

Corruption Is Not All Bad

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According to the WSJ, drug-trade-related violence is rising again in Mexico:

On the morning of March 23, gunmen here fired eight shots into a cherry-red Renault Duster SUV, killing newspaper reporter Miroslava Breach as she waited outside her home to drive her 14-year-old son Carlos to school.

A hand-painted sign at the scene said the journalist – known for her investigations into ties between drug gangs and local political machines – was murdered “for having a loose tongue.”

After a few years of declining violence under Mexican President Enrique Peña Nieto, the drug war has come roaring back to life.

Ms. Breach was one of 11,155 people murdered in Mexico in the first five months of 2017, according to government statistics. The pace of murders – about one every 20 minutes – represents a 31% jump from a year earlier, and, by year-end, could rival 2011’s 27,213 homicides for the worst body count in Mexico’s peacetime history.

Why? The story offers multiple reasons, such as increased bloody competition between rival gangs, set off by the arrest of senior leaders. The most interesting hypothesis, however, is this:

There is also a counterintuitive dynamic at work, say scholars of the drug trade: In recent months, voters have thrown out of office allegedly corrupt state and local leaders of President Peña Nieto’s ruling Institutional Revolutionary Party, or PRI. That, in turn, has led to the breakdown of unofficial alliances between drug gangs and politicians – what some are calling a *pax mafiosa* – that had kept the killings in check.

That is, when governments impose bad laws, corruption that circumvents the laws can have beneficial effects. In this case, violence is costly to traffickers as well as other citizens, so corruption that diminishes prohibition enforcement – *de facto* legalization – makes it easier for the cartels to operate non-violently.

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