



# Kingpin approaches to fighting crime and community violence: Evidence from Mexico's drug war<sup>☆</sup>

Jason M. Lindo<sup>a</sup>, María Padilla-Romo<sup>b,\*</sup>

<sup>a</sup> Texas A&M University, United States

<sup>b</sup> University of Tennessee, United States



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## ABSTRACT

This study considers the effects of the kingpin strategy, an approach to fighting organized crime in which law-enforcement efforts focus on capturing the leaders of criminal organizations, on community violence in the context of Mexico's drug war. Newly constructed historical data on drug-trafficking organizations' areas of operation at the municipality level and monthly homicide data allow us to control for a rich set of fixed effects and to leverage variation in the timing of kingpin captures to estimate their effects. This analysis indicates that kingpin captures cause large and sustained increases to the homicide rate in the municipality of capture and smaller but significant effects on other municipalities where the kingpin's organization has a presence, supporting the notion that removing kingpins can have destabilizing effects throughout an organization that are accompanied by escalations in violence. We also find reductions in homicides in municipalities surrounding the municipality where kingpins are captured.

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## 1. Introduction

The two main reasons for waging war on drugs are to reduce societal costs associated with drug abuse and to reduce societal costs associated with the drug trade. The former includes effects on health, productivity, violent behavior, and broader impacts on health care and public assistance programs. The latter includes violence involved with the enforcement of contracts and turf battles, corruption, and activity in related “industries” that are detrimental to welfare including protection rackets, human smuggling, kidnapping, prostitution, weapons trafficking, theft, etc.<sup>1</sup> Naturally, the

relative importance of these costs depends on many factors, including the types of drugs involved, the level and spatial distribution of demand, and the organization of the supply network.<sup>2</sup> Correspondingly, there is significant heterogeneity in the approaches that have been used to wage war on drugs. Demand-side approaches take the form of prevention efforts, treatment for abusers, and increases in the cost of abuse through enforcement efforts and punishment. Supply-side approaches, on the other hand, focus on disrupting operations by way of confiscation of drugs and guns, targeting precursors, and arresting and punishing those involved in the drug trade. Given resource constraints and the potential for unintended consequences, policy-makers have to consider which of these policies to use and how intensely to use them, highlighting the importance of understanding their costs and benefits. Towards this end, this paper considers the effects of a particular supply-side approach that has played a prominent role in Mexico's drug war—the targeting of high-ranked members of criminal organizations, also known as the “kingpin strategy”—on community

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\* Corresponding author.

E-mail addresses: [jlindo@tamu.edu](mailto:jlindo@tamu.edu) (J.M. Lindo), [mpadill3@utk.edu](mailto:mpadill3@utk.edu) (M. Padilla-Romo).

<sup>1</sup> See Miron and Zwiebel (1995), Miron (1999), and Owens (2014) for in-depth discussions of the manner in which black markets can promote violence. Miron (1999) and Owens (2014) present empirical evidence of such effects in analyses of homicides caused by prohibition in the United States.

<sup>2</sup> For example, the societal costs associated with the drug trade are most important in areas heavily involved in the illegal production and distribution of drugs to be consumed elsewhere.

violence. We focus on homicides, in particular, which have been shown to have far reaching consequences for communities.<sup>3</sup>

To put this study into context, it is important to note that most of the existing research in this area focuses on the effects of drug-related interventions on drug abuse in “downstream markets.” For example, researchers have shown that the Taliban stamping out poppy production reduced heroin use in Australia (Weatherburn et al., 2003), that the effect of Plan Colombia on the supply of Cocaine to the United States was relatively small (Mejía and Restrepo, 2013), that reductions in methamphetamine availability in the United States in the mid-1990s reduced drug-related harms (Cunningham and Liu, 2003; Dobkin and Nicosia, 2009; Cunningham and Finlay, 2013), that U.S. state laws limiting the availability of Pseudoephedrine have not changed methamphetamine consumption (Dobkin et al., 2014) nor have graphic advertising campaigns (Anderson, 2010; Anderson and Elsea, 2015), and that substance-abuse treatment availability reduces mortality and violent crime (Swensen, 2015; Bondurant et al., 2016). Less is known about the causal effects of “upstream interventions” on “upstream communities,” i.e., the effects of interventions on outcomes in areas where production, distribution, and their associated costs are most relevant. In work closely related to our study, Dell (2015) shows that drug-trade crackdowns in Mexico driven by close PAN mayoral victories increase the number of drug-trade-related homicides. Consistent with prior studies highlighting how drug-related interventions can and have shifted the spatial distribution of the drug trade in Afghanistan (Clemens, 2008, 2013a,b), Dell demonstrates that crackdowns increase homicides in the municipalities where the efforts take place and that they also increase homicides in other municipalities to which trafficking is likely to be diverted.<sup>4</sup>

This paper contributes to this literature by focusing explicitly on the effects of the kingpin strategy, which has featured prominently in Mexico’s war on drugs and is one of the hypothesized mechanisms underlying Dell’s results. Proponents of the kingpin strategy argue that removing a leader weakens an organization through its effect on its connections, its reputation, and by creating disarray in the ranks below, and that this may in turn reduce the organization’s level of criminal activity. Detractors, however, point out that this strategy may increase violence as lower ranked members maneuver to succeed the eliminated leader and rival groups attempt to exploit the weakened state of the organization. Given sound logic underlying arguments in favor of and against the kingpin strategy, there is a clear need for empirical research on the subject. That said, there are two main empirical challenges to estimating the effect of the kingpin strategy that are difficult to overcome. First, policies targeting organized crime are almost always multifaceted, involving the simultaneous use of various strategies. Mexico’s war on drugs is no exception—it also involved various approaches implemented at various times with varying degrees of intensity, which we discuss in greater detail in the next section. The second main challenge is that the capture of a kingpin is fairly rare because, by definition, they are small in number. As a result, establishing compelling evidence on the effect of eliminating kingpins in some sense requires a series of case studies.

<sup>3</sup> For example, recent papers focusing on the Mexican context have documented that this form of violence has deleterious effects on economic conditions (Velasquez, 2015; Montoya, 2016), human capital accumulation (Brown and Velasquez, 2016), and infant health (Brown, 2016).

<sup>4</sup> In related work, Mejía and Restrepo (2013) estimate the causal effect of the drug trade on violence using variation in the prominence of the drug-trade in Colombian municipalities based on land suitability for coca cultivation. Also, Angrist and Kugler (2008) show that exogenous shocks to coca prices increase violence in rural Colombian districts as groups fight over additional rents.

This study attempts to overcome these challenges by exploiting variation in the timing with which different Mexican drug-trafficking organizations (DTOs) first had their leaders captured during Mexico’s drug war and by using a newly constructed data set on the geographic distribution of DTOs over time. We focus on municipalities where these major captures occurred, neighboring municipalities where the captured kingpin’s DTO had a presence, non-neighboring municipalities where the captured kingpin’s DTO had a presence, and neighboring municipalities where the captured kingpin’s DTO did not have a presence. Municipalities without any DTO presence serve as a comparison group. This approach allows us to abstract away from the effects of broader policies and shocks (at the national and/or state level) and to conduct several ancillary analyses to guide our interpretation of the results.

We find that the capture of a drug-trafficking-organization leader in a municipality increases its homicide rate by 61% in the six months following the capture and that this effect appears to persist into subsequent periods. Consistent with the notion that the kingpin strategy causes widespread destabilization throughout an organization, we also find significant effects (of the same sign but smaller in magnitude) on other municipalities where a captured leader’s DTO has a presence. Moreover, we find evidence of spatial displacement as captures appear to reduce the homicide rate for municipalities that neighbor a municipality of capture.

Several pieces of evidence support a causal interpretation of these main results. First, homicide rates in the municipalities of interest and in the comparison group track one another closely prior to captures. That this is the case despite the fact that the war on drugs began well before any of the captures we consider suggests that the empirical strategy can separately identify the effects of kingpin captures in the broader context of the war on drugs. We also show that the main results are driven by effects on the individuals most likely to be directly involved in the drug trade: males and, more specifically, working-age males. Lastly, we present evidence that operations themselves do not increase homicides in an analysis of the first major operations of the war on drugs.

The most closely related study to our paper is Calderon et al. (2015), which also considers the effects of kingpin captures during Mexico’s war on drugs on homicides. We improve on this earlier study in rigor and in scope. With respect to rigor, we demonstrate that we have identified a good comparison group for the various types of municipalities we define as being “affected by kingpin captures.” In contrast, the graphical evidence in Calderon et al. (2015) indicates that their synthetic control has a very different trend from the municipalities they define as being affected by a leader’s capture, in a manner that will cause their estimates to be biased towards zero.<sup>5</sup> They do not present any evidence regarding the validity of the synthetic controls used to evaluate impacts on neighboring municipalities. In addition, their empirical strategy analyzes *all* kingpin captures whereas we analyze the first kingpin capture for each DTO. This distinction is important because the first kingpin captures are plausibly exogenous, as we demonstrate in our empirical analysis, whereas subsequent kingpin captures are not because it is likely that the initial captures increase the probability of future captures. This may explain why the synthetic control method could not identify a better match for municipalities where captures occurred. In any case, Stevens (1997) highlights the importance of this sort of consideration for analyses of job displacements, demonstrating that earlier studies evaluating the effects of all such events drastically understate the true effects on workers earnings. Finally, our study addresses the effects of military operations, which without our paper would stand out as a major

<sup>5</sup> See their Fig. 3.

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