

The Market for Mules: Risk and Compensation for Cross-Border Drug Couriers, 2006-2010

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Abstract

This paper uses a unique dataset containing information collected directly from the arrest dockets for individuals caught bringing drugs over the U.S.-Mexico border to shed light on the illegal labor market for drug mules. We find that controlling for the amount of smuggled drugs, mules apprehended crossing the border are less likely to confess to smuggling drugs when carrying drugs associated with higher sentences (e.g., cocaine). Moreover, mules report being paid (or promised to be paid) significantly higher amounts for carrying drugs associated with higher sentences upon apprehension. These findings suggest that there appears to be a competitive labor market for drug mules, where mules generally know what they are carrying and higher risk loads are compensated at a higher level. Interestingly, our findings also reveal that compensation does not appear to be tied to the characteristics of the mule. For example, conditional on what is being carried, female mules do not appear to be paid more than males, and United States citizens do not appear to be paid any more or less than non-United States citizens. This suggests that either females and U.S. citizens are no less likely than their counterparts to be apprehended at the border, or that females and U.S. citizens generally have lower reservation wages for becoming a mule than their counterparts (which seems unlikely).