source: Data retrieved from CONAPO; official crime incidence statistics provided by SESNSP.

by primary data: a series of interviews that took place in July and August 2015 with the main state officials in charge of the fiscal and legal policies for fighting crime and preserving public security.

1.4 Analytical Considerations

Overall, the states of Chihuahua and Nuevo León have in recent years observed significant improvements in both the rate of HICs and the local perception of insecurity. This situation implies an objective reduction in the levels of violence even if the causality of the reduction can be subject to further empirical validation. While there are potential alternate explanations for this observed reduction, we do not find them strongly compelling.

For example, the geographical location of Chihuahua and Nuevo León near Mexico’s border with the United States of America keeps them within close proximity to the largest market for consumption of cocaine, heroin, marijuana, and methamphetamines, according to the Central Intelligence Agency (*CIA World Factbook 2014*), as well as

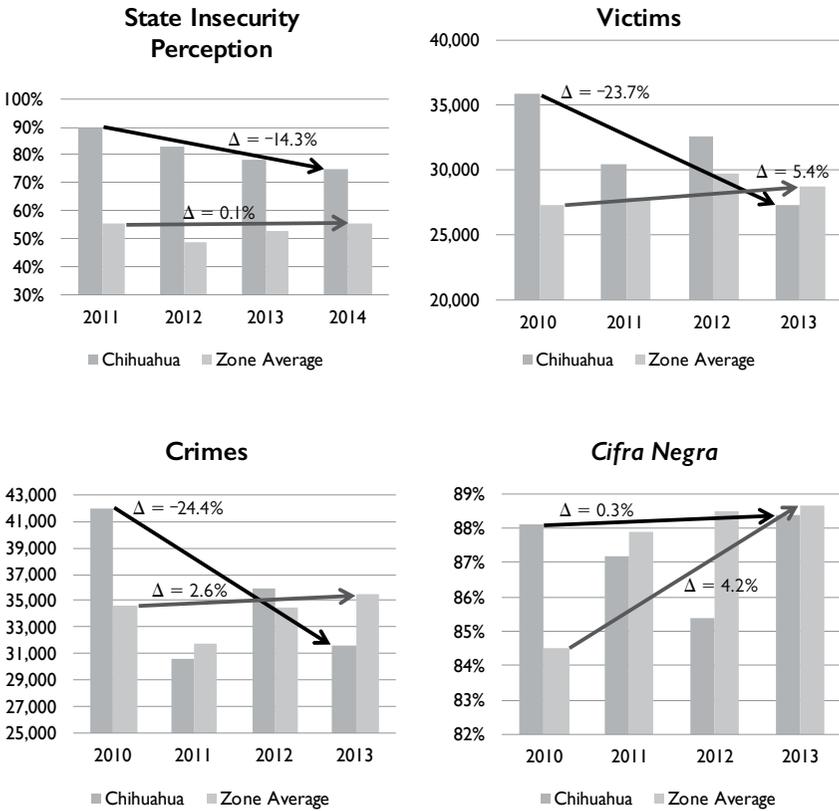


FIGURE 10. Chihuahua’s Improvement vs. Northwest Zone
Source: ENVIPE.

the ongoing growth in the methamphetamine market in the southwest region (according to the Drug Enforcement Administration, National Drug Threat Assessment, 2014). This fact implies that the control of key cities such as Juárez and Monterrey remains profitable for a cartel, discarding the hypothesis that a change in strategic value of the states is a reason for the reduction in the levels of violence.

Another possible explanation to reject causality between the reduction in insecurity and the policy and civil actions described in this

document would be an exogenous change in the dynamic of the aggression between competing cartels (i.e., aggression could have ended or been reduced during the period of analysis). As Robles, Calderón, and Magaloni (2013) point out, there is a series of exogenous reasons that may break the equilibrium between DTOs and the communities in which they are located (such as turf wars, or the arrest or assassination of their leaders). If a new equilibrium were achieved, then the violence levels would be reduced as a result and not because of an effective set of public policies being implemented.

However, according to Ingram (in Shirk et al. 2014), homicides are geographically distributed in a nonrandom manner, with clusters of homicides straddling state boundaries. Considering that homicides constitute the most important component of HICs, one could argue that this statement is true also for HICs overall. Therefore a reduction in levels of crime that is not policy-related would require a zone (regional) decline in violence (i.e., an improvement in the neighboring states). The evolution of crime-related indicators in the analyzed states as well as those of their respective zones, as defined in the NSP, is shown in the figures below.⁸

On one hand, overall, Chihuahua had a much bigger improvement in three out of the four areas shown in figure 10 (except for *cifra negra*, which had a moderate increase, matching the regional level) for the analyzed period.⁹ On the other hand, Nuevo León went from being in a relatively bad position, with respect to its regional peers, to better than average in three years in all of the indicators analyzed (see figure 11).

8. According to the NSP, Chihuahua belongs to the Northwest Zone, along with Baja California, Baja California Sur, Sinaloa, and Sonora. Nuevo León belongs to the Northeast Zone, along with Coahuila, Durango, San Luis Potosí, and Tamaulipas. The zones were defined by the federal government to group states with similar threats to public security and to promote cooperation among them.

9. Notice that State Insecurity Perception is measured from 2011 to 2014, unlike the rest of the statistics, which are measured from 2010 to 2013. That is because State Insecurity Perception can be measured at the moment of the survey, while the other ones rely on data gathered from the past year, causing a constant one-year lag in these variables.

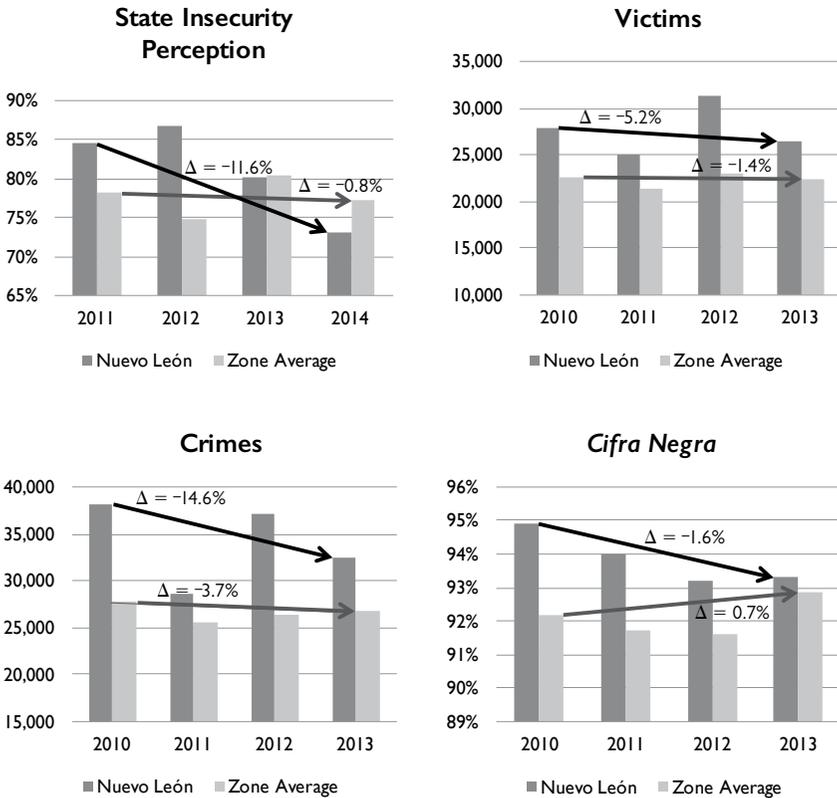


FIGURE II. Nuevo León’s Improvement vs. Northeast Zone
 Source: ENVIPE.

Therefore it does not seem plausible that the reduction in violence was generated by a region-specific return of cartels to a nonviolent equilibrium. Furthermore, according to the federal attorney general’s office, in 2014 there were still nine cartels with forty-three subordinate gangs operating across Mexico; *Cártel del Golfo* and *Zetas* still remain as rivals engaged in active confrontation within the Northeast Zone. The Northwest Zone meanwhile has the influence of at least five DTOs (*Cártel de Sinaloa*, *Cártel del Pacífico*, *Arellano Félix Organization*, *Cártel*

Carrillo Fuentes, and *Beltrán Leyva Organization*), again making it difficult for a *pax narca* to be the reason for the reduction in violence.

The special report “Drug Violence in Mexico” (Heinle, Molzahn, and Shirk 2015) argues that the overall reduction in violence in official data observed in the last three years, discarding a drastic increase in *cifra negra*, may be the result of a shift in the power balance of competing organized crime groups in Mexico (particularly from the *Zetas*¹⁰ and *Caballeros Templarios*¹¹ to the *Cártel de Jalisco Nueva Generación*¹²). However, focusing the analysis on the state level, the fragmentation and dispersion of battling DTOs (as is the case of *Zetas* and *Cártel del Golfo* in Nuevo León) or the push of their activities outside their jurisdiction (like the *Cártel de Sinaloa* in Chihuahua, whose operations are now based on the state border) can be considered a success of local policy actions, even if violence at the national level is not conclusively reduced, leaving the outcome of the federal actions uncertain.

-
10. In the period 2012–15, the federal government inflicted successful hits against the leaders of the *Zetas* cartel: In October 2012, Heriberto Lazcano (a.k.a. Z3) was killed in a confrontation with federal forces, and in July 2013, Miguel Treviño (a.k.a. Z40) was arrested. Finally, in March 2015, his brother and current leader of the cartel, Alejandro Treviño (a.k.a. Z42) was captured. This sequence of strikes against the DTO was interpreted by UNODC as a signal of the fragmentation and atomization of that faction.
 11. The *Caballeros Templarios Guardia Michoacana* is a splinter group of *La Familia Michoacana*, a cartel that controlled the state of Michoacán among others until 2011, when the killing of its leader resulted in its dissolution. In 2014, two of the main leaders (Enrique Plancarte and Nazario Moreno) were killed, and in February 2015, the leader and founder, Servando Gómez (a.k.a. La Tuta), was apprehended.
 12. This DTO is one of the main public enemies of the Mexican government, particularly after the infamous confrontation with federal and state forces in May 2015, which resulted in four deaths, nineteen wounded, and thirty-nine blocked streets. It also took down one Cougar helicopter belonging to the Mexican Army. The governor of Jalisco declared in a statement after the confrontation that more than a year earlier he warned the federal government that the attacks against *Caballeros Templarios* were strengthening the rival *Cártel de Jalisco Nueva Generación*.

1.5 The International Context

An exhaustive description of violence levels in Mexico, particularly in states where DTOs tend to cause HICs, can paint an overwhelming picture of the challenges and difficulties faced by the nation. Nevertheless, “violence is lower in Mexico than elsewhere in the Americas, but average for the region [Western Hemisphere].” Also, high rates of crime and violence are not an inherent characteristic of the country, but are “largely attributable to drug trafficking and organized crime” (Heinle, Molzahn, and Shirk 2015).

Given that comparing violence across countries is particularly difficult and that the circumstances surrounding murders and other crimes also affect public perceptions, table 1 shows homicide rates for different cities in Mexico and the United States, so as to give a general point of comparison. At the state level in 2013, Chihuahua and Nuevo León had higher homicide rates (39.7 and 14.6 per 100,000 inhabitants) than even the most dangerous states in the United States (New York and New Mexico, with rates of 3.3 and 6.0 homicides per 100,000 inhabitants, respectively). However, this was not always the case; in 2008, the homicide rate in Nuevo León (5.8) was above New York’s (4.3) but below New Mexico’s (7.5).

At a municipal/city level in 2011, the first year this data was available, both Ciudad Juárez and Monterrey had rates higher than for Detroit (48.2 homicides per 100,000 inhabitants): Juárez had a three-digit rate (108.6), which is almost comparable with a war zone, while Monterrey had a rate of 60.7.¹³ By 2013, however, both cities recorded fewer murders per 100,000 inhabitants than Detroit. In an overall international analysis for the Americas, according to UNODC’s “Global Study on Homicide 2014,” Mexico’s intentional homicide rate per 100,000 inhabitants of 21.5 incidents in 2012 is far below those of Honduras (90.4), Venezuela (53.7), Guatemala (39.9), Jamaica (39.3), and Colombia (30.8) (see figure 12).

13. The data are from the SESNSP website, to ensure comparability across the figures and statistics generated in this study. However, we acknowledge that INEGI has records since 1990.

Murder and Nonnegligent manslaughter		2008		2009		2010		2011		2012		2013	
		Total	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Rate
Safe	States	17	2.7	7	1.1	7	1.1	8	1.3	8	1.3	10	1.6
	Cities	31	2.3	26	2	24	1.8	26	2	26	2	24	1.8
		1	0.5	3	1.4	0	0	2	0.9	2	0.9	2	0.9
		7	2.6	4	1.5	4	1.5	5	1.9	1	0.4	3	1.1
Case Study	States	263	5.8	267	5.7	828	17.5	2003	41.8	1459	30	719	14.6
	Municipalities	2030	59.7	3156	91.4	3903	111	3085	86.7	1997	55.5	1443	39.7
					Not Available			700	60.7	551	47.1	266	22.4
								1460	109	647	47.6	453	32.9
Dangerous	States	836	4.3	778	4	868	4.5	774	4	683	3.5	648	3.3
	Cities	150	7.5	175	8.7	140	6.8	156	7.5	116	5.6	125	6
		523	6.3	471	5.6	536	6.6	515	6.2	419	5	335	4.1
		308	33.8	365	40.2	310	34.5	344	48.2	386	54.6	316	45.1

TABLE I. Comparative Homicide Statistics (Total Crimes and Rates per 100,000 Inhabitants)
 Source: US data retrieved from the Federal Bureau of Investigation's Uniform Crime Reports for each year. Mexican data were built with information from official crime incidence statistics provided by SESNSP (available at a municipal level only since 2011).

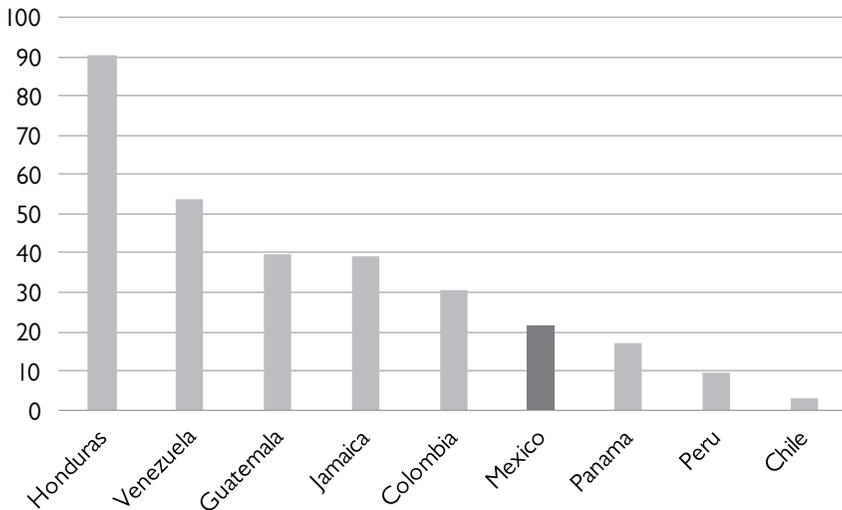


FIGURE 12. Intentional Homicide Rate in Countries of the Americas (per 100,000 Inhabitants)

Source: UNODC, “Global Study on Homicide 2014.”

Section 2. Case Study

The main insecurity intervention strategies identified by the authors and confirmed by state officials in Chihuahua and Nuevo León can be divided into four parts:

1. Strengthening Police and Security and Law Enforcement Institutions
2. Implementing the New Procedural Criminal Reform in Mexico (similar to a common law system)
3. Increasing the Capacity and Quality of Social Reinsertion for Convicted Criminals
4. Civil Society Actions and Public Policies for Crime Prevention

One of the main lessons that should be taken from this paper is that these four pillars, built to provide the population with public security and to reduce violence, are not independent actions that should be taken

separately but rather should form an integral package. They represent transversal strategies that interact with one another in many different ways. For example, security institutions can improve further when they are also community oriented, with active enrollment of the civil society; likewise, the new criminal justice system requires a higher degree of professionalization of police officers and allows for more transparent processes that benefit the population. Meanwhile, the successful reinsertion of convicts and overall prevention of crime can avoid a new security crisis in the community, allowing it to keep a stable and low level of criminality. For this reason, a statewide model backed up by the aforementioned strategies may prove to be robust and even help the constitution of resilient communities.¹⁴

2.1 Strengthening Police and Security and Law Enforcement Institutions

According to Shirk (2015), to achieve institutions that can prevent and deal with the breakdown of security and high levels of violence, the institutions need to be community based and coordinated with the civil society to provide effective public security. This has proved to be true for police forces (Conger, in Shirk et al. 2014) as well as security and law enforcement institutions that depend on the state judiciary branch (Rodríguez, in Shirk et al. 2014). Chihuahua and Nuevo León made structural changes to build such organizations by acting on three common fronts: strengthening state institutions, creating a unified command for municipal police forces, and coordinating with other levels of government, as described below.

14. For a more complete analysis on the constitution of resilient communities in Mexico, see Heinle et al. (2015). The document discusses the concept of resilient communities, how it can be applied in Mexican zones, and the potential for authorities and the civil society to cooperate in attaining such systems. Resilient communities are defined as communities that can withstand and adapt to external challenges and shocks.

2.1.1 Strengthening State Institutions

Chihuahua

One of the biggest achievements of the state government has been the creation of the State Office of the Attorney General (*Fiscalía General del Estado*), which replaced the Secretary of Public Security. This structural rearrangement can be seen in the increase of expenditures related to *Fiscalía General del Estado*, which had an average yearly increase of 26 percent in the period 2008–14 if measured in 2014 local currency (MXN), or 25 percent if measured in 2014 United States dollars (USD) (see figure 13).¹⁵

As expressed by a high-ranking state official during an interview, the *Fiscalía* is an institution needed for the efficient procurement and administration of justice in the state. The chief of the state's executive branch also gave the coordination of the state police to the *Fiscal* (the head of the *Fiscalía*), constituting a strong structure of 8,000 individuals (3,800 in the police force, 2,000 in justice procurement, and 2,200 in the administrative structure) that guarantees a fair and swift process toward the public trial of the criminal. Furthermore, the *Fiscalía* also provides service and guidance to the general population, support for defense against human rights violations, general victims' assistance, as well as a witness protection program.¹⁶

State authorities have invested resources in implementing a training and professionalization program to improve the capabilities and effectiveness of local police forces, increasing salaries, and developing

15. The public accounts for both Chihuahua and Nuevo León have reclassified expenditure concepts after 2010. This is due to the new criteria published by the National Committee of Accounting Harmonization (CONAC), the national authority that sets the accounting rules for national and subnational governments in Mexico.

16. The transformation of the state police and the *Fiscalía* also includes new public servants in areas such as investigation, public defenders, and the development of new infrastructure, such as the laboratory for criminology and forensic DNA profiling.

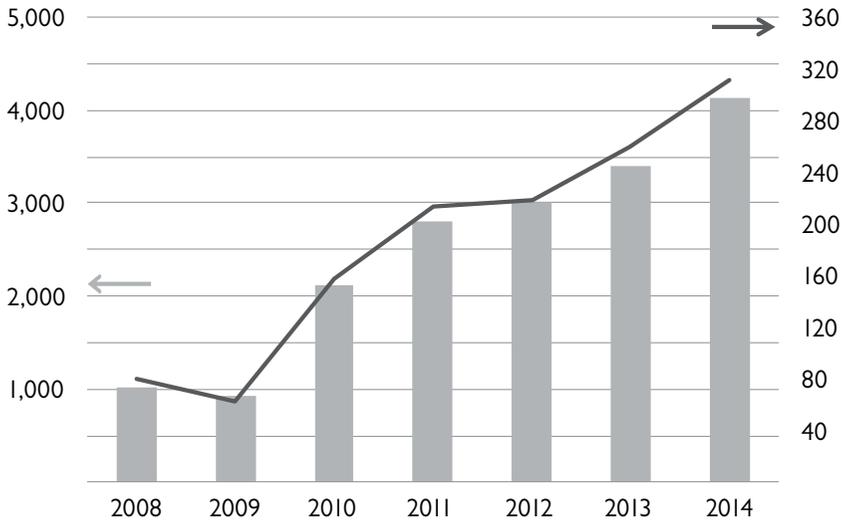


FIGURE 13. Total Expenses of *Fiscalía General del Estado*

Left Axis: Millions in 2014 MXN (adjusted using Mexican CPI). **Right Axis:** Millions in 2014 USD (adjusted using US CPI).

Source: Data retrieved from the public accounts available on Chihuahua state’s website.

recreational complexes (e.g., sports clubs) for police officers. The strategy also includes the acquisition of vehicles, weapons, and technology to prevent and investigate criminal acts. However, a high-ranking state official points out that the main cause of state police inefficiency before the creation of *Fiscalía* was the inability to keep DTO-affiliated criminals in prison.

The corruption of the old justice system and the infiltration of DTOs in state institutions allowed violent criminals to be set free after a brief process, according to the state public servants. This situation caused violent and swift retaliation from arrested criminals against efficient police officers and was at least partly the cause of more than five hundred

deaths of policemen. A high-ranking state official and a representative of the civil society recalled how former president Felipe Calderón called Chihuahua the “revolving door,” referring to the ease of exit that criminals had available after they had gotten into prison.

Today, the state of Chihuahua is no longer a revolving door. According to *Fiscalía*'s statistics, almost 95.8 percent of the apprehended individuals were successfully processed and put into state prison in the past four years.¹⁷ The state police (*Policía Estatal*) was restructured: inefficient elements were fired, and corrupt officers were arrested. Some 1,800 policemen, almost 50 percent of the police force, were either fired or arrested. The *Policía Estatal*, led by the *Fiscal* but commanded by a police chief, is now divided into five sections: the investigation division, the preventive division, traffic surveillance, civil protection, and the specialized anti-kidnapping task force. All five divisions work with the *Fiscal* to build cases backed up by scientific evidence that can be analyzed in a public trial and generate fair rulings. Corrupted officers are identified and processed as swiftly as regular criminals are, keeping the high standards of the *Fiscalía* and *Policía Estatal* intact.

This structure of *Fiscalía* is not inherent in the new system of justice: Chihuahua's first approach to the new accusatorial dynamic, led by former governor José Reyes Baeza Terrazas, weakened the *Ministerio Público* (precursor of the *Fiscalía* in the old system) and also the Secretary of Public Security by splitting their functions. The creation of this solid state institution for procuring and administering justice was an initiative of the present administration. However, the broad competence of the structure poses a challenge to the existence of balance. A high-ranking state official declared that the judicial branch of the state is the most effective and natural counterweight to such a powerful institution.

17. A high-ranking state officer explains that this “rate of efficiency” in the process was easily attainable in the old inquisitorial system. However, considering that the processes are now conducted in the new system, where the accused have more rights and protection, it is an impressive statistic.

Transparency in the processes allows for public scrutiny, creating a natural control from the general population and reducing the possibility of corruption.

Nuevo León

In 2010, after the federal government made public the new standards for state-level police forces,¹⁸ the governor of Nuevo León set an objective to replace the current state police with a brand-new force, called *Fuerza Civil*,¹⁹ that has as a central strategy implementing high-quality of standards for recruiting its members, as well as a quasi-military training program.²⁰ According to a high-ranking state official, the process of structuring *Fuerza Civil* was an integral project that involved civil society and local government in what was called *Alianza por la Seguridad* (Alliance for Security). Forums were held where experts sponsored by private firms from Nuevo León helped state officials design a new, more respectable police force. The name was chosen to distinguish this institution from traditional state police forces, a resolution growing out of polls and surveys that showed that the term “police” lacked trustworthiness among the general public.

To fulfill *Fuerza Civil*'s goals, authorities established recruitment points in cities around the country, including Mexico City, Guadalajara, Veracruz, and Oaxaca. The recruitment program covers the transportation expenses of highly qualified prospects to Monterrey (the state capital) to complete a selection process that involves interviews and strict medical and trustworthiness examinations, backed up by human

18. According to SESNSP, the new model, called *Modelo de Policía Acreditada*, was designed to create a more reliable, professional, and better-equipped police nationwide.

19. The first generation of *Fuerza Civil* started operations on September 14, 2011.

20. According to the *Fuerza Civil* website, this police force is the third most reliable institution, just below the Mexican Marines and Army.

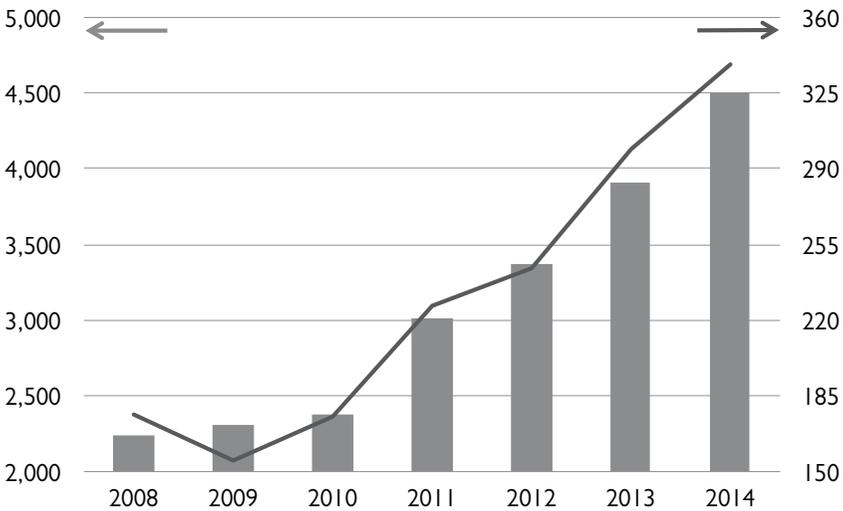


FIGURE 14. Total Current Expenditures Related to Justice Functions

Left Axis: Millions in 2014 MXN (adjusted using Mexican CPI). **Right Axis:** Millions in 2014 USD (adjusted using US CPI).

Source: Data retrieved from the public account available on Nuevo León state's website.

resources experts provided by local firms at no cost to the state. Successful recruits receive six months of paid training.

The training program began with the *Modelo de Policía Acreditable*, but severe deficiencies were found in practice, according to *Fuerza Civil's* high-ranking officers, who noticed that early recruits were not prepared for such an intense field of action in Nuevo León. The state proceeded to make additions and amendments, approved by the federal government in 2012, which led to a unique set of standardized training protocols, as well as a clearly defined manual of actions for the state police officers.

Authorities also reassessed and improved the set of monetary benefits and equipment for policemen. First, the salary of state police officers was

increased to match that of the federal police (*Policía Federal*). Second, given the high quality of the new training program, infrastructure was needed, including a new University of Security Sciences, as well as security checkpoints and training camps. In an interview with a high-ranking officer in *Fuerza Civil*, it was explained that the University of Security Sciences has had a unique role in the force, in that it provides training and evaluations to active members of the force. All promotions of officers are validated by strict examinations applied by the university, which are publicly available and monitored by civil society, with the support of private and public universities. This provides a significant level of transparency and helps build public confidence in officers of *Fuerza Civil*. According to the trust index developed by the think tank México Evalúa, Nuevo León's improvement in the social perception of the state police in the period 2011–14 significantly exceeds the national trend.²¹

More equipment, vehicles, and information technologies were acquired to support police activity. The fiscal impact of the aforementioned actions, except for the new infrastructure, can be observed in figure 14, which shows the growth in current expenditures²² associated with justice functions of the state.²³ These public expenses had an

21. The trust index is built from ENVIPE data, using trust levels of people older than 18 years, and covers several authorities (army, navy, federal police, judiciary elements, state police, and municipal police, among others). The index is a qualitative measure, derived from the difference between the percentage of surveyed people that have a high level of trust and those who have none at all. In the period 2011–14, the national index went from -29.7 to -0.7 ($\Delta = 29$); in contrast, Nuevo León's index went from -23.6 to 16.2 ($\Delta = 39.8$). For more analysis and description of the index, see México Evalúa (2015).

22. Payroll, materials and supplies, and general services (in government expense accounting these concepts correspond to chapters 1000–3000).

23. According to the Functional Classifier of Expenditures (*Clasificador Funcional del Gasto*), published by CONAC, the justice functions of a Mexican state are related to justice delivery, justice procurement, and social reinsertion.

average yearly increase of 12.3 percent in the period 2008–14 if measured in 2014 MXN, or 11.5 percent if measured in 2014 USD.

2.1.2 Unified Command at the State Level

In recent years, Mexico has debated how police forces should be organized. In general, each of the three levels of government (municipal, state, and federal) has its own police force, which means there are 1,800 police departments in Mexico.²⁴ However, the federal government and some members of the civil society have argued for a more centralized command at the state level.²⁵ The debate has centered on the trade-off between joint and coordinated action against organized crime and the autonomy of local governments, as well as their ability to not be co-opted by organized crime.²⁶

Chihuahua's high-ranking officials assert that, according to their experience, unified command is the only effective institutional arrangement when facing a security crisis. Furthermore, that the unified protocols of actions, responses, and processes across the state may make it desirable even with low levels of violence. This last conjecture is often challenged, however, by advocates of municipal police force autonomy; state officials concede that they have not personally experienced the counterfactual situation in which a unified command is implemented during peacetime.

24. Statistic provided in President Peña Nieto's remarks to the general public (Milenio, 2014).

25. This was a proposal contained in the constitutional bill sent to the Mexican Senate in December 2014, which included the dissolution of the municipal forces and the consequent absorption of their duties by state forces, a bill that is still under review by the Senate.

26. In February 2015, the Mexican Congress organized a forum called *Experiencias en Mando Policial* (experiences on police command), where politicians, experts, and representatives of the civil society discussed the implications of such a reform.

Chihuahua

In the state of Chihuahua, the *Policía Estatal* is fully coordinated with the main municipal police forces through a political agreement promoted by Governor Duarte in combating HIC. In practice, this has resulted in a de facto unified command statewide, which was made possible due to the severe violent crisis and a particularity of Chihuahua's constitution: the fact that, if present in a municipality, the governor is the highest commander of the local police forces. However, since it is not supported by a federal law change, or a formal institutional framework, it is possible that a shift in the current political situation in the state could reduce the aforementioned coordination efforts.

In the state of Chihuahua, municipalities are not completely ignored during the selection of their police chiefs: the city council (*cabildos*) proposes three nominees for police chief, who in turn are validated by the state congress, which ultimately makes the decision. The state's access to better systems of information and intelligence allows for a better selection of the municipal police chief. Today, several municipal police chiefs are recruited by the local authorities from high-ranking state police officers because of their good reputation. This has strengthened the de facto unified command, making coordination with the state government easier.

Nuevo León

Nuevo León has been moving slowly but firmly toward a unified command under a voluntary basis. According to the Office of the Spokesman, Governor Medina in 2010 proposed an agreement with the current mayors to create statewide standardized protocols of action and use of technologies.²⁷ Also, municipal secretaries of public security need to be validated by the state government. Even though some of the main cit-

27. A high-ranking official points out that, before the agreement was made, the use of technologies was so heterogeneous that several municipal police forces could not communicate among themselves, owing to different radio equipment, allowing criminals to escape by simply crossing a municipal border.

ies are ruled by an opposition party, all of the municipal councils have authorized the incorporation of local policemen into this de facto unified command. This action is mainly aimed at reducing the likelihood of collusion between municipal forces and DTOs.

2.1.3 Collaboration among the Different Levels of Government

As was discussed previously, the need for efficient institutions at a local level (state and municipal) is essential to provide public security in a community, coordinated with civil society. However, Dudley (in Shirk et al. 2014) states that federal support is needed to achieve the highest levels of interaction and effectiveness. In this sense, the analyzed states benefited from the coordination with federal forces, using them for strategic hits to DTOs and specific duties, while building their own locally oriented institutions.

Chihuahua

The state of Chihuahua has promoted a closer relationship with federal forces to control criminal action in conflict areas. Ciudad Juárez, for example, has been an iconic case: it once was one of the most dangerous cities in the hemisphere, but with the joint efforts of local police forces, the Ministry of Defense (*Secretaría de la Defensa Nacional*, or SEDENA), and the federal police, authorities have been able to reduce violent crimes such as murder and kidnapping (see table 1). A high-ranking state official declared that only full cooperation among levels of government can fight violence effectively and protect the lives of citizens and the armed forces.

Given that broad parts of Chihuahua's territory have borders with the United States, Ciudad Juárez included, local authorities have signed agreements to share intelligence with US agencies under the framework of the Mérida Initiative. That initiative has become a platform for the local coordination of authorities, as well as a tool to interact with the US

Consulate, which has proved to be a valuable ally, while being respectful of the state's autonomy.

Nuevo León

As part of the strategy, local authorities promoted a closer relationship with the federal government, increasing cooperation with regional corporations of the executive branch, including SEDENA, the navy (*Secretaría de la Marina*), the federal police, the National Investigation and Security Agency (*Centro de Investigación y Seguridad Nacional*), the Office of the Attorney General (*Procuraduría General de la República*), and other organizations from the judiciary branch. Specifically, SEDENA has collaborated with *Fuerza Civil*, first providing statewide protection, as described by the Office of the Spokesman, to help during the removal of nonqualified members of the state police (while the first generations of *Fuerza Civil* were fully operational). Today the support is more strategic, assisting at checkpoints, patrolling in rural areas, and providing surveillance of strategic infrastructure.

There has also been international support for the state of Nuevo León, mainly from US authorities in the framework of the Mérida Initiative. According to the Office of the Spokesman, the two most valuable elements of aid are the supply of technology for public security and specialized training in intelligence and crime analysis; both of these benefits are provided yearly at no cost to the state, according to a formal petition done in the first two months of each year.

2.2 Implementing the New Procedural Criminal Reform in Mexico

On June 18, 2008, the Mexican federal congress approved a set of laws aimed at creating a new system of justice, based on oral trials for criminal cases, similar to those observed in common law systems. Furthermore, it changed the main dynamics of the investigation and sentencing

processes. These significant changes are described below by Ernesto Canales, a civil society leader who promoted the reform in Mexico.

The Essence of the Procedural Criminal Reform in Mexico²⁸

In the last ten years, Mexico has been undertaking a transformation of the administration of justice in the criminal system. It started in the northern states of Nuevo León and Chihuahua, and by June 2016 was set to have rolled out to the whole country. For all crimes, a new set of laws are to govern the system. These changes were the product of civil society organizations that mounted a mass campaign denouncing the many wrongs of the Mexican criminal system; more than two hundred academic and nonprofit institutions have worked to document these evils and the manner by which the rules should be corrected. Twenty years ago a group of private lawyers, organized under Renace (a nonprofit entity), appalled by the rampant corruption and low quality of the prevalent criminal justice, decided to assist prisoners who could not afford a private defense and who were suffering an injustice; this meant a civil institution would learn firsthand the intricacies of the Mexican criminal system.

There are key statistics that reflect how disastrous the situation was: (a) Because of lack of trust only 15 percent of all crimes were denounced; (b) less than 1 percent of criminals ended up in prison with a guilty sentence because the system could not

28. This subsection was written by Ernesto Canales Santos, attorney and founder of the Organization Renace, which is responsible for promoting procedural criminal reform in Mexico.

process the cases adequately; and (c) more than 60 percent of prisoners were accused of crimes involving less than \$200 and spent an average of six months behind bars. It did not take long for Renace to be convinced that in order to end the injustices and overcome the many failures of the system, new rules needed to be enacted. Making the general public aware of the necessity of these changes became an integral part of the efforts, since political will to undertake the changes would come only once strong public opinion demanded them; Renace promoted this will for reform. Below are some of the main flaws in the old system, and how the reform aims to correct them.

Procedural Privileges of District Attorneys

In the old system, the law granted district attorneys (DAs) rights that effectively gave them control over the results of criminal claims (e.g., ordering the judges to consider the evidence presented by DAs as having superior credibility over those presented by the other parties of the claim, the accused and the victims). Thus the playing field for criminal cases was not fair. To make matters worse, in the old system the DAs, as the investigative part of the procedures, could solely decide which evidence could form part of a case. The “superior” level of power granted to DAs was subject to political or monetary influence; corruption and impunity could legally and easily enter into the process in deciding any criminal case.

Lack of Differentiated Criminal Processes and Continuity

The new system considers several types of procedures based on the complexities of the cases, unlike the old system where all crimes were subject to one procedure, sole and universal: the rules governing a homicide also applied to the theft of a cell phone.

Now, cases related to first offenders, petit nonviolent crimes, and damages to be repaired can be resolved by quadrilateral negotiations: DAs, the accused, victims, and judges. By this method, over 90 percent of all cases can be processed in days or weeks, not months or years. For high crimes, the system orders public trials to be presided over by a panel of three judges in which all evidence is to be presented continuously.

The old rules also lacked a sense of continuity in the general process. The story and facts of the crime were lost in multiple separate instances in which the judge was not required to be present: he ruled over a file of written documents. Another overwhelming statistic: more than 85 percent of prisoners never faced a judge, who was far away from the facts and circumstances of cases.

Form Preeminent over Substance

The new rules mean a huge step toward changing the focus of attention in the Mexican criminal system, which has prioritized form over substance: we are reversing the order. The quadrilateral negotiations, the oral trials for important cases, and many other features of the new system are geared to grant greater importance to the substance of the matter than to the formality of it all. In the old system, judges served more as a checkpoint to review if all the forms had been properly completed by the different authorities instead of meting out justice in view of the merits of the case at hand.

Abuse of Preventive Prison

Between 150,000 and 250,000 prisoners are serving prison terms without having been found guilty. In the old system, the principle of presumed innocence is set aside in favor of a concept

that allows DAs to ask for prison as a preventive measure. The old rules even ordered mandatory prison, without trial, for a list of crimes that grew by the year, more than fifty at last count, even crimes not tied to danger to society. It was highly expeditious because no great investigative work needed to be performed by the criminal authorities to put practically anyone in prison without a trial. Once the accused was in prison, an actual trial could take years, followed by a process not strictly regulated by law. This ability to send someone to prison without further consequences created a system of corruption. The new rules limit the application of preventive prison only to criminals that could be a danger to society.

***Lack of Judicial Participation
for Matters Related to Prisons***

The new system has assigned judges to prisoners' cases. This means that control and responsibility of the prisons do not rest only on the police and security forces; from now on detainees have access to the judiciary for all claims related to the fulfillment of their respective sentence. Again, the state of Mexican prisons demanded new rules that could put an end to all kinds of illegalities for which they have become infamous. The participation of the judiciary in these matters does not automatically put an end to the current horrendous situation; however, it is a good start to generate a better environment.

Pillars of the Reform

The changes in the rules that are applied to criminal processes have made evident that transformative modification in the areas that support criminal processes are also needed for the reform

to succeed. Among the most important areas are the following three pillars:

1. Professionalization of police forces is a key element, since they are now an integral part of the investigation process.
2. Oral trials demand a new set of rules regarding coordination among the different elements of the equation: police, DAs, public defenders, prison officials, and the judiciary. The chain has to work out with all elements pursuing the same result: justice for every criminal action. Judges need to think of themselves as the final step in administering justice in Mexico; their constitutional autonomy does not mean apathy toward the needs of society.
3. Prisons need to be cleaned of illegalities; it is unacceptable that in those closed sites authorities cannot enforce the law. At present in some instances, prisons are under the control of criminal groups. In addition, public policy needs to be put in place to create a national program for the education of prisoners to enable them to have a positive life after they serve their terms.

Results of the Criminal Reform

The new system has been applied in some states for more than ten years, and there are hard data that show positive changes of tremendous importance in the daily lives of the country's citizens:

- a. Eighty percent of prisoners who were given a guilty sentence in the federal district of Mexico in 2014, an entity where reform was not enacted, believe they received an unjust

penalty, versus 40 percent of prisoners in states where there is reform.

- b. The percentage of victims reporting crimes in states with reforms has increased from 15 percent (national average) to 35 percent.
- c. The time between detention and sentence has decreased for minor crimes, from months to days or weeks, and for major crimes, from years to months or weeks.

Achievement of the Criminal Reform through Social Action

It was not a reform fought by clean people versus the corrupt. Civil organizations used arguments, reasons, and data in thousands of one-on-one meetings with key actors of the political, social, and criminal scenes; likewise, forums, seminars, and conferences were organized to advance the whys and hows of the main aspects of these changes. A great effort to socially disseminate the reform was, and continues to be, a key factor that has rendered political strength to influence political parties and politicians to undertake the changes. One documentary, *Presunto Culpable*, about the case of an innocent in prison for three years, was viewed by twenty million Mexicans.

Pending Issues at a National Level

Several important new laws need to be enacted to complete the legal framework for the reform to fully work. The pillars explained above demand greater attention and funding. Only civil society organizations can take the political perspective, which is lost by public officials who do not have a permanent interest in these matters. Criminal actions are so complex that they cannot be left to the sole responsibility of criminal authorities.

Chihuahua

Chihuahua was the first state in Mexico to completely implement the new criminal justice system in 2008, when the federal reform was just starting to take place. There was a steep learning curve, as perceived by an official from the *Fiscalía*: the new system gave far more responsibility to the DAs, who had to actually build a case backed up by scientific proof, rather than just come up with a file for prosecution. Besides the corruption in the system, the lack of training for public servants made it easy for criminals to be set free due to a mistrial.

For Governor Duarte's administration, it was evident that the new system required a very different structure for the *Fiscalía* and better-trained public servants. As a result, the local court of justice and the *Fiscalía* were completely transformed, regarding both human capital and physical assets, which in turn has changed the public perception of the effectiveness of the rule of law, as criminals are put in prison in a more transparent and efficient way than before.

According to México Evalúa's assessment of good treatment from the authorities toward victims, Chihuahua was the highest-rated entity in the period 2012–13, with 77.3 percent of victims reporting excellent treatment from the institutions where the report was filed, in this case the *Fiscalía Estatal*. With respect to efficiency, in each month of 2015 the *Fiscalía* and local court processed 108 percent of the cases that were created: 98 percent were current, and 10 percent were cases from past years that weren't processed due to inefficiencies.

Chihuahua is not only running the new system for criminal justice, but also applying it to civil and administrative matters, including labor trials, which may have been a key factor in the boost of employment observed in recent years in the state. A high-ranking state official declares that the most profitable condition for firms is a solid rule of law in the state; therefore, Chihuahua's administration is now focusing on the day-to-day fulfillment of contracts.

Nuevo León

Nuevo León is one of the six states with full implementation of the new criminal justice system based on oral trials. A former high-ranking state official pointed out that the implementation of this system was a considerable challenge, particularly since it was done during the years of fighting crime. It was explained that the main benefit of the new system is that it allows for alternative reconciliation remedies, which ease the state judicial branch's workload involving minor crimes, allowing them to focus on HICs. According to data provided by the DA's office, in a given year 70 to 80 percent of matters pending trial in the state are minor crimes, thus making alternative reconciliation remedies a great tool for fast application of justice in those matters. Because of their efficiency, nowadays the state is expanding their use for administrative and civil matters.

Due to this foreseen effect, and the known difficulty of shifting to the oral trials model, the state policy was to start using the new system for minor crimes and then move toward full implementation. A former high-ranking state official explains that this allowed the state to learn and build precedents to face the more challenging cases regarding HIC, which require a greater degree of investigation and case development during the trial process.

The former member of the state executive branch points out several reforms in law and punishments that were done to help combat crime. For example, the penalty for selling stolen auto parts was the same as for stealing the car itself. Also, informants (known as *halconeos*) providing cartels with information about *Fuerza Civil*, Mexican Army, or Marine Force locations were given a specific penalty, aimed at combating the information network at the service of DTOs. However, these changes were made using the old system, which ran in parallel at the time.

The transformation of police forces is also partly explained by this process, as policemen play a more relevant role in investigations under the new framework conducting oral trials. A high-ranking official from *Fuerza Civil* described how police officers are now well instructed in

basic protocols of investigation and are informed that any deviation from the rules of the new system may cause a mistrial.

Finally, attention to citizens in the state has improved, according to México Evalúa: Nuevo León ranks fourth in the nation in terms of the treatment of victims that reported a crime. According to this statistic, 67.7 percent of victims reported receiving excellent treatment from the institutions where the crimes were reported. As was previously discussed, the new system is more responsive to victims, being more transparent and inspiring a greater degree of trust.

2.3 Social Reinsertion for Convicted Criminals

One of the major challenges facing the Mexican penitentiary system is prison overpopulation, which makes it more difficult to control prisoners. According to local authorities, overpopulation is the main cause of failure in prisoners' effective social reinsertion because it makes it more challenging to prevent corruption, disorder, and malpractice inside prisons. In 2012 there were facilities for 188,028 inmates, despite the total population being 233,277. This represents an overpopulation of 24 percent (CIDE, 2014), surpassing the United Nations' overpopulation upper limit of 20 percent of the established capacity.

At the subnational level, controlling overpopulation is done mainly in two ways. First is by promoting transfers of prisoners of federal jurisdiction crimes to national facilities (as in Chihuahua), second is reducing the sentences of minor criminals (as in Nuevo León). The transfer of federal jurisdiction criminals is possible because, during President Felipe Calderón's administration, the national government acknowledged that Mexican states had a disproportionate number of federal jurisdiction inmates: in 2006 out of 50,500 such inmates, only 3,164 (6 percent) were actually being held at federal facilities (CIDE, 2014). However, the federal government is increasing its prison capacity, so the transfer of inmates depends greatly on the efforts of each state to request such a process.

The second method is known as “anticipated liberation,” which uses decisions at the state level to ease the burden of the penitentiary system by keeping out of prison those who do not actually need to be retired from society in order to be readapted. This approach is a structural one and has the benefit of making more modern rules for a dynamic society. There is a potential lesson to be learned from this policy at a national level, particularly in regard to legalizing marijuana consumption. According to the CIDE’s “Results of the First Survey of Inmate Population on Federal Centers of Social Readaptation” (*Resultados de la Primera Encuesta realizada a Población Interna en Centros Federales de Readaptación Social*), 60.2 percent of federal inmates were incarcerated for crimes against health (i.e., drug related); of those, 58.7 percent were incarcerated for possession, consumption, sale, or transportation of marijuana. Legalizing the consumption of this drug could potentially free prisons of up to 35 percent of their population, thus reducing overpopulation.

Besides overpopulation, in the context of a crisis of HICs and a deteriorating rule of law, another challenge is the effective control of prisons by the state. When DTOs infiltrate the government and social institutions, prisons become beacons of illegality that need to be purged and restructured, as was the case in Chihuahua.

Chihuahua

The state of Chihuahua has made a great effort to improve the current quality of prisons so as to be certified by the American Correctional Association (ACA), in all areas and operations, including safety, security, order, inmate care, programs, justice, and administration. Today all eight state prisons are fully certified. Governor Duarte joined the board of directors of the ACA; the *Fiscal Especializado en Ejecución de Penas y Medidas Judiciales* (the public servant in charge of the correctional facilities), Eduardo Guerrero Durán, is the president of the Mexican chapter of the ACA.

However, the certification was not the source of change in Chihuahua’s penitentiary system, as explained by a high-ranking state official.

Rather, it is a signal of the improvement achieved. During the period of transition in 2010, the few months between the election and the entry of the new administration, Governor Duarte's team diagnosed how prisons could be improved. The team developed a set of actions that included the absorption by the state of the prison administration (which used to be municipal), changes in security protocols, improvements in technology for surveillance, and transfer of federal jurisdiction prisoners to federal facilities. Prisons have two parallel control structures: the director, who is in charge of administrative, technical, and judicial tasks, and a prison police commander, the exclusive leader of security processes.

In 2010, high-ranking state officials acknowledged that the inmates were effectively the ones in control. Almost five years later, prisoners no longer govern prisons: they wake up at 5:30 a.m. and need to be bathed and dressed by 6:00 a.m. Their cells need to be clean, and they are punished if they hang or paint anything on the walls. Visits are strictly controlled, and six hundred inmates have gotten married because unmarried partners (*concubinos*) are not allowed to visit. This rule indirectly provides social security and assistance to women and their children, who used to go unrecognized by their biological parents in prison.

Additionally, the state government has segregated different types of criminals (e.g., those who were convicted of kidnapping, extortion, and murder) to reduce the potential transmission of criminal behavior in the prisons. They are randomly transferred to avoid their being identified by fellow criminals and to reduce their risk of escape. Since 2011 there have been zero mutinies, no overpopulation, and agreements were signed whereby the federal government will take almost one thousand federal jurisdiction criminals (related to organized crime or other federal offenses) each year.

Nuevo León

As explained by a high-ranking state official, successfully combating DTOs and organized crime caused a rise in the number of state inmates

from four thousand in 2009 to nine thousand in 2014. To reduce overpopulation in state prisons, Nuevo León has promoted alternatives to imprisonment such as anticipated liberation for criminals involved in minor felonies, as well as the transfer of dangerous convicts to federal facilities. However, the transfers are insufficient because almost three thousand of the inmates should be in a federal facility, according to the state government.

The state was also planning the construction of a new prison (*Penal de Mina*) but could not acquire adequate financing. According to the state's calculations, *Penal de Mina's* total cost is around 4,000 million MXN (approximately 300 million in 2014 USD); however, the state received only 10 percent of that amount from federal government transfers. Meanwhile, existing prisons were instead upgraded to promote a safer environment for the inmate population.

High-ranking state officials considered that one of the main challenges for the new administration set to take office in late 2015 would be successfully managing prisons and expanding the penitentiary system. However, attaining financing for such an expensive infrastructure may prove particularly hard, for it could compromise the funding required to keep both *Fuerza Civil* and the new criminal justice system working at the current level of efficiency.

2.4 Civil Society Actions and Public Policies for Crime Prevention

Chihuahua

The participation of civil society members started in the most violent city: Ciudad Juárez. In February 2010, the federal government, led by President Felipe Calderón, began the program *Todos Somos Juárez* (roughly translated, "We all are Juárez") to promote civil society's participation in reducing violence in that city. Shortly afterward, the Justice and Security Table was created (*Mesa de Seguridad y Justicia*), where citizens and municipal, state, and federal authorities discussed strategies

to change the challenging reality, first in Ciudad Juárez and then in the whole state. The participants were concerned citizens, led by Jorge Contreras Fornelli, a local entrepreneur.

After the *Fiscalía* was restructured by the current administration in late 2010, members of *Mesa de Seguridad y Justicia* aided the state government in training the existing prosecutors in the new system of justice. They asked private universities, such as the *Instituto Tecnológico y de Estudios Superiores de Monterrey* (ITESM, *Tec de Monterrey*) to give classes to the public servants in charge of the prosecution of cases against criminals. They also provided courses to police officers (more than three thousand including state and municipal forces) about proper crime-scene preservation and data collection. Today, the representatives of the civil society want a refinement of municipal forces and are looking into the private certification of Ciudad Juárez's police force protocols.

The state's crime-prevention priority was education. Chihuahua's education policy has been aggressive: all children and adolescents now have access to an adequate level of education, thanks to the building of several schools across the state (90,356 since 2010). Full-time schools went from 83 in 2009 to 669 in 2014; for 2015, the plan is to achieve 1,000. The model *Universidad a Distancia* (Long-Distance Universities) offers total coverage of undergraduate studies, without constant attendance in a classroom. The number of students in technical universities has grown 325 percent since 2009.

Nuevo León

According to a highly ranked state official, there are eighty identified "poverty polygons" (sub-municipal microzones) in the state that are taken care of by various programs aiming to improve their inhabitants' quality of life. However, the state's action by itself is insufficient, requiring the additional skills provided by the civil society and local philanthropists. The state of Nuevo León, known for its dynamic industry and centers of higher education, has the highest per capita GDP of any state in Mexico (excluding Mexico City). In consequence, the civil

society has had an active role in all public matters. According to the latest available statistics, there are more than seven hundred nongovernmental organizations working in the state, covering a wide range of public affairs.

To address the sudden increase in violence in the state, government and civil society cooperated on the creation of *Fuerza Civil*, as previously mentioned. However, there have been other programs in marginalized areas, especially in urban zones, providing occupational programs for youth. These programs are offered in forty-two community centers across the state; these centers were also built to recover public spaces from local gangs and DTOs.

According to a high-ranking state official, the *Centro Comunitario Independencia*, one of the largest in Nuevo León, attracts more than seven thousand people daily looking for training, education, and support programs. Given the size of the demand and the social problems that are addressed, the state administration concedes that restoration of public safety and crime prevention are a joint effort between local government and the civil society.

High-ranking state officials point out that a watchful population helps in the daily fight against crime, far outnumbering the state's surveillance capabilities, despite any technological improvement. Officials and the population value the generation and use of intelligence based on crime data, which helps the government identify potential danger zones, as well as successful preemptive actions. Civil society organizations have been contributing to these efforts, along with sponsored experts who provide indexes, measuring tools, and even software to this end.

Section 3. Public Costs and Additional Social Benefits of the Identified Strategies

The Law of Fiscal Coordination (*Ley de Coordinación Fiscal*) is the national ruling that establishes the criteria for transfers of funds from

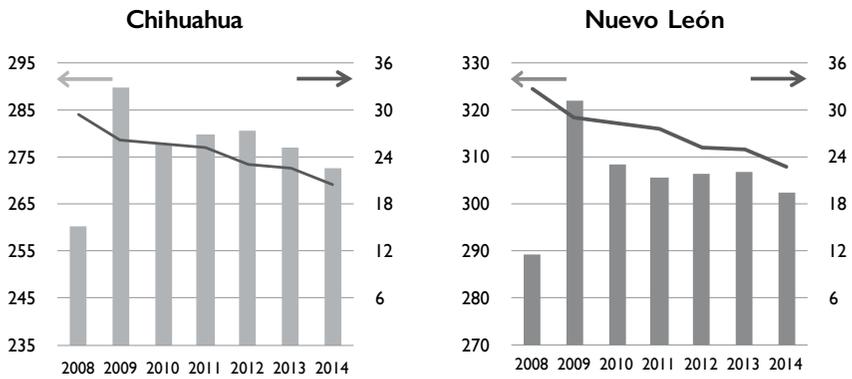


FIGURE 15. FASP (Security Earmarked Federal Fund for States)

Left Axis: Millions in 2014 MXN (adjusted using Mexican CPI). **Right Axis:** Millions in 2014 USD (adjusted using US CPI).

Source: Data retrieved from the Mexican Ministry of Finance and Public Credit and the state’s public accounts. In the case of Chihuahua there is no available public disaggregation of current and capital expenses.

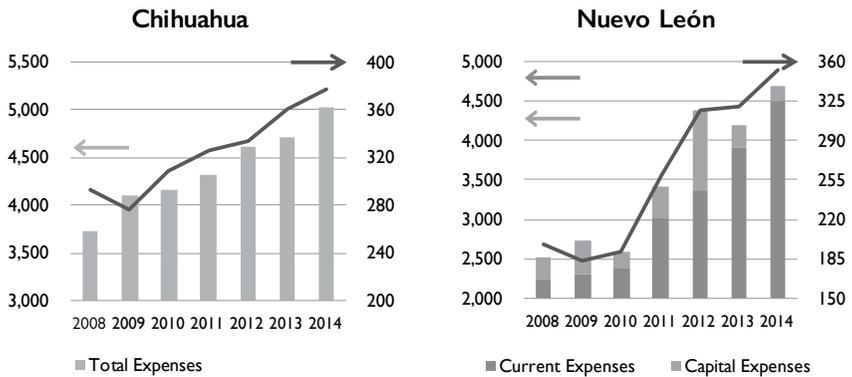


FIGURE 16. Expenditures on Public Security

Left Axis: Millions in 2014 MXN (adjusted using Mexican CPI). **Right Axis:** Millions in 2014 USD (adjusted using US CPI).

Source: Data retrieved from the Mexican Ministry of Finance and Public Credit and the state’s public accounts. In the case of Chihuahua there is no available public disaggregation of current and capital expenses.

the federation to the states and municipalities.²⁹ The specific fund created to finance public security services at the state level is FASP (*Fondo de Aportaciones para la Seguridad Pública de los Estados y del Distrito Federal*), which in the last five years has shown a negative real increase for Chihuahua and Nuevo León (-6 percent in total, or an average yearly decrease of 1.2 percent in 2014 MXN) (see figure 15). On the other hand, expenses related to justice and public safety functions of the states have grown substantially in real terms, straining the budget of the two cases that are being studied (see figure 16).

3.1 Costs and Financing Structures

The lack of growth in federal funding for security, as seen in the evolution of FASP, combined with the increasing expenditure needs for the reduction in violence, forced both states to finance such requirements with free disposable income (that is, non-earmarked transfers and local taxes). This in turn caused fewer available funds for public infrastructure, generating an increase in the amount of public debt contracted by the administrations.³⁰ Over time, budget imbalances and the continuous acquisition of financial liabilities forced the states to take fiscal policies to gradually return to a balanced budget.

Chihuahua

The state of Chihuahua has been struggling against organized crime and violence since the early 2000s. As was previously discussed, the

29. Mexican states rely heavily on transfers from the federal government for their expenditures, since the most important taxes are collected at the national level: the value-added tax (*Impuesto al Valor Agregado*) and the income tax (*Impuesto Sobre la Renta*). For example, in 2014 transfers from the federal government (including both free disposable and earmarked funds) constituted 92 percent of the states' income on average (excluding the Federal District). The rest (8 percent) represents local taxes, mainly on payroll and vehicular property.

30. In Mexico, most of the subnational debt is not issued in the securities market but is directly contracted through a structured finance with private Mexican banks.

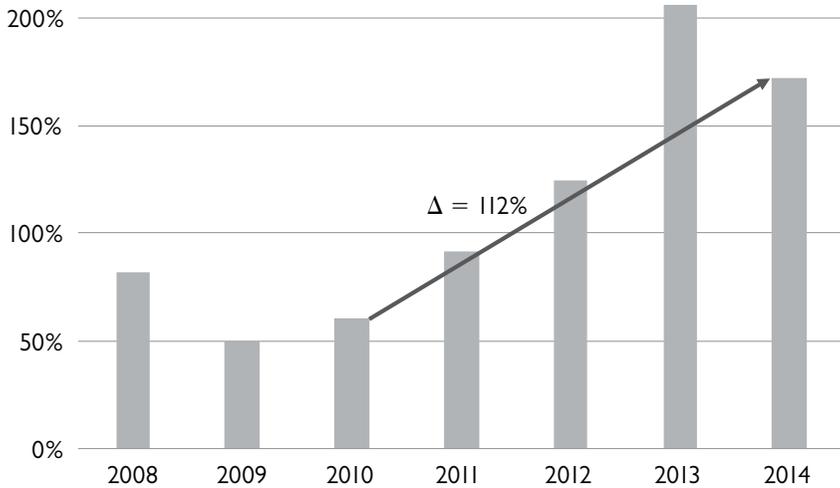


FIGURE 17. Evolution of Debt as Percentage of Free Disposable Income (Chihuahua)

Source: Data retrieved from the public accounts available on Chihuahua state's website. Free disposable income is defined as local taxes plus non-earmarked federal transfers.

accelerated increase in expenditures began in 2010 to finance the new strategy followed by the state. Other relevant sources of financial pressure were the funding of public education and the transfers for public servants' pensions. In 2013, after reducing the incidence of HICs by more than 60 percent, and having observed a relevant increase in the amount of public debt acquired, the state of Chihuahua started fiscal measures (e.g., tax increases, contention of expenses other than security and education, and a debt restructure) to return the budget to balance.

This set of actions was formalized in 2014 via the official announcement of the PROREHP Program (*Programa de Reordenamiento de la Hacienda Pública del Estado*). Under the PROREHP, the payroll tax rate went from 2 percent to 3 percent of total wages (0.5 percent was transferred to a trust fund, supervised by the civil society for investment in public security), and several strategies for a more efficient collection of

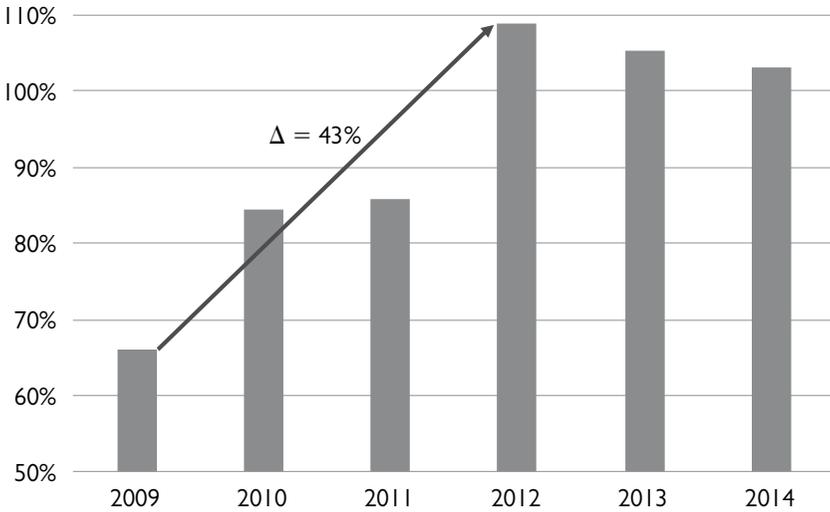


FIGURE 18. Evolution of Debt as Percentage of Free Disposable Income (Nuevo León)

Source: Data retrieved from the public accounts available on Nuevo León state's website. Free disposable income is defined as local taxes plus non-earmarked federal transfers.

payments were developed. Current expenditures were contained, and public investment was reduced.

Public debt was restructured to increase its term and reduce costs, making it more viable for the state to repay it.³¹ As a final step, the state is considering the concession of some assets (e.g., toll roads) that can be administered more efficiently by a private firm. This will allow the current administration to significantly reduce its debt. The debt as a percentage of the state's free disposable income is shown in figure 17, as both the accelerated rate of debt acquisition and the efforts to increase the income from local taxes (which caused a reduction in 2014).

31. The state also bought a credit enhancement *Garantía de Pago Oportuno* (GPO) that works as an insurance against default during some months, in addition to the standard reserve funds established in the structured finance.

Nuevo León

To face the pressures in an orderly manner, the state of Nuevo León enacted the POFIF (*Programa de Ordenamiento y Fortalecimiento de las Finanzas del Estado*). The program focused on a contention and reduction of expenses not related to security provision, the increase of local taxes (mainly the payroll tax, with the rate going from 2 percent to 3 percent of total wages), and the restructuring of public debt, allowing for a longer term and lower costs, providing the state an annual relief of debt service payments of around 4 billion MXN (about 12 percent of the state's 2014 free disposable income), which could be used toward security-related expenses (see figure 18).

One of the most relevant features of POFIF was that its main goals in terms of balances and debt limits were established as covenants in the debt contracts, making it easy for the lenders as well as the citizenry of the state to check the performance of such effort. In case the objectives were not met, the lenders had the right to demand bigger capital payments. Today, Nuevo León has successfully implemented the program.

3.2 Additional Social Benefits

Despite the high costs associated with efforts to reduce HIC, there are several benefits resulting from the safer environment, both direct and indirect. However, the proper identification of this impact requires a more in-depth analysis, using adequate statistical techniques. This section aims to point at some areas that may have experienced positive effects from the improvement in public security and the reduction of violence levels, with the goal of encouraging researchers to study this phenomenon in more detail.

Local Unemployment Rates

The improvement in the levels of security and the reduction in violence can be observed in the local labor markets. During the years with the worst levels of violence (2011–12), the change in the unemployment rates of Chihuahua and Nuevo León were at the same level, and sometimes above, the average observed for the surrounding north zone

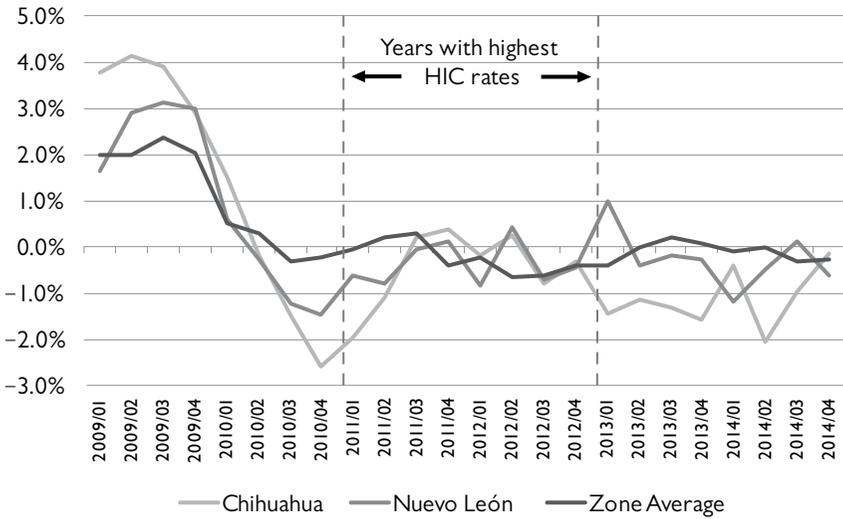


FIGURE 19. Yearly Change in Unemployment Rate

Source: Encuesta Nacional de Ocupación y Empleo (ENOE), INEGI.

(see figure 19).³² Changes in unemployment in the last two years were negative (i.e., an increase in the number of jobs inside the states), while the regional level remained almost unchanged in the same period.

Variation in Economic Activity at the State Level

Additional potential impacts of the positive effects that can be identified are those associated with the overall improvement of the economy at the state level. In the case of Chihuahua, the increase in economic activity as measured by the Quarterly Indicator of State Economic Activity (*Indicador Trimestral de Actividad Económica Estatal*, ITAEE) published by INEGI, with respect to its zone peers, is evident. It should be noted how, after HICs were reduced by 50 percent, the measure of economic

32. In this case all northern states were considered: Baja California, Baja California Sur, Coahuila, Durango, San Luis Potosí, Sinaloa, Sonora, and Tamaulipas.

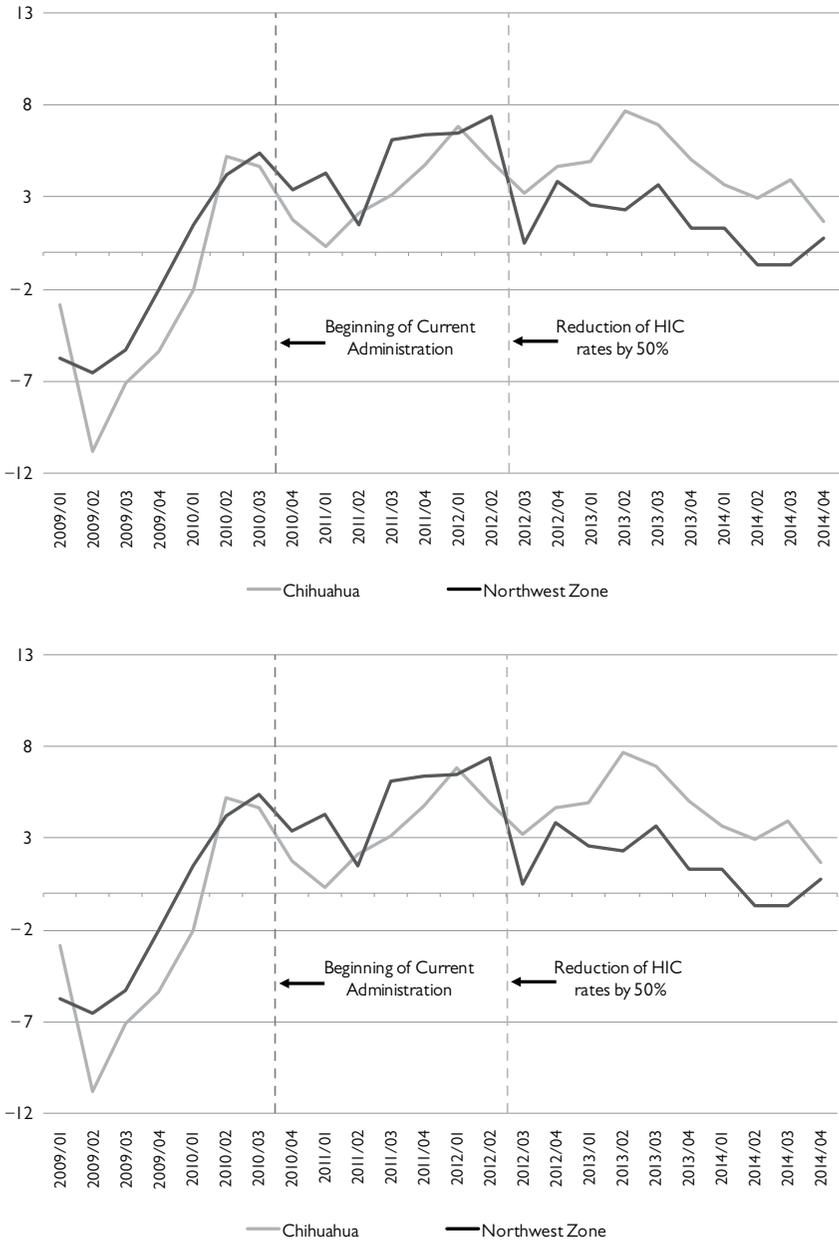


FIGURE 20. Quarterly Indicator of State Economic Activity (Percent Yearly Variation, per Quarter)

Source: INEGI.

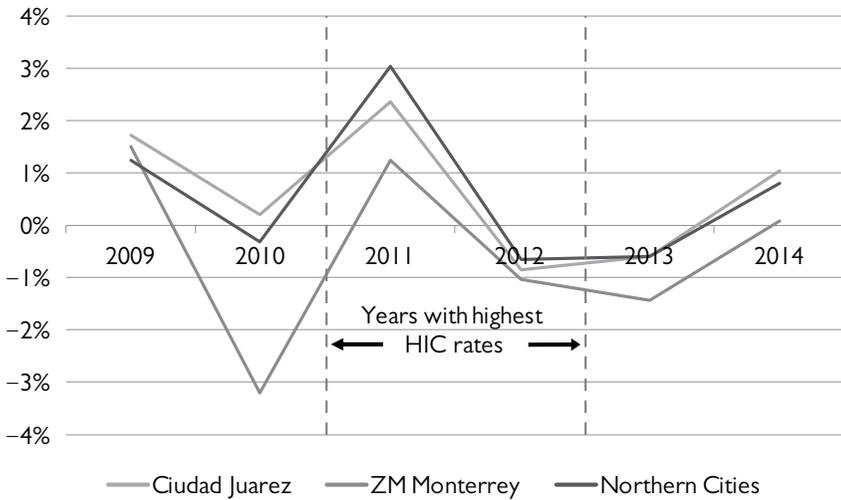


FIGURE 21. SHF Home Price Index Yearly Variation (in Real Terms, Last Quarter)

Source: *Indice de Precios de la Vivienda en México*, SHF.

activity was bigger than that of one of its adjacent states (with potentially the same economic relationship with US economic activity). For Nuevo León, this effect is not as straightforward because its strong local economy keeps its level well above that of the Northeast Zone. However, during the years with the most HICs (2011–12), Nuevo León’s performance is almost as low as that of the rest of its zone peers (see figure 20). Attempting a more formal analysis of the loss in productivity associated with high violence levels, Robles, Calderón, and Magaloni (2013) try to predict the potential outcome for a set of municipalities (using electricity consumption as a statistical instrument) and then quantify the difference with respect to the actual results.

Fluctuations in Home Prices

Another potential indicator of positive social impact is the evolution of home prices: according to the price index generated by the federal agency *Sociedad Hipotecaria Federal* (SHF), both Ciudad Juárez

(Chihuahua) and the metropolitan zone in Monterrey (Nuevo León) had smaller increases than the average of the rest of the northern cities³³ during the period 2011–12; they started to catch up in the last two years, when safer conditions existed (see figure 21).

Section 4. Final Remarks

Mexico faces the challenge of consolidating a solid rule of law. The lack of this feature can have disastrous impacts, such as the proliferation of DTOs and the collapse of public security, seen today in areas of Mexico stricken by high levels of HICs. In this context, it is valuable to learn from the successful cases in the states of Chihuahua and Nuevo León, to look for a potential set of public policies that could be replicated to reduce violence, promote public security, and improve economic growth and general well-being.

A considerable amount of research has been done regarding the actions of the national government surrounding this issue. However, we consider that subnationals have not been the focus of public security in Mexico, not only from an academic perspective but also from a political perspective. To promote the study of the subject at this level, with particular focus on state policies, we argued that the cases of Chihuahua and Nuevo León represent situations where the subnational actions, grouped in four transversal strategies, are linked to the reduction in violence: (1) strengthening law enforcement institutions; (2) implementing new procedural criminal (a.k.a. common law) reform; (3) improving social reinsertion for convicted criminals; and (4) enlisting civil society alongside new public policy for crime prevention.

Coordination and cooperation with the federal government were the keys to success in all cases; however, the implementation of policies needs to empower the leadership of states in reversing the security

33. Tijuana (BC), La Paz (BCS), Torreón (Coahuila), Gómez Palacio (Durango), San Luis Potosí (SLP), Culiacán (Sinaloa), Hermosillo (Sonora), and Reynosa (Tamaulipas).

crisis. The possible support from the federal government has a wider spectrum: more funding could be provided (specifically directed to security), as well as coordination among the federation, states, and nongovernmental organizations, and promotion of successful security strategies.

The analysis of data and interviews with key state officials lead us to conclude that containing violence is important but not the only goal. Successful policies aim to restore the rule of law in general, helping victims, rehabilitating criminals, and preventing crime; involving the civil society in law enforcement is necessary and, more important, all these steps are interdependent. One objective of this essay is to promote the replication of these sets of actions in other states that now need—or in the future will need—to reduce violence and restore public security.

However, we acknowledge that despite the different characteristics of both analyzed cases, they have some key similarities that may not be so easily found. First, there was political will from the highest level in the state (the governor's office), which depends purely on the head of the state executive branch. Second, the geographic location (near the northern border of Mexico) of both states, as well as the presence of a dynamic economy, which in turn fostered an active civil society, was a key element in restructuring relevant institutions and preventing crime (most civil society participants in Chihuahua and Nuevo León were entrepreneurs and wealthy individuals). In both cases, the state's finances were strained, but not in such a way that nothing could be done: adjustment programs were implemented, as well as the restructuring of debt. Finally, federal support was provided in coordination with the state authorities, which could not be as easily provided to the entire nation simultaneously.

We have set aside the discussion of what minimal conditions need to be present in a state to implement the identified strategies. Although we consider that the interviews with key state officials and the analysis of data show that all actions are needed, the aim of this case study was not to prove this using formal methods to show causality between policies and reduction in violence. The details of cartel dynamics are another relevant topic absent in our analysis. All of these subjects should be studied in detail by formal researchers in economics, political economy, political science, law, sociology, and public finance.

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