



# **Social Programs and Organized Crime in Mexico**

**By Ricardo Márquez Blas**

**October 2020**

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Mexico's national public safety strategy represents a very important convergence between two public policies that are fundamental for any government: social and security. The generation of positive synergies between them assumes the effective and proper individual functioning of each one and the adequate coordination of mutual backup, which does not appear to be the case in Mexico. Social programs are indispensable for mitigating the scarcity faced by a significant part of the country's population. However, it is very likely that the deficiencies in the design and operation of one of the iconic social programs of the current federal administration—the *Programa de Beca Universal para Estudiantes de Educación Media Superior* (Universal Scholarship Program for High School Students)—are causing public funds to end up in the hands of drug-dealing organized crime. If these deficiencies remain unaddressed in that and other social programs, conditions and situations that obviously obstruct the main objectives of this security strategy will prevail. The most relevant ones include:

- Strengthening the financial and operational capabilities of organized crime groups in Mexico, especially those that focus on drug dealing.
- Weakening the effectiveness of bilateral and multilateral efforts to fight transnational organized crime.
- The Mexican people's fiscal contributions arriving at an unjustifiable destination.

### The New Context and the Adaptation Capabilities of Mexican Cartels

Mexican cartels are facing a new and complex context made up of both national and international factors. Given the new contextual conditions, the cartels and their complex logistical networks that have displayed the highest ability to adapt and innovate have usually been the most relevant.<sup>1</sup>

Internationally, isolation and restriction measures taken by various governments to mitigate the harmful effects of the COVID-19 pandemic have altered the functioning of criminal markets, especially that of illegal drugs: the supply, production, and trafficking chains involved, and the way in which organized crime groups operate altogether, especially those that focus on drug dealing.<sup>2</sup> Mexico's geo-strategic location in the international illegal drug flows toward the United States and the privileged position of Mexican cartels in the hierarchy

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<sup>1</sup> Cfr. Medel, M. and Thoumi, F. "Mexican Drug Cartels"; in Paoli, Letizia. Ed. **The Oxford Handbook of Organized Crime**. Oxford, Oxford University Press, 2014. pp. 196-218. Magliocca, Nicholas R. et. al. "Modeling cocaine traffickers and counterdrug interdiction forces as a complex adaptive system". **Proceedings of the National Academy of Sciences of the United States of America**. Vol. 116, No. 16, April 16, 2019. p. 7788.

<sup>2</sup> United Nations Office on Drugs and Crime (UNODC). **COVID-19 and the Drug Supply Chain: from Production and Trafficking to Use. Research Brief**. Vienna, United Nations, 2020. p. 7. United Nations Office on Drugs and Crime (UNODC). **World Drug Report 2020. Executive Summary. Impact of COVID-19. Policy Implications**. Vienna, United Nations, 2020.

of transnational organized crime have contributed to generating highly specific alternatives and conditions.

On the one hand, as Mexico is the United States' main supplier of methamphetamines, heroin, and cocaine (the latter from South America), and its second largest supplier of fentanyl (China being the first),<sup>3</sup> both restrictions to border transit enacted by the U.S. government in an attempt to control the pandemic and the reinforcement of interdiction actions along the southern border, the Caribbean, and the Pacific, have clearly entailed increasing difficulties for the illegal drug trade.

On the other, the restrictions on the circulation and transportation of merchandise temporarily enacted by Asian governments significantly affected the supply of chemical components, which in turn affected the local production and manufacturing of various types of synthetic drugs like methamphetamines and fentanyl. However, especially in China, these restrictions have softened and become more flexible as the pandemic subsides.

Thus, while the northern border still faces restrictions and interdiction measures, the local capacity for producing and manufacturing different types of illegal drugs has gradually recovered. This situation clearly gives Mexican cartels an unprecedented and extremely delicate and risky alternative for Mexico's national and public safety: growing, broadening, deepening, and developing the Mexican market for illegal drugs.

In this context, Mexican cartels are adjusting their operation logistics, capabilities, and strategies with the triple purpose of maintaining their presence in various criminal markets, moving toward other fields or areas that could represent new sources of funding, and consolidation of their capabilities and even strengthening their public image by providing basic consumption goods to vulnerable groups in areas where the government's presence is weak, scarce, or altogether nonexistent.<sup>4</sup>

Regarding the bilateral scene, it is clear that in the short and medium-term the U.S. government's pressure on the Mexican authorities for greater efforts and better results in the fight against the big cartels will increase. Otherwise, the U.S. government has expressed that Mexico might be at significant risk of not fulfilling its international commitments.<sup>5</sup> A solid example is the recent detention of the former chief of the Mexican army (2012-2018) in Los Angeles, California, for allegedly collaborating with a criminal organization engaged in trafficking illegal drugs.

This new context also includes important national elements. Prominent among them is the federal government's public safety strategy, centered around addressing the social causes of crime and violence, which starkly contrasts with Felipe Calderón's (2007-2012) policy of openly fighting organized crime and the emphasis on detaining priority targets or organized crime leaders during Enrique Peña's six-year period (2013-2019). The focus on the social causes of crime rendered the efforts and pressure of law enforcement to disarticulate the most prominent organized crime groups and detaining their leaders secondary.

Facing less government pressure, the most powerful Mexican cartels have reinforced their distinct process of centralization and domination of territory, criminal markets, supply chain

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<sup>3</sup> Drug Enforcement Administration. **National Drug Threat Assessment 2019**. DEA, December 2019. p. 5.

<sup>4</sup> *Cfr.* United Nations Office on Drugs and Crime (UNODC). **COVID-19 ... Op. Cit.** p. 5.

<sup>5</sup> *Cfr.* The White House. **Presidential Memoranda. Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2021**. Issued on September 16, 2020.

links, transportation routes, crime groups, organizations, and structures. These cartels are fighting each other and other local or regional criminal groups over:

- Territorial control of geographical areas and specific routes for drug dealing and other illegal activities.
- Disputes in strategic zones for the entry of components and drugs ready for market, as well as for their transportation and entry into the U.S. market, are particularly intense.
- Dominion of criminal markets and their expansion into new market “niches”. While gaining territorial control, they also move toward the centralization and reorganization of the different criminal markets that already exist, such as car theft, extortion of business owners or regular citizens, piracy, prostitution, and selling adulterated alcohol, fake medication, and small amounts of drugs to private users.
- Their expansion toward other links of the supply chains of various criminal goods in order to control the most profitable ones.

The case of cocaine provides a useful example. After marijuana, it is the second most important illegal drug market in the world.<sup>6</sup> Approximately 80 percent of the cocaine destined for the U.S. market is estimated to enter through the Mexican border,<sup>7</sup> and it is the main source of income for organized crime groups in Central America.<sup>8</sup> In a process linked to the change of Caribbean routes toward Mexico for trafficking this drug into the United States<sup>9</sup>—which has spanned over approximately 25 years—the most powerful Mexican cartels have consolidated and broadened their presence in the different links of the value chain. It was certainly consolidated in transportation, the most violent link and where only 9 percent of the profits lay, and it expanded into international large-scale commercialization and small-scale sales, which respectively hold 15 percent and 65 percent of the total profits.<sup>10</sup>

A recent report accounts for the increase in the presence of Mexico’s main cartels in Colombia in order to achieve greater control over the commercialization and production of cocaine, as well as to stabilize its production flows and transportation routes. To this end, they have struck an alliance with various local criminal groups. Among other effects and consequences, this resulted in the mortal dispute between the Sinaloa and Jalisco Nueva Generación cartels moving to certain areas in Colombia, such as Antioquia, where levels of violence have increased.<sup>11</sup>

The last and most profitable link is that of small-scale sales. Independent individuals and small cells used to buy the drugs and then sold them at a profit, but this model

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<sup>6</sup> United Nations Office on Drugs and Crime (ONUDC). **COVID-19 ... Op. Cit.** p. 15.

<sup>7</sup> Organization of American States. General Secretariat. **El Problema de las Drogas en las Américas** [The Drug Problem in the Americas]. Washington, OAS, 2013. p. 47.

<sup>8</sup> International Narcotics Control Board (INCB). **Informe 2019** [2019 Report]. UN, Vienna, 2020. p. 78.

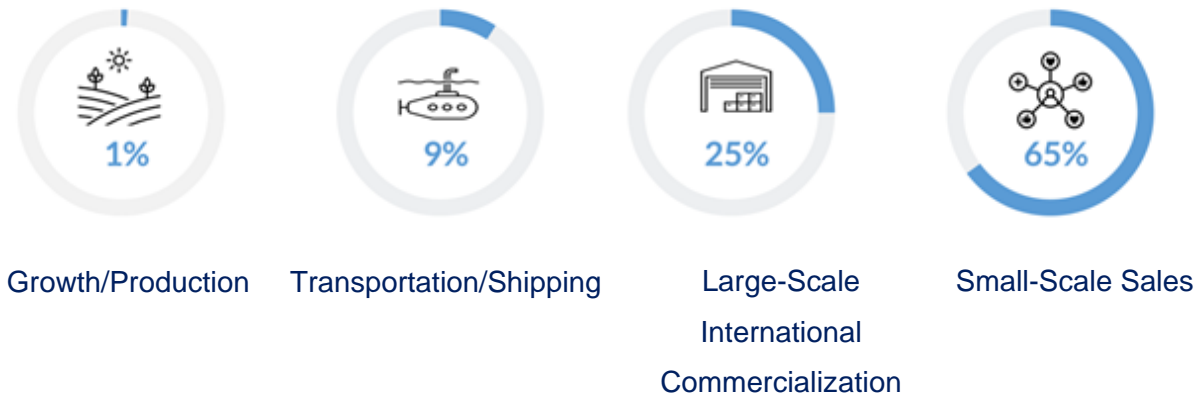
<sup>9</sup> Villatoro, J. A.; *et. al.* “El consumo de drogas en estudiantes en México: tendencias y magnitud del problema” [The Consumption of Drugs by Students in Mexico: The Trends and Magnitude of the Problem]. **Salud Mental** [Mental Health]. Vol. 39, No. 4, July-August 2016. p. 194.

<sup>10</sup> For the percentage corresponding to each link, see Organization of American States. General Secretariat. **Op. Cit.** pp. 55-57.

<sup>11</sup> Pares. Fundación Paz & Reconciliación. **Radiografía de la Ominosa Presencia de los Carteles Mexicanos** [An X-Ray of the Ominous Presence of Mexican Cartels]. Bogotá, Pares, 2020. pp. 27-28.

is being gradually replaced by another in which cells and individuals are paid a salary for their sales and the profits end up in the hands of powerful drug-dealing crime organizations. In the best-case scenario, some small-scale trafficking cells with enough logistical and violence capabilities can keep some of the profit, transferring the rest to the organized crime group that controls the sales area.

**Figure 1. Cocaine Supply Chain: Profit Distribution**



These percentages vary according to the specific drug (marijuana, methamphetamines, heroin, fentanyl, etc.) and the place in question.

## Scholars, Not Killers: The Case of the Universal Scholarship Program for High School Students

President López Obrador’s government has emphasized that the main factor that sets his public safety strategy apart from those of previous administrations is his intention to address the causes of violence and insecurity through an ambitious set of social programs. Since his last presidential campaign, the idea was synthesized in one catchy phrase: *becarios, no sicarios* (“scholars, not killers”).<sup>12</sup> These social programs have also been famously oriented toward crime prevention and represent 80% of the security strategy, whereas the other 20% lies in police presence.<sup>13</sup>

Given the remarkable contrast between his promises of almost immediate improvement and the continuation of the country’s serious crime problems, the López Obrador administration has argued that it needs time for the two pillars of his strategy—social programs and police presence—to be deployed throughout the national territory. However, for over a year now,

<sup>12</sup> In April 2018, in the middle of his presidential campaign, then candidate Andrés Manuel López Obrador claimed that his proposals for addressing the country’s insecurity problems could be summed up thus: “scholars yes, killers no”. Dominguez, Miguel. “Da receta AMLO para acabar con sicarios” [AMLO’s Recipe for Ending Killers]. **Mural**. April 5, 2018.

<sup>13</sup> López, Jannet. “AMLO no descarta amnistía y legalización de marihuana en plan de paz” [AMLO Not Ruling Out Amnesty and Legalization of Marijuana in Peace Plan]. **Milenio**. March 12, 2019. See also: López Obrador, Andrés Manuel. Presidente Electo Presenta Plan de Paz y Seguridad 2018-2024 [President-Elect Presents Peace and Security Plan]. Retrieved on August 14, 2020, from <https://lopezobrador.org.mx/2018/11/14/presidente-electo-presenta-plan-nacional-de-paz-y-seguridad-2018-2024/>

they have both been in full operation and yet violence and insecurity remain at their highest levels in the country's contemporary history: between 2018 and 2019, the murder rate per 100 thousand inhabitants was 29.<sup>14</sup>

It is not surprising that the interaction between the two pillars of the public safety strategy is failing to deliver the expected reduction in violence and crime, since the positive synergies derived from it requires the proper individual functioning of each one, which does not appear to be the case.

On the one hand, on the police axis, the recently created National Guard, despite its remarkable size (96,567 members),<sup>15</sup> still has significant organization and cohesion issues, limited tactical-operational coordination with state and municipal police forces, and efficiency levels far below expectations.

In the very near future, various factors suggest that its limited tactical-operational coordination with local police forces will be even more limited. The most important ones include: a) the president's decision to link security coordination to other highly conflictive items on the government agenda—this already happened in Chihuahua, where the federal government chose to leave state authorities out of daily security briefings due to differences on the water issue—; b) cuts to federal funds for supporting the work of municipal police forces that were included in the federal budget for next year; and c) the Federalist Alliance's exit from the National Governors' Conference. The Alliance has 10 governors—almost a third of the country's—some of whose states display high levels of violence and petty and organized crime, like Guanajuato, Jalisco, Michoacán, Chihuahua, and Tamaulipas. This limitation of security coordination is even more serious on the country's northern border: the governors of 4 out of the 6 border states are part of said Alliance.

On the other hand, the social programs component of the policy represents an amalgam of highly heterogeneous functions whose impact on reducing crime is frankly uncertain. Although the Universal Scholarship Program for High School Students is important both for the general security strategy and for the proposed 2020-2024 National Program for the Social Prevention of Violence and Crime,<sup>16</sup> the Pan American Health Organization pointed out that there is no evidence that these economic incentive programs for teenagers to stay in school actually have any impact on violence rates.<sup>17</sup>

The Universal Scholarship Program for High School Students is one of the 30 programs prioritized by the federal government, so it is excluded from the austerity measures enacted to combat the economic and public financing crisis.<sup>18</sup> The universal nature of the program entails the intent to include all high school students enrolled in public schools across the

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<sup>14</sup> Cfr. Instituto Nacional de Estadística y Geografía (INEGI). **Datos Preliminares Revelan que en 2019 se Registraron 36,476 Homicidios** [Preliminary Data Reveal 36,476 Homicides in 2019]. Press release No. 432/20. September 23, 2020. p. 7.

<sup>15</sup> Gobierno de México. **Incidencia Delictiva** [The Incidence of Crime]. Document presented at President Andrés Manuel López Obrador's daily press conference on Friday, September 18<sup>th</sup>, 2020.

<sup>16</sup> Cfr. 187.191.71.192/portales/resumen/50082. Retrieved on September 14<sup>th</sup>, 2020.

<sup>17</sup> Pan American Health Organization. **Prevención de la Violencia Juvenil: Panorama General de la Evidencia** [Preventing Youth Violence: An Overview of the Evidence]. Washington, PAHO, 2016. p. 37.

<sup>18</sup> *Decreto por el que se Establecen las Medidas de Austeridad que Deberán Observar las Dependencias y Entidades de la Administración Pública Federal Bajo los Criterios que en el Mismo se Indican* [Decree Establishing the Austerity Measures that Must be Followed by Federal Public Administration Offices and Agencies under the Criteria Established Herein]. **Diario Oficial de la Federación**. April 23, 2020.



country. In 2019, it spent 25,049,217,600 pesos; 28,995,175,130 pesos were allocated to it this year and 33,171,560,000 pesos for 2021, according to the federal budget project.<sup>19</sup>

**Table 1. Budget for the Universal Scholarship Program  
for High School Students, 2019-2021**

Year	Amount (pesos)
2019	25,049,217,600
2020	28,995,175,130
2021	33,171,560,000

The scholarship consists of 800 pesos a month, which are given in cash every bimester for the 10 months that the school year lasts. The scholarship can be received for up to 30 months, as long as the beneficiary is enrolled in a public high school institution.

There is no requisite of attendance or academic performance for receiving or keeping the scholarship.<sup>20</sup> There is also no control or follow-up whatsoever regarding how the beneficiaries spend the money; this is actually directly against the rules of the program, which stipulate that “the subsidies granted for scholarships are considered redeemed and applied when they are given to the beneficiary, so there will be no later follow-up of how this financial aid is used”.<sup>21</sup>

Aside from high school students, beneficiaries of this program include consumers of various goods and services. Some of these students consume illegal drugs and use at least part of their scholarship money to do so; most of that money does not end up in the hands of the small individual dealers or dealer cells, but of organized crime groups focused on drug dealing, thus strengthening their financial and operational capabilities.

A recent study estimating the use of illegal drugs through monitoring wastewater identified traces of cocaine in 89.5 percent of high schools, marijuana in 81.6 percent, methamphetamines in 36.8 percent, amphetamines in 5.3 percent and morphine in 5.3 percent.<sup>22</sup>

<sup>19</sup> Secretaría de Hacienda y Crédito Público. Proyecto de Presupuesto de Egresos de la Federación para el Ejercicio Fiscal de 2021 [Budget Project of the Federation for the 2021 Fiscal Year]. **Gaceta Parlamentaria. Anexo B.** September 8, 2020. p. 78.

<sup>20</sup> Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL). **Evaluación de Diseño con Trabajo de Campo del Programa Beca Universal para Estudiantes de Educación Media Superior 2019-2020** [Design and Field Work Evaluation of the Universal Scholarship Program for High School Students 2019-2020]. México, CONEVAL, Julio 2020. pp. 19-20.

<sup>21</sup> Secretaría de Educación Pública. *Acuerdo número 05/03/20 por el que se emiten las Reglas de Operación del Programa Beca Universal para Estudiantes de Educación Media Superior Benito Juárez, para el Ejercicio Fiscal 2020* [Agreement No. 05/03/20 Listing the Rules of Operation for the Benito Juárez Universal Scholarship Program for High School Students for the 2020 Fiscal Year]. **Diario Oficial de la Federación.** Marzo 30, 2020.

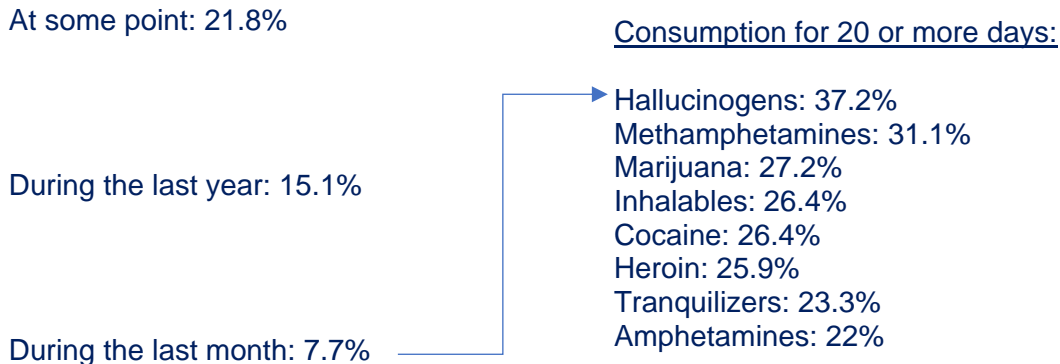
<sup>22</sup> Cruz, Copytzy; et. al. “Medición de drogas ilícitas en aguas residuales: estudio piloto en México” [Measuring the Amount of Illegal Drugs in Wastewater: Pilot Study in Mexico]; in **Salud Pública de México** [Public Health in Mexico]. Vol. 61, No. 4, July-August 2019. p. 466.

**Table 2. Presence of Illegal Drugs and Their Metabolites in Wastewater Samples  
from High School Educational Centers  
(November-December 2015)**

Drug	Presence
Cocaine	89.5%
Marijuana	81.6%
Methamphetamines	36.8%
Amphetamines	5.3%
Morphine	5.3%

Similarly, according to the 2014 National Drug Consumption among Students Survey (ECODAT 2014), 21.8 percent of high school students said they had taken illegal drugs at least once, 15.1 percent during the last year and 7.7 percent during the last month. Within this last segment, the subgroup of those who had taken them for 20 or more days, 37.2% took hallucinogens, 31.1% used methamphetamines, 28.4% used marijuana, 27.2% used inhalable substances, 26.4% used cocaine, 25.9% used heroin, 23.3% took tranquilizers, and 22% used amphetamines.<sup>23</sup>

**Figure 2. High School Students: Illegal Drug Consumption (2014)**



These data beg the question not of *whether* the program’s funds are being used for buying illegal drugs but of *how much*. There is no official information about it, but it is possible to obtain a reliable estimate based on three premises. The first is that the amount of high school students that consumed illegal drugs within the last month was constant between 2014 and

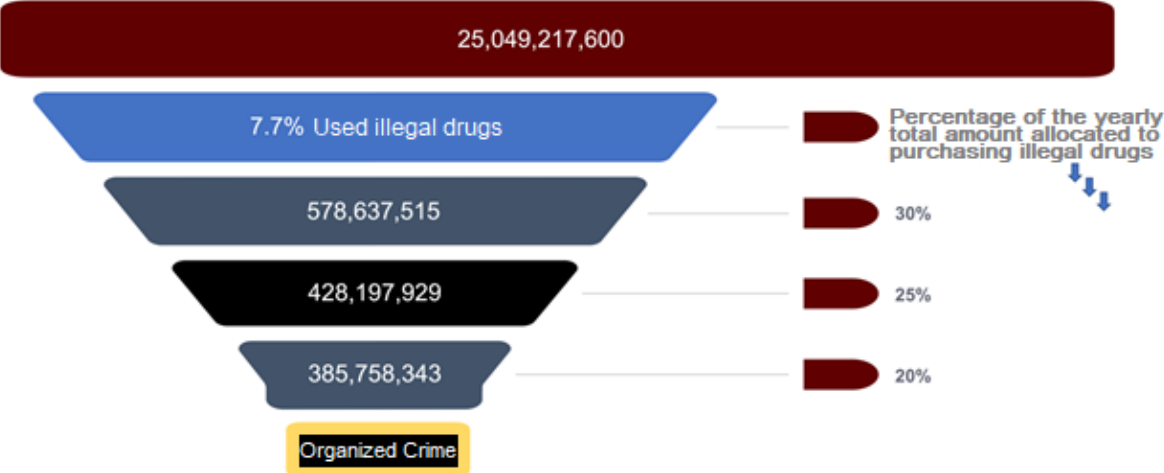
<sup>23</sup> Instituto Nacional de Psiquiatría Ramón de la Fuente Muñiz; Comisión Nacional Contra las Adicciones, Secretaría de Salud. **Encuesta Nacional de Consumo de Drogas en Estudiantes 2014: Reporte de Drogas (ECODAT 2014)** [2014 National Drug Consumption among Students Survey: Drug Report (ECODAT 2014)]. Mexico City, INPRFM, 2015. Annex 2: “Reporte Estadístico Nacional”. Tables SBN 5b, 6b, 7b and 15.



2019 (7.7%). This is clearly a rather conservative estimate: various indicators point to a significant rise in illegal drug consumption in the country.<sup>24</sup> The second premise is that the ones who used these drugs during the past month also did so throughout the year. The third is that only 20%, 25%, or 30% of the funds that the population received were used to purchase illegal drugs.

Accordingly, if 7.7% of the beneficiaries consumed illegal drugs and used 30%, 25%, or 20% of the total funds they received in 2019 to buy them, the amount that ended up in the hands of organized crime groups that focus on drug dealing was, depending on the case, 578,637,515 pesos, 428,197,929 pesos, or 385,758,343 pesos.<sup>25</sup> These amounts would respectively represent 2.3%, 1.7%, and 1.5% of the 25,049,217,600 pesos used by the Universal Scholarship Program for High School Students in 2019.

**Figure 3. Universal Scholarship Program for High School Students (2019)**



According to these estimates, the states where the most money would be used for the purchase of illegal drugs would be: (1) the State of Mexico, (2) Mexico City, (3) Jalisco, (4) Puebla, (5) Chihuahua, (6) Guanajuato, and (7) Nuevo León. In the particular case of this subset of states, the approximate amounts would be 212,443,653 pesos, 265,554,567 pesos, or 318,665,480 pesos, depending on whether 20%, 25%, or 30%, respectively, were being used. Fifty-five percent of the total funds for purchasing illegal drugs would then be coming from those seven states. In contrast, the states where the least would be spent on this would be: (1) Baja California Sur, (2) Campeche, (3) Colima, (4) Tlaxcala, (5) Aguascalientes, (6) Nayarit, and (7) Zacatecas.<sup>26</sup>

<sup>24</sup> For instance, illegal drug consumption among teenagers (ages 12-17) rose from 2.9% in 2011 to 6.2% in 2016. *Cfr.* Instituto Nacional de Psiquiatría Ramón de la Fuente Muñiz; Instituto Nacional de Salud Pública, Comisión Nacional Contra las Adicciones, Secretaría de Salud. **Encuesta Nacional de Consumo de Drogas, Alcohol y Tabaco 2016-2017** [2016-2017 National Drug, Alcohol and Tobacco Consumption Survey]. Mexico City, INPRFM, 2017. p. 50.

<sup>25</sup> See Annex 1.

<sup>26</sup> See Annex 1.

According to a recent study conducted in the metropolitan area of San Luis Potosí by an NGO and financed using government funds, in 2019 18 percent of public high school students said they had consumed illegal drugs. Individual spending on illegal drugs was estimated at 112.86 pesos.<sup>27</sup> Multiplying this amount by the 12 months in a year and the number of those who, according to the ECODAT 2014, consumed illegal drugs during the last month in that state yields a total of 9,565,562 pesos a year. This amount is consistent with the 8.9-11 million pesos estimated in this model in case 20-25 percent of the scholarship money had been used to purchase illegal drugs.<sup>28</sup> The same study also stated that illegal drug consumers directly finance the activities of organized crime.<sup>29</sup>

For additional sources of information and control, public high school teachers and upper-level government officials (both active and retired) from security institutions were consulted. Both were aware of illegal drug consumption by some high school students. The teachers emphasized that it did not happen in the classrooms but outside; only rarely does it take place within the educational institutions, and if it is the case, it is in places where the students are not easily seen, or close to the limits of school grounds. Estimates of the magnitude of the issue varied considerably, between 1 and 3 out of 10 students; they were, however, consistent in projecting more users in higher grades. Both groups were also aware of the Universal Scholarship Program for High School Students and agreed that the students who use drugs spend at least part of that income to purchase them, though they had no way of estimating the amount used for that purpose. As for the ultimate destination of these funds, they believe individual dealers and cells temporarily get them but later hand them over to drug-dealing organized crime groups.

This is consistent with various analyses and narratives that account for the increasing control of drug cartels on various criminal markets, including small-scale drug distribution. It has been a long process that has occurred at a different pace in different areas of the country. In the particular case of Nuevo Laredo, Tamaulipas, for example, it began in late 2004 or early 2005, when the Zetas cartel opened little drug shops as they gained control over the territory in that municipality and others in the state.<sup>30</sup> This scheme expanded to other regions and states in the country: in May 2007, the principal of a high school was murdered in the municipality of Ecatepec, in the State of Mexico, for having reported the increase in drug dealing inside school property.<sup>31</sup> A few months before that, in January, he had given the authorities information on “shops” and people linked to the distribution of illegal drugs in the area. Other teachers from the same school claimed that that was the reason for his murder.<sup>32</sup> At least one of the different paths the investigation was taking pointed to one of the cartels

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<sup>27</sup> Lobo, Adelina and Amórtegui, María Paula. **Diagnóstico de la Dinámica de Consumo de Sustancias legales e ilegales entre Jóvenes Estudiantes de Bachillerato en la Zona Metropolitana de San Luis Potosí** [Diagnosis of Legal and Illegal Substance Consumption Dynamics among Young High School Students in the Metropolitan Area of San Luis Potosí]. SLP, Animos Novandi A. C., 2019. p. 21.

<sup>28</sup> See Annex 1.

<sup>29</sup> Lobo, A. and Amórtegui, M. P. **Op. Cit.** pp. 5, 19.

<sup>30</sup> Cedillo, Juan Alberto. **Las Guerras Ocultas del Narco** [The Hidden Wars of the Drug Cartels]. Mexico City, Grijalbo, 2018. p. 34.

<sup>31</sup> Fernández, Emilio and Mota, Dinorath. “Extorsiones llegan a las aulas en 2 estados” [Extortion Reaches Classrooms in 2 States]. **El Universal**. November 10, 2010.

<sup>32</sup> Salinas, Javier. “Exigen aclarar asesinato de maestro que denunció a vendedores de drogas” [Demands for Clearing Up Murder of Teacher who Reported Drug Dealers]. **La Jornada**. Mayo 28, 2010.

that had settled in the west of the area.<sup>33</sup> In Chihuahua, in January 2018, the dispute for small-scale drug dealing between the armed divisions of the Juárez and Sinaloa cartels (La Línea-Los Aztecas and Gente Nueva-Los Mexicles respectively) resulted in 32 casualties in one day.<sup>34</sup> More recently, in Guanajuato, one of the country's most prosperous states but also where most homicides have been committed in the past few years, the general attorney and the secretary of Public Health in the state agreed that lethal violence had skyrocketed between late 2017 and early 2018 because the *Cártel de Jalisco Nueva Generación* and the *Cártel de Santa Rosa de Lima* wanted to control both oil theft and the distribution and sale of drugs in the state.<sup>35</sup>

The National Coordination for Benito Juárez Welfare Scholarships, the government area responsible for this scholarship program, presented an exploratory report on it in April 2020. It is a qualitative analysis based on focus groups with teachers, tutors, and students. According to the analysis, teachers voiced concerns particularly over alcoholism and drug addiction among students, the need for professionally addressing drug addiction issues, the misuse of scholarship funds including drinking and gambling, the increase in insecurity when students collect their scholarship money, and situations like the one that arose in Bocoyana, Chihuahua (a municipality with significant drug cartel activity), where high school students were killed, their bodies abandoned outside the school.<sup>36</sup>

In a context in which the illegal drug consumption of that specific group of beneficiaries of public funds displays a clear upward trend, and where the market has been gradually taken over by powerful drug-dealing organizations, leaving these funds completely unsupervised and uncontrolled does not seem to be the best public policy option. It also does not seem to help reduce the high levels of violence and insecurity in Mexico, considering that 7 out of 10 homicides are linked to the actions of these organized crime groups. Having no control over what this scholarship program's resources are used on has led to a kind of obscure zone covering up a serious situation of which very little is known, and it is fertile grounds for unforeseen or unwanted effects like the strengthening of the financial and operational capabilities of organized crime.

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<sup>33</sup> *Cfr.* "Denunció el narcomenudeo en su escuela. Su asesinato sigue impune" [He Reported Drug Dealing at His School. His Murder Remains Unpunished]. <http://historiasdelcieloynlfinfierno.blogspot.com/2009/06/denuncio-el-narcomenudeo-en-su-escuela.html#:~:text=en%20su%20escuela.-,Su%20asesinato%20sigue%20impune,28%20de%20mayo%20de%202007.> Retrieved on September 17<sup>th</sup>, 2020.

<sup>34</sup> Villalpando, Rubén. "Chihuahua: 32 muertos por disputas entre los carteles de Juárez y Sinaloa" [Chihuahua: 32 Dead over Disputes between Juárez and Sinaloa Cartels]. **La Jornada**. Enero 6, 2018.

<sup>35</sup> Puértolas, Miguel Ángel. "Narcomenudeo dispara guerra entre carteles en Guanajuato" [Drug Dealing Sparks War between Cartels in Guanajuato]. **Milenio**. Julio 10, 2020.

<sup>36</sup> Coordinación Nacional de Becas para el Bienestar. Dirección General de Planeación, Análisis, Evaluación y Monitoreo. **Estudio Exploratorio de las Experiencias y Expectativas Escolares de Becarios y Becarios del Programa Beca Universal para Estudiantes de Educación Media Superior Benito Juárez. Informe Final** [Exploratory Study of the School Expectations and Experiences of Recipients of the Benito Juárez Universal Scholarship Program for High School Students. Final Report]. Gobierno de México, Ciudad de México, Abril 2020. Páginas: 68, 99-100, 125, 153-154, 158.

## Lessons and Recommendations

- In Mexico, social programs are necessary in order to alleviate poverty. Without them, many families would be unable to survive. But it is important to understand the consequences of transferring money without any kind of adequate control.
- Social and security programs, strategies, and policies are, in and of themselves, highly complex and problematic. Their convergence in shared goals and purposes specifically concerning security entails even higher levels of complexity and difficulty. This, in turn, calls for greater capabilities, increased efficiency, and better coordination between the government offices responsible for their operation and implementation.
- The Mexican government's public safety strategy will hardly achieve the goals it has set for itself without its two pillars—social and security policy—working efficiently on their own. The prevalence of deficiencies in the functioning of one or both of them will impede the necessary generation of positive synergies derived from their interaction.
- A profound and detailed revision of social programs, especially those prioritized by the government, would be convenient to carry out as soon as possible, since the process of analysis, detection, intervention, correction, and optimization is usually complex and takes a considerable amount of time.
- For a fiscally responsible authority, it is not only an option but a basic, general, and permanent obligation to have mechanisms and instruments for identifying, verifying, and ensuring the proper use of public funds.
- Especially in the case of government programs receiving significant amounts of public funds, there must be robust supervision and control mechanisms to minimize the chances of them ending up in unforeseen hands and being spent on goods and services either unrelated or blatantly opposed to their intended use.
- The control and supervision of the way beneficiaries spend public funds is not only convenient but also technically possible through modern technological mechanisms and instruments that are low-cost, rapidly implemented, and entail no intrusion.
- The implementation of these spending supervision and control instruments and mechanisms will not entirely eliminate the possibility of some of the funds given to the beneficiaries of the Universal Scholarship Program for High School Students ending up in the hands of drug-dealing organized crime groups, but it will limit it and constitute a significant deterrent.
- In contrast, the continued absence of these basic supervision mechanisms and controls will likely result in high school students who have readily available cash to freely spend becoming an increasingly attractive “niche” market for criminal organizations trafficking various stolen goods (cell phones, computers, cigarettes, alcohol) or illegal drugs that are highly toxic and addictive.



## Annex 1: Universal Scholarship Program for High School Students, 2019. Consumption and Spending on Illegal Drugs

State	Scholarship amount	Illegal drug consumption in the last month (%)	Total students	Consumed illegal drugs in the last month	Percentage used last month	Spending on drugs	20%	25%	30%
Aguascalientes	263,036,800	6.1	415,791	2,536	0.83	15,986,439	3,197,288	3,996,610	4,795,932
Baja California	500,908,800	6.2	1,276,751	7,916	2.59	49,893,665	9,978,733	12,473,416	14,968,100
Baja California Sur	197,361,600	5.7	256,751	1,463	0.48	9,224,295	1,844,859	2,306,074	2,767,288
Campeche	213,163,600	5.3	282,961	1,500	0.49	9,452,545	1,890,509	2,363,136	2,835,764
Coahuila	394,508,800	6.4	901,091	5,767	1.88	36,349,295	7,269,859	9,087,324	10,904,789
Colima	167,698,800	7.6	221,219	1,682	0.55	10,600,424	2,120,085	2,650,106	3,180,127
Chiapas	1,399,129,600	3.8	1,734,661	6,592	2.15	41,547,588	8,309,518	10,386,897	12,464,276
Chihuahua	648,227,200	10.2	1,279,171	13,048	4.26	82,238,710	16,447,742	20,559,678	24,671,613
Ciudad de México	2,098,492,800	9.6	4,135,141	39,697	12.97	250,212,673	50,042,535	62,553,168	75,063,802
Durango	419,793,600	8.6	629,241	5,411	1.77	34,108,500	6,821,700	8,527,125	10,232,550
Guauajuato	1,164,753,600	8.7	1,493,451	12,993	4.25	81,895,076	16,379,015	20,473,769	24,568,523
Guerrero	1,004,025,600	6.7	1,121,861	7,516	2.46	47,376,319	9,475,264	11,844,080	14,212,896
Hidalgo	814,100,800	9.4	1,021,521	9,602	3.14	60,523,297	12,104,659	15,130,824	18,156,989
Jalisco	1,417,896,000	7	2,559,931	17,920	5.86	112,946,813	22,589,363	28,236,703	33,884,044
Estado de México	3,069,777,600	10.9	5,514,771	60,111	19.64	378,880,065	75,776,013	94,720,016	113,664,019
Michoacán	779,176,000	5.9	1,282,271	7,568	2.47	47,701,466	9,540,293	11,925,367	14,310,440
Morelos	396,689,600	9.7	586,638	5,688	1.86	35,850,790	7,170,158	8,962,698	10,755,237
Nayarit	220,720,000	7.5	352,236	2,643	0.86	16,656,959	3,331,392	4,164,240	4,997,088
Nuevo León	730,291,200	7.2	1,567,748	11,286	3.69	71,134,840	14,226,968	17,783,710	21,340,452
Oaxaca	940,595,200	6.8	1,018,351	6,925	2.26	43,646,943	8,729,389	10,911,736	13,094,083
Puebla	1,591,872,000	5.6	2,405,601	13,471	4.40	84,910,089	16,982,018	21,227,522	25,473,027
Querétaro	395,196,800	11.4	676,634	7,710	2.52	48,597,931	9,719,586	12,149,483	14,579,379
Quintana Roo	314,698,000	11.3	518,800	5,853	1.91	36,894,027	7,378,805	9,223,507	11,068,208
San Luis Potosí	548,928,000	8.1	872,201	7,063	2.31	44,519,916	8,903,983	11,129,979	13,355,975
Sinaloa	690,099,200	3.4	1,251,391	4,255	1.39	26,817,572	5,363,514	6,704,393	8,045,271
Sonora	598,950,400	7.4	1,018,836	7,536	2.46	47,498,610	9,499,722	11,874,653	14,249,583
Tabasco	629,689,000	5.2	864,511	4,495	1.47	28,334,870	5,666,974	7,083,717	8,500,461
Tamaulipas	484,161,600	6.8	1,008,091	6,855	2.24	43,207,195	8,641,439	10,801,799	12,962,158
Tlaxcala	330,504,000	4.8	423,461	2,033	0.66	12,811,544	2,562,309	3,202,886	3,843,463
Veracruz	1,813,893,200	6.2	1,755,731	10,886	3.56	68,611,557	13,722,311	17,152,889	20,583,467
Yucatán	464,070,400	7.2	618,121	4,450	1.45	28,051,310	5,610,262	7,012,827	8,415,393
Zacatecas	390,987,200	7.4	478,833	3,540	1.16	22,310,392	4,462,078	5,577,598	6,693,117
<b>National</b>	<b>25,049,217,600</b>	<b>7.7</b>	<b>3,954,160</b>	<b>306,011</b>	<b>100</b>	<b>1,928,791,715</b>	<b>385,758,343</b>	<b>482,197,929</b>	<b>578,637,515</b>

### SOURCES

Monto total de las becas. Secretaría de Hacienda y Crédito Público (SHCP). Cuenta Pública 2019. Ramos Administrativos, Ramos Generales, Ramos Autónomos, Entidades de Control Directo y Empresas Productivas del Estado (base de datos)

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También: Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL). Evaluación de Diseño con Trabajo de Campo del Programa Beca Universal para Estudiantes de Educación Media Superior 2019-2020. Ciudad de México. CONEVAL, 2020. pp. 19-20

Total de estudiantes y consumidores. Instituto Nacional de Psiquiatría Ramón de la Fuente Muñiz; Comisión Nacional Contra las Adicciones; Secretaría de Salud. Encuesta Nacional de Consumo de Drogas en Estudiantes 2014. Reporte de Drogas. Anexo 2. Reporte Estadístico Nacional. Tabla S8N 4b: Total de Estudiantes de Bachillerato en Cada Estado.

Tabla S8N 7b: Prevalencia en el Último Mes de Consumo de Drogas en Estudiantes de Bachillerato