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# How the Mexican Cartels have capitalized on U.S. policies

Ande Troutman

Claremont McKenna College

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Professor Lisa Koch

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Ande Troutman

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The Mexican cartels have been a pervasive threat to national security, which is reiterated by the numerous Hollywood movies portraying these drug operations as an implacable force against U.S. law enforcement. The origin of these drug power houses, however, is not as well reported on. The cartels have capitalized on loopholes and weaknesses on a variety of diverse policies implemented by the United States and thus have been able to expand their drug market and power. This introduction will chronologically outline the history of these events and will then describe how the cartels grew to be a more powerful force in the narcotics industry by the facilitation of U.S. economic, immigration, and gun control policy.

Mexico endured a number of unfortunate circumstances in addition to poor domestic management that dissected and rearranged its economy to fit the needs of its capitalist driven brother, the United States of America. The chain of events that followed a recession in the United States propelled Mexico into economic turmoil, and the North American Free Trade Agreement (NAFTA) provided the catalyst to drive Mexico further into the narcotics industry to supply for the growing demand of marijuana and cocaine in the United States. The great demand in the United States in return fueled the powerful cartels known today. This began when the United States was providing loans from national banks to Mexico for foreign aid. When a recession hit in the 1970s and oil prices rose dramatically, Mexico was going to be unable to pay even the interest rates on the loans. In fact, in 1976, Mexico had the world's largest foreign debt.[1] The gravity of the

[1] "NAFTA's Economic Impact," *Council on Foreign Relations*, Accessed October 25, 2018, https://www.cfr.org/backgrounder/naftas-economic-impact.

situation could not be understated; for if no entity intervened, the international financial system faced potential collapse. Fortunately, the International Monetary Fund interfered, and the crisis was averted, though the economic turmoil remained. This economic turbulence foreshadowed the years of increased income inequality to come, which fueled corruption and allowed the cartels to capitalize on NAFTA by exporting even more drugs into the United States.

In fact, Mexico had a history of selling drugs long before NAFTA was ever implemented. Since the 1950s, cartels have existed in Mexico. While there were multiple cartels in Mexico, each more or less kept to itself, meaning violence between the different drug markets was limited. It was not until 1990, when the tension to control the drug route to the United States was brought to a head, that the violence really started to escalate, and more cartels rose up to challenge the already established clans. The Mexican cartels were actually recruited by Colombian drug lords to ship cocaine into the United States in the 1980s and 1990s.[2] While the cartels existed for many years before that, this was when their market really expanded, especially with the implementation of NAFTA in 1994, which provided greater access to U.S. markets for exporting illegal substances. This was when the deterioration of law enforcement played a crucial role in furthering corruption, as they were recruited to protect the cartel operations through bribes or the threat of being killed. These corrupt officers, trained in anti-guerilla tactics, became known as the Los Zetas under Cardenas Guellen's control, in charge of the Gulf

[2] Ibid.

cartel.[3] The Los Zetas were more than just corrupt officers; however, they were essentially guerilla fighters to help the Gulf cartel attack rival cartels.

Concurrently, the Sinaloa cartel and the Juárez cartel formed an alliance, controlling the central plains of Mexico. The Juárez cartel staged an attack against the Gulf cartel, which led to a lot of bloodshed and violence. It was during this period from 2007 to 2012 that the cartels were essentially waging war against each other. Because of this violence, 120,000 people were killed and 23,000 people went missing.[4] President Fox of Mexico reacted by launching Operation Secure Mexico, where 1,500 soldiers and federal policemen were deployed to Baja California, Chihuahua, Nuevo León, Sinaloa, and other cities.[5] With each clash between warring cartels, the president responded with a task force of some sort to try and subdue the problem, but it was ultimately ineffective; for in 2006, there were only four major cartels in Mexico when the war on drugs was declared. But, by 2014, that number had doubled as factions from the original four split to form their own cartels.[6]

In 2006, the Federation was formed, which consisted of an unstable alliance between the Juárez and Sinaloa cartels and other smaller groups.[7] Later that same year, Felipe Calderón, the new president, took a more aggressive approach to intervening in cartel affairs, deploying 35,000 troops and increasing their salary by 46%. More steps

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[3] Ibid.
[4] Tony Payan, *The Three U.S.-Mexico Border Wars: Drugs, Immigration, and Homeland Security*, Praeger Security International, 2016, 60.
[5] Ibid.
[6] Mariano Castillo, "Drugs, Money and Violence: The Toll in Mexico," CNN, March 27, 2017, Accessed November 15, 2018, https://www.cnn.com/2016/02/15/world/mexico-drug-graphics/index.html.
[7] Ibid.

were taken to intervene, including $400 million from the United States in 2007 to help fund security operations.[8] Even with all of this money and resources, though, the results were less than satisfying. The demand from the United States was voracious and 87% of the firearms seized by Mexico between 2006 and 2011 were bought in U.S. territory.[9] This is because strict gun laws in Mexico encouraged the cartels to purchase weapons from the United States, where easier access and relaxed legislation, like an expired assault weapons ban, allowed the cartels to import guns at high rates. In 2006, there were only six major groups running the cartel scene. By 2011, the number of cartels had doubled, with 50,000 drug war related deaths in the process.[10] Instead of dealing with a single monopoly on the illegal drug trade in Mexico, multiple quasi narcotic firms proliferated, and criminal competition solidified the growing private market. It was as if the entire cartel industry was centralized in a single hornet's nest. By escalating the situation using force through different security operations, the United States took a sledgehammer to the nest, and all of the hornets scattered to build other nests and grow their own empires.

In December 2007, because of alleged connections to the drug cartels, the entire police force of Playas de Rosario in Baja, California was dismissed.[11] Then, the Merida Initiative was signed into law in June of 2008, and the United States gave $1.6 billion to

[8] Ibid.
[9] Ibid.
[10] Ibid.
[11] Ibid.

Mexico and 22 aircraft to help carry out security operations.[12] Later in August of 2009, an assassination attempt on President Calderòn by the Sinaloa cartel was foiled by Mexican police. The violence continued though, and President Obama deployed 1,500 National Guard troops to the border to mitigate illegal immigration and drug trafficking. Even with the added resources, the corruption simply continued. Later that same year, 10% of the Mexican Federal Police was found guilty of corruption and thus removed from the force.[13] And, in 2010, 20% of the police force in Juárez were double agents for the cartels.[14] For the last 10 years, the violence has only persisted, with a sharp increase starting in 2006 after President Calderón declared a war on drugs and militarized the situation.[15] The total cartel related deaths in the last 10 years, as of 2016, were estimated to be over 100,000.[16]

This timeline has been provided to display the context of the situation and demonstrate the complexities involved in the formulation of the cartel problem. The first policy to be analyzed by this paper is NAFTA, which was implemented to open up more trade in North America. It was signed by the United States, Canada, and Mexico to allow

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[12] Ibid.

[13] Ibid.

[14] Payan, 60.

[15] Viridiana Rios, "Who Started the Mexican Drug War? What Google Taught us about the 'Narcos,'" Kennedy School Review 13, (2013): 18-22, http://ccl.idm.oclc.org/login?url=https://search-proquest-com.ccl.idm.oclc.org/docview/1444141303?accountid=10141.

[16] Dyfed Loesche, "Civilians And Soldiers Killed In Mexican Drug War," Statista Infographics, May 27, 2016, Accessed November 15, 2018, https://www-statista-com.ccl.idm.oclc.org/chart/4911/dead-civilians-soldiers-mexico/.

for easier access of goods among the three countries by removing nearly all tariffs.[17] The removal of these tariffs had a severe impact particularly on Mexico because tariffs are used to restrict the number of imports into a country.[18] This means that whoever can produce a good for the lowest rate will essentially be providing that good for all of North America since there is no longer a policy restricting imports from other North American countries. While intuitively it may appear this policy grants greater access to food across the continent, in reality it puts local farmers in Mexico out of business as their crops were not subsidized like in the United States.

The outcome of these events is it forced two million people to leave their farms and put 20 million Mexicans without access to enough food to survive.[19] As of 2013, 25% of Mexicans lacked access to basic food and one-fifth of children suffered from malnutrition.[20] The cartels capitalized on this advantage and used the deteriorated law enforcement, which was underpaid and lacked legitimacy, to protect the cartel's business**.** [21] Police officers who were once employed by the state were now turned corrupt by bribes since there was no other form of meaningful income that could come from legally sanctioned activity. Regardless as to whether citizens wanted to participate in the ever

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[17] Michael Collins, "What Is NAFTA? Seven Things to Know about the North American Free Trade Pact," USA Today, August 23, 2018, Accessed September 27, 2018, https://www.usatoday.com/story/news/politics/2018/08/23/nafta-seven-things-you-should-know-free-trade-agreement/1063956002/.

[18] "Tariff," Investopedia, December 18, 2017, Accessed September 27, 2018, https://www.investopedia.com/terms/t/tariff.asp.

[19] Laura Carlsen, "What We've Learned From NAFTA," The New York Times, November 24, 2013, Accessed September 27, 2018, https://www.nytimes.com/roomfordebate/2013/11/24/what-weve-learned-from-nafta/under-nafta-mexico-suffered-and-the-united-states-felt-its-pain.

[20] Ibid.

[21] Armed Conflict Database, "Mexico Cartels," Accessed November 2018.

growing drug market, without other employment options available, they really had little choice.

The impacts of NAFTA and how it perpetuated income inequality will be analyzed further in chapter two. The link between income inequality and the proliferation of corruption will then be explored to demonstrate how the cartels grew in power and took advantage of loopholes in U.S. economic policy to further their business. The chapter will first unpack NAFTA and its liberalization of trade as well as the impact it had on the United States and Mexico. Then, it will show how NAFTA has increased income inequality and how that inequality has increased corruption. The chapter will conclude with explaining how the cartels thrive off corruption and have found loopholes in this U.S. economic policy to expand their markets.

In chapter three, the Illegal Immigration Reform and Immigrant Responsibility Act is investigated for its impact on creating avenues for the cartels to expand their market power. The history of the act will initially be explained and how the impact of 9/11 changed the outlook on foreign policy. Then, multiple provisions in the act will be evaluated for their relationship with the cartels. The two most vulnerable groups of immigrants are those who are legal residents and those recently incorporated into the criminal justice system for petty drug crimes, which led to mass incarceration and mass deportation. Mass deportation unintentionally provides a labor force for the cartels to recruit from through methods of coercion and violence. When these people are essentially released on the other side of the U.S. border and begin to travel south, the cartels are

waiting to intercept them in Mexico. The cartels also extend their power to migrant routes by controlling the territory surrounding those areas and thus, at times, forcing innocent migrants to peddle drugs into the United States in exchange for free passage through the cartel territory.

In chapter four, I will analyze the final policy to be discussed in this paper: the Federal Assault Weapons Ban passed in 1994. This policy actually expired in 2004, and it will be inspected for its shortcomings in regulating the sale of automatic assault weapons. After that, the expiration of the ban will be investigated for its impact on the flow of guns from the United States to Mexico. Through weapons trafficking, the cartels have found ways to circumvent, and at times, capitalize on this policy for its lack of regulation of weapons trafficking, which is how the guns are transported into Mexican territory. Weapons trafficking first starts at unregulated shows where guns are purchased from private collections and thus not monitored by the law. From there, the guns follow a complex network of middlemen who take turns handling the guns so the authorities have a difficult time maintaining their original trace of the weapon, if there was any trace to begin with. Once the gun has been purchased and it has successfully made it into the hands of the middlemen, it is relatively easy to then smuggle it into Mexico. The next point argued will be that due to the expiration of the ban, Mexican cartels have greater access to guns, and thus are able to commit more violent crimes. This claim will be supported by a study done in the years following 2004, when the ban expired. The study observed the sale and distribution of guns, meaning where the guns went after they were

bought, and the corresponding violence that appeared in conjunction with higher supplies of guns. It compares the gun policies of different states along the border to demonstrate how the variance in regulation has an impact on violence. The study concludes with the notion that the stricter the gun laws, the less access the cartels have to obtaining these weapons, and thus the less violence committed because of it.

To conclude, this paper will reiterate the important findings in chapters two, three, and four. It will briefly revisit the outline of each chapter and emphasize the main arguments in each. The conclusion will demonstrate the connection between the various chapters and affirm the sentiment that the cartels have capitalized on the loopholes in U.S. economic, immigration, and gun policy to expand their drug market and perpetuate violence, and thus grow their power.

**Chapter Two**

The North American Free Trade Agreement is the first policy analyzed in this paper. This chapter will first demonstrate how liberalizing trade causes inequality and how inequality and corruption are related. It will conclude with how the cartels have thrived off corruption and loopholes in NAFTA to expand their drug market into the United States. With the passage of NAFTA, both the U.S. and Mexican economies paid a grave cost. What was supposed to be a policy that drove greater integration into each other's economies to encourage economic growth across the continent ended up being a driving force in perpetuating Mexico's inequality and corruption, and thus the cartels. For

example, rather than having Canada and the United States' proliferating economies lift up Mexico, Mexico's poverty rate has largely stayed the same from 1994 to 2012.[22] Mexico was not the only victim of this policy; however, the United States also paid the price for this short sighted trade deal. The issue with integrating economies is that it opens up avenues for all the countries involved to pay the cost of every other country's problem. While NAFTA has increased wealth in the more developed country, it has also encouraged exploitation of the less developed country. Both countries neglected their domestic problems and instead sought mitigation of their issues by migrating to the other country.

**Liberalizing Trade**

This analysis can be further supported by the history of NAFTA and how it manifested across North America. It sought to liberalize trade involving agriculture, textiles, and automobile manufacturing as well as provide more labor and environment regulations.[23] Liberalization involved removing the tariffs and quotas on imports, allowing Mexico to import as much as it wanted, without regard to domestic production. The results of liberalizing trade were the United States began expanding its production operations into Mexico and selling those finished goods back into the United States at a lower cost because it was cheaper, and NAFTA allowed them to do. For example, U.S. corporations

[22] David Floyd, "NAFTA's Winners And Losers," Investopedia, October 19, 2018, Accessed October 25, 2018, https://www.investopedia.com/articles/economics/08/north-american-free-trade-agreement.asp.
[23] James McBride and Mohammed Aly Sergie,"NAFTA's Economic Impact," Council on Foreign Relations, Accessed October 25, 2018, https://www.cfr.org/backgrounder/naftas-economic-impact.

located in Mexico could import corn from the United States, which was priced at 19% below the cost of production, and Mexican companies could simply not compete: 120,000 jobs were lost in total.[24] Tens of thousands had to migrate north to find work; sometimes applying for the very company on U.S. soil that put them out of work in Mexico to begin with.

Unfortunately, the United States responded to the rise of illegal immigrants working and joining unions in the United States with harsh immigration policy, covered in chapter three, and negative attitudes towards immigrants. Additionally, the U.S. unions did not provide any further protection for U.S. citizens as companies were prepared and willing to move production to Mexico, where it was much cheaper to manufacture goods. As a consequence of this, the U.S. economy lost 800,000 manufacturing jobs.[25] While this may have originally appeared to bring more wealth and economic opportunities for Mexicans, it actually displaced them and sent them migrating to the United States to look for more work. U.S. workers had to accept lower wages and thus a lower standard of living or else companies threatened to take their business down south where employees would work for much less than the typical American. This greatly undermined the labor unions in the United States, and created 20 years of stagnant wages and disseminated wealth and political influence to the upper class.[26]

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[24] David Bacon, "How US Policies Fueled Mexico's Great Migration," The Nation, October 18, 2017, Accessed October 25, 2018, https://www.thenation.com/article/how-us-policies-fueled-mexicos-great-migration/.
[25] Floyd.
[26] James McBride and Mohammed Aly Sergie.

In summary, since NAFTA eliminated tariffs, U.S. production of staple agricultural products like corn put local Mexican farmers out of business since the United States government could subsidize these crops while the Mexican government could not. These farmers therefore had to migrate to the United States in order to find work. In the meantime, manufacturing jobs from the United States also migrated south, but it did not offset the mass migration coming from Mexico. Several million Mexican workers and their families thus lost their jobs. Not only did this increase illegal immigration, it also decreased wages in the United States and further deteriorated the labor unions and the protection of workers there. This unforeseen consequence of implementing NAFTA contributed to income inequality in Mexico.

NAFTA's free market principle was flawed in a crucial way. In order for the free market to be successful, companies must start out on equal footing and then compete to make their businesses more efficient at production and assessing customers' needs. Mexico, unfortunately, was not on equal footing with the United States when the tariffs were removed; it was in a severe recession. Each country was operating under the same rules but with different resources on how to address its economy. It was as if the gun went off to start the race, but the United States was able to start 100 meters ahead. With its ability to subsidize the price of corn, which it was able to do so by leveraging taxes on its citizens, the United States was able to out produce Mexico. No amount of innovation on Mexico's part could compete with U.S. production because they were competing in two different arenas. Backed by taxpayer money, the United States had a large advantage

over Mexico, as Mexico couldn't tax its own citizens at that rate because it was in a recession from the peso crisis.

Subsidizing corn was such a crucial staple crop that it forced Mexico to import most of its corn from the United States, and that was one of the biggest catalysts for mass layoffs in the region and largely contributed to the intense economically motivated migration that followed. The implementation of free market ideology under NAFTA placed Mexico at a disadvantage before it was ever able to compete, and other present factors, like income inequality and lack of local law enforcement, kept it from ever catching up.

**How the free market perpetuates inequality**

NAFTA, a free market strategy, actually perpetuated inequality in Latin America, and specifically in Mexico, by its removal of tariffs and import quotas. Although trade reform was implemented as a way to nurture economic growth, it stimulated deindustrialization and thus increased inequality in Latin America.[27] The deindustrialization process happens when a country's economy is integrated into the global market and a loss of formal employment occurs.[28] Due to a lack of domestic competition from the removal of the tariffs, the formal sector of employment shrunk. This pushes the workers to pursue jobs in the informal sector, where jobs are not taxed or monitored by the government, such as

[27] Juan Ariel Bogliaccini, "TRADE LIBERALIZATION, DEINDUSTRIALIZATION, AND INEQUALITY: Evidence from Middle-Income Latin American Countries," *Latin American Research Review* 48, no. 2 (2013): 79-105, 231, 228.
[28] Ibid.

working for the cartels. It was thought that the globalization of the economy would facilitate economic growth by increasing exports in the state based on a greater demand for labor and capital.[29] The issue was that, although exports increased with globalization, the demand for labor did not, creating inequality in the country. The intense international competition of imports between the United States and Mexico induced the bankruptcy of several industrial businesses in Mexico, and available jobs for the lower economic classes disintegrated faster than new opportunities arose to replace them.[30] When inequality began to thrive, it was difficult to stop its downward spiral, for Mexico's weak institutions prevented it from mitigating the situation.

In the midst of this intense migration period out of Mexico, from a lack of formal sector opportunities, the rural poverty rate jumped from 35% in 1992-1994 to 55% in 1995-1998, which was right after NAFTA was implemented. And by 2010, 53 million Mexicans were living in poverty, which was half the country's population. In fact, 20% lived in extreme poverty, almost all in rural areas.[31] The economic downfall naturally fueled migration as well. There were only 4.5 million Mexican immigrants in the United States in 1990; but by 2000, the number rose to 9.75 million and reached an all time high at 12.67 million in 2008. While 5.7 million were accepted legally, the other 7 million reached American soil illegally. [32]

[29] Ibid.
[30] Ibid.
[31] Bacon.
[32] Ibid.

NAFTA has increased income inequality in Mexico by removing the tariffs and quotas, which decreased competitive domestic production and undermined the structure of the formal sector (jobs that are taxed). Due to a lack of available jobs in the formal sector, mass migration followed in search of work in the United States, and poverty rates greatly increased. The per capita GDP dropped from $4,709 in 1994 to $3,082 in 1995. It did not reach pre-NAFTA levels again until 2001 and did not maintain a constant increase from there either. In 2015, it began steadily falling again. From 2014 to 2017 it went from $11,041 to $8,680. So even though there was more open trade, Mexico's income inequality remained high.[33] In fact, Mexico's income inequality is higher than the average in Latin America, which has the highest income inequality in the world.[34]

**Results of liberalization**

The results of NAFTA are different depending on the metric being analyzed. On one hand, from 1993 to 2015, the United States' real per-capita gross domestic product grew 39.3% to $51,638.[35] Mexico's also grew 24.1% to $9,511, though one would expect an underdeveloped country's economy to grow much more than that with the increased access to trade.[36] While the United States' GDP grew more than Mexico's, Mexico has an advantage of trade balance, meaning it exports more to the United States than it imports

[33] " Country Data," The PRS Group, Accessed November 2018.
[34] Gerardo Esquivel and Guillermo Cruces. "The Dynamics of Income Inequality in Mexico since NAFTA [with Comment]." Economía 12, no. 1 (2011): 155-88. http://www.jstor.org/stable/41302974.
[35] Floyd.
[36] Ibid.

from. In fact, Mexico sells $60 billion more to the United States than it buys.[37] Even though some of these numbers look promising, they do not tell the full story. The available jobs in unskilled labor, especially in the manufacturing industry, did migrate south to Mexico, and 851,700 net jobs, or 0.6% of the labor force, were lost in the United States.[38]

NAFTA also opened up the border in other ways, as people began migrating by the masses. From 1990 to 2000, 9.2 million people emigrated out of Mexico.[39] The government also did not invest in more infrastructure projects to allow for the expansion of manufacturing throughout the country, so U.S. companies continued to operate close to the border, where that infrastructure already existed. NAFTA was originally thought to be a way to boost the Mexican economy by attempting to raise the standard of living there.[40] However, though it did not lead to a long term catastrophe, the peso crisis hit almost immediately after the deal was implemented, and the local-currency GDP dropped 9.5%.[41] Mass emigration followed, including a net loss of 1.9 million jobs. In addition, Mexico's poverty rate did not change from 1994 to 2012, and President Castañeda commented that NAFTA has failed to provide nearly any of its economic promises, including provisions with energy, migration, security, and education.[42] While NAFTA thus did have some benefits, they were largely concentrated in the U.S. economy. Mexico

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[37] Ibid.
[38] Ibid.
[39] Ibid.
[40] Ibid.
[41] Li He, "Political Economy of Income Distribution: A Comparative Study of Taiwan and Mexico," *Policy Studies Journal* 28, no. 2 (2000): 275-291.
[42] Ibid.

may be exporting more than it is importing from the United States, but the poverty rate did not change, and that is a greater indicator of income inequality.

**Inequality leads to corruption**

Due to this income inequality, corruption proliferated. This next section will explore the relationship between income inequality, corruption, and the cartels. Income inequality increases corruption, and in return, corruption reinforces inequality, which creates a downward spiral that is difficult to break without policy intervention and enforcement. In an empirical study, 129 countries were studied for their relationship between inequality and corruption. The results were that, as discussed by Jong-sung and Khagram, "there is evidence of reciprocal causation between inequality and corruption. Greater inequality causes higher levels of corruption, and higher levels of corruption intensify inequality."[43] The issue is that the rich, including the cartels who bring in billions of dollars annually, have access to resources, money to lobby for policies in favor of their lifestyle, and greater capacity to engage in corruption when there are higher levels of inequality present, while the poor lack all of these resources to stop the corruption.[44] They cannot spend the money to lobby for various causes and are thus subject to being taken advantage of by those who can. These levels of inequality therefore make it difficult for the poor to regulate corruption amongst the rich.

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[43] You Jong-sung and Sanjeev Khagram, "A Comparative Study of Inequality and Corruption," American Sociological Review 70, no. 1 (02, 2005): 136-157.
[44] Ibid.

On top of corruption and income inequality affirming each other, as mentioned earlier, Mexico was struggling with a lack of enforcement because the local police officers were taking bribes from the cartel, which further perpetuates corruption. This is a crucial indicator of a lack of legitimacy in the government and a disregard for the rule of law. When there is an absence of enforcement, anarchy can quickly takeover. This absence of local law enforcement and a legitimate government to control its people created a breeding ground for these cartels. Even just the presence of local law enforcement can have a large impact. For example, in 1969, the Montreal police force in Canada went on strike for 16 hours. In that short time, a police officer was killed and 108 people were arrested. Restaurants, hotels, shops, and banks were all looted and destroyed.[45] The lack of legitimate local authority can clearly have a profound impact on people's willingness to obey the law; and when it is removed even for a short time, the consequences can be dire.

Furthermore, due to the inequality, the poor are more likely to rely on petty corruption for basic services like education and health care since the government struggles to provide it for them.[46] Relying on corruption for services creates the norm that corruption is okay because the cartels' help is necessary for these people to survive. In fact, the poor will come to accept corruption because they rely on its benefits, and it is difficult to combat the systemic corruption on their own.[47] This is especially problematic

[45] "1969: Montreal's 'night of Terror' - CBC Archives." CBCnews. Accessed October 25, 2018. https://www.cbc.ca/archives/entry/1969-montreals-night-of-terror.
[46] You Jong-sung and Sanjeev Khagram, 136-157.
[47] Ibid.

because it reinforces the norm that it is okay for the cartels to exist, and public services are not prioritized even though they can mitigate income inequality.[48] Therefore, the norm of corruption reinforces the cartels necessary presence in society and makes it difficult to extradite them from the community, which they are helping to support.

Inequality and corruption are related because they are cyclical in nature: one causes the other. This happens because corruption causes the unequal distribution of wealth and privilege, which has inertia against reform, and in turn causes further corruption since no institutional changes are being implemented to hold others accountable.[49] Corruption, as Jong-sung and Khagram said, reinforces inequality by "perpetuating an unequal distribution of asset ownership and unequal access to education, minimizing the progressiveness of the tax system, lowering the level and effectiveness of social spending, and lowering economic growth."[50] This is an issue because since most of the country is poor, they may seek reformative methods to redistribute wealth through progressive taxation.[51] Attempting to rectify this situation through progressive taxation is difficult because the upper class essentially has most of the legal influence since they have the wealth to lobby or bribe legislators involved in the lawmaking process and thus prevent tax reform from ever taking place.[52] In conclusion, the inequality and corruption cycle is a near infinite loop, as one fortifies the other, and the cartels remain in power.

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[48] Gerardo Esquivel and Guillermo Cruces, 155-88.
[49] You Jong-sung and Sanjeev Khagram, 136-157.
[50] Ibid.
[51] Ibid.
[52] Ibid.

**Cartels and corruption**

Since this corruption is permitted to thrive, the cartels have opportunities to expand their power and take advantage of the loopholes NAFTA allows. The cartels employ 450,000 people and make between $25 billion and $30 billion annually.[53] Their presence has become so integral in the Mexican economy that the cartels even pay for schools, hospitals, and churches. They also create employment opportunities in destitute areas, which again enforces the norm of cartel presence and corruption. [54] In fact, the corrupt government and the cartels are intertwined, for people involved in all sectors of the government, including governors, mayors, high-ranking officials in federal law enforcement, and military officers, support the cartels by granting them admission to transportation routes to move their drugs.[55] Most of the state, including officials across major departments, are involved in the drug trade and helping the cartels. District commanders of the federal police and military accept bribes in exchange for providing security for the cartels and helping to facilitate kidnappings and murders.[56] This is not just on the Mexican side of the border; U.S. border officers also help facilitate cartel operations by failing to inspect all of the trucks that pass into the United States. Trucks, supplied by the cartels, are the greatest transporters of drugs from Mexico. In fact, 70% of trade between Mexico and the United States is facilitated through trucks, now totaling

[53] Stephen D. Morris, "DRUGS, VIOLENCE, AND LIFE IN MEXICO," *Latin American Research Review* 47, no. 2 (2012): 216-223, 237.
[54] Ibid.
[55] Ibid.
[56] Ibid.

$600 billion.[57] The issue is that not every truck is inspected, for there are not enough resources to carry out proper inspections; it would take too long and cost too much. Therefore, only a small percentage of trucks are checked for drugs while the rest continue to move across the border freely. These drugs, such as marijuana, cocaine, heroin, and meth, are hidden under the guise of fruit and vegetable trucks.[58] The cartels have effectively found a loophole in NAFTA by taking advantage of the lack of inspections to transport drugs across the border and increase their influence.

**Conclusion**

By increasing income inequality, NAFTA has permitted a greater presence of corruption in Mexico and allowed the cartels to expand their power by taking advantage of loopholes in this policy. The combination of emigration out of Mexico to the United States to find jobs and the displacement of U.S. companies to Mexican soil inflamed domestic problems and demonstrated the negative consequences of this economic policy. NAFTA was used as vehicle for exploitation for both countries to capitalize on the other's shortcomings, and each paid a consequence of lost jobs. A lack of legitimate government and enforcement left the Mexicans who stayed exposed to being taken advantage of by the informal market. In return, the lower costs of production in Mexico attracted U.S. businesses and created a loss of jobs back in the United States. And, the willingness of Mexicans to work for lower wages, rightfully so as it was more than they

[57] Payan, 45.
[58] Ibid.

would ever make at home, created domestic tension which deterred union organization and participation in the United States. In short, integrating the United States' and Mexico's economies did not create a mutually beneficial relationship, but rather one propelled by feeding off each other's weakness to mitigate their separate domestic issues and neglecting responsibility for their own internal affairs. Integrating the economies provided the catalyst for a great fall because the United States out produced local Mexican farmers in staple crops like corn, leading to the lay off of thousands of farmers across multiple industries and the inevitable migration to the United States in search of work. As societal income inequality increased, corruption followed, and it provided breeding grounds for the cartels to step in to take advantage of the region. While NAFTA is the economic policy analyzed in this paper that provided the cartels opportunities to expand their power, there are other policies that also contributed to the growth of the cartels, which will be covered in the next chapters.

## Chapter Three

As a business, the cartels have adapted well to their changing environment to expand to new markets. Immigration policy is another category of American policy that the cartels have exploited for their benefit. Specifically, the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) will be analyzed to demonstrate how the different provisions in the act have encouraged greater cartel interactions with migrants and given the cartels potential opportunities to expand their power.

The history of this act was heavily influenced by changes in the outlook of foreign policy. Attitudes towards these policies have evolved over the years, especially after 9/11, which was reflected in the State of the Union Address. Relations between Mexico and the United States used to be a central part of this speech. For example, during the first Bush Administration, Mexico was mentioned between 12 and 53 times;…and during the Clinton Administration, Mexico was mentioned between 40 and 97 times.[59] In more recent years, however, Mexico was only mentioned between 3 and 35 times from 2005 to 2008. The decline in recognition was due to the change in attitude to focus on the Middle East and associated security efforts there.[60] The impact of 9/11 shifted terrorism to be the central foreign policy concern in regard to national security; and shortly after that, immigration was embroiled in the conversation: politicians began associating national security issues of terrorism with the possibility of criminal activity originating in Mexico. [61] This change in attitude has squashed potential amendments of this act and led to the continued enforcement of the IIRIRA, which will be analyzed for the ways it gives opportunities to the cartels to expand their market.

After the devastating attacks of 9/11, national security policy was forever changed. These events altered U.S. attitudes towards illegal immigration as policy makers began asserting the connection between terrorism and illegal immigration, whether it was merited or not. In fact, immigration and terrorism have often been associated with one

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[59] Brandon Valeriano and Matthew Powers, "United States-Mexico: The Convergence of Public Policy Views in the Post-9/11 World," *Policy Studies Journal* 38, no. 4 (2010): 745-775.
[60] Ibid.
[61] Ibid.

another by politicians.[62] This rhetoric can also be seen throughout President Trump's platform, declaring immigrants from Mexico as rapists and suggesting a wall be built to secure the borders accordingly.[63] He has also made suggestions that the October 2018 caravan traveling to the United States from Central America could also be housing terrorists because Middle Easterners, he claims, may have infiltrated it under the guise of asylum seekers.[64] President Trump's attitude on the issue of illegal immigration is not unique; in fact, 65% of whites without college education and 45% of whites with a college education described illegal immigrants as a burden. This attitude spreads across party lines as well, as 33% of white Obama voters claimed illegal immigrants were mostly a drain.[65] Additionally, it was the Democrats who brought the sentiment of crime and immigration into public discussion.[66] Though these numbers do not describe the United States as a whole, they do demonstrate that a sizable portion of the United States, including President Trump, has negative attitudes towards illegal immigrants. Due to these views, President Trump and the media have shed light once more on this elusive act.

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[62] Brandon Valeriano and Matthew Powers, 745-775.

[63] John Sides, Michael Tesler, and Lynn Vavreck, "How Trump Lost and Won," Journal of Democracy 28, no. 2 (2017): 34-44.

[64] Linda Qiu, "Trump's Evidence-Free Claims About the Migrant Caravan," The New York Times, www.nytimes.com/2018/10/22/us/politics/migrant-caravan-fact-check.html.

[65] Sides, 34-44.

[66] Patrisia Macías-Rojas, "Immigration and the War on Crime: Law and Order Politics and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996," Journal on Migration and Human Security 6, no. 1 (2018), 1-25, http://ccl.idm.oclc.org/login?url=https://search-proquest-com.ccl.idm.oclc.org/docview/1986907036?accountid=10141.

The IIRIRA, passed in 1996, criminalized the act of illegal immigration, which moved coinciding court proceedings from a civil to a criminal court. By criminalizing this process, an entirely different set of procedures was implemented to handle the influx of immigrants. It connected immigration with crime enforcement and allowed for greater deportation by expanding the definition of crimes that would cause the revocation of residency.[67] The IIRIRA is also the statute that President Trump has coined the term no-tolerance policy from because it mandated deportations and detentions for immigrants with convictions.[68] These actions emulate earlier policies implemented by the Reagan Administration, whose slogan was actually "let's make America great again," something President Trump shares with him as well.[69] Reagan mandated that asylum seekers be detained and deported in order to deter mass immigration to the United States, which led to overcrowded detention centers due to a lack of space and resources to accommodate everyone.[70]

This act's primary objective is six fold. First, it expanded the U.S. government's power to deport people based on criminal convictions, which means it allowed for more actions to be declared crimes and expanded the criminal system to deliver harsher punishments for previously low level misdemeanors involving drugs. It also required mandatory minimum sentencing, so criminals stayed in these prisons longer than before. The next objective of this act was to collect statistics on all of the criminals inducted into

[67] Macias-Rojas, 1-25.
[68] Ibid.
[69] Ibid.
[70] Ibid.

the criminal system, which included fingerprinting and an annual report on illegal immigrants who have committed crimes.[71] This specific provision was to target those involved in the drug war, mostly low-level employees migrating from Mexico or Central America.[72] The IIRIRA also created a fast track for deportation, immediately discounting those who did not have a legitimate concern of persecution, something required in order to obtain asylum.[73] The fourth provision of this act was the immediate detention of those who have been ordered to be deported from the country while they await their proceedings. This created extreme overcrowding and authorized $15 million to help detain illegal immigrants, sometimes even in closed military bases. It also helped fund indefinite detention for immigrants who could not be deported to their home countries, which allowed private companies to construct and maintain their own detention centers.[74] The fifth and sixth provisions involved the removal of illegal immigrants' rights and the use of criminal justice agencies to enforce the provisions of this policy. One right that was denied included the right to appear before a judge on immigration cases. Judges lost the jurisdiction to rule on these cases because this new criminal label took away immigrant protections in court.[75] With these intense provisions came hundreds of millions of dollars to help alleviate overwhelmed prisons. In fact, the IIRIRA granted

[71] Macias-Rojas, 1-25.
[72] Ibid.
[73] Ibid.
[74] Ibid.
[75] Ibid.

$670 million for state prisons, of which $170 million was specifically for illegal immigrant incarceration.[76]

There were two victims who paid the most for this new act. The first type of immigrants most vulnerable to this law were those convicted for originally misdemeanor drug crimes.[77] Since drug crimes were now deemed as felonies, a whole new demographic was entering the criminal justice system. The consequence was either deportation to their home countries to serve their sentences there or incarceration in American jails and then deportation once their sentence was finished. The second most vulnerable immigrants were those who had long term ties with the United States but who were not official citizens. In fact, this law was specifically detrimental to immigrants who had been living in the United States for an extended period of time.[78] These populations were vulnerable because, as Patrisia Macías-Rojas described, "in the scramble to free up prison beds for thousands sentenced to prison under harsh drug laws and minimum criminal sentences, Congress turned to non-citizens in the criminal justice system — mostly legal permanent residents — as a new enforcement target and unleashed a rhetoric associating immigration with crime."[79] The consequence what that several permanent residents were deported, and families were separated.[80] Therefore, in order to accommodate the mass number of illegal immigrants in detention centers who were

[76] Macias-Rojas, 1-25.
[77] Ibid.
[78] Ibid.
[79] Ibid.
[80] Ibid.

newly defined as criminals, legal residents lacking citizenship were deported. If conviction of minor drug crimes was the consequence instead, and not immediate deportation, these illegal immigrants were found to be more likely to be connected to the drug war than other native born United States citizens in the system.[81] This demonstrates a potential tie to the cartels operating in Mexico who are peddling drugs through the use of immigrants, which will be expanded on later. The greatest impact, however, was felt on those who had been peacefully living in the country for as long as 36 or 50 years because their deportations split up their family. While there were protests by immigrant rights advocates like the American Civil Liberties Union to amend these harsh provisions infringing on procedural rights and separating families, the 9/11 attacks halted all attempts, and the act was associated with counter terrorism legislation.[82] This act thus created a lot of internal turmoil in the United States and also had the unintentional consequence of strengthening the cartels south of the border by providing a greater outlet for their coercion techniques once the immigrants arrived back in Mexico.

The cartels capitalized on the lack of protection of immigrants in two ways. Through mass deportation and supervision of the popular migrant routes, the cartels were given a greater outlet to expand their coercion tactics to recruit people into drug peddling. Mass deportation in particular is one action that unintentionally supports cartel recruiting efforts. It provides a massive resource of employment because this high concentration of

[81] Macias-Rojas, 1-25.
[82] Ibid.

people, without other legal ways of earning money, is mobilized for the drug market.[83] In fact, any immigrants moving through Mexico from Central America or arriving back in Mexico from the United States are subject to extreme violence, including murder, gang rape, or recruitment to human trafficking. While the cartels instigate much of the violence, it is difficult to separate legitimate government authorities and those involved in the cartels; for as displayed earlier, corruption had infiltrated much of the local law enforcement. For example, tens of thousands of these refugees are vulnerable to the violence of the drug cartels and corrupt government officials in Mexico, according to the Washington Office of Latin America, a non-profit rights group.[84] These immigrants are often recruited to work for the cartels; and if they refuse, they are killed. To reflect this increase in deportation, the border patrol budget has increased tenfold, from $363 million in 1993 to $3.5 billion in 2013.[85] In 2000, just four years after the IIRIRA was enacted, over 1.8 million illegal immigrants were deported.[86]

Another way the cartels have capitalized on immigration headed to the United States is by infiltrating popular migrant smuggler routes, which has helped them expand their market. They monitor these popular routes that immigrants coming from the South frequently travel, and they employee them as smugglers for drugs as they make their

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[83] Ron Nixon and Fernanda Santos, "U.S. Appetite for Mexico's Drugs Fuels Illegal Immigration," The New York Times, www.nytimes.com/2017/04/04/us/politics/us-appetite-for-mexicos-drugs-fuels-illegal-immigration.html.
[84] Kira Nazish, "Treatment of Immigrants in Mexico Much Worse than Any Other Country," USA Today, www.usatoday.com/story/news/world/2016/06/15/immigrants-mexico-abused-kidnapped/85798440/.
[85] "The Growth of the U.S. Deportation Machine," American Immigration Council, www.americanimmigrationcouncil.org/research/growth-us-deportation-machine.
[86] Jessica M. Vaughan, "Deportation Numbers Unwrapped," Center for Immigration Studies, https://cis.org/Report/Deportation-Numbers-Unwrapped.

journey to the United States. These individuals may never have had an intention of participating in crime; but in order to protect their livelihood, they perform certain tasks for the cartels as a sort of rite of passage to continue on to the United States.[87] Recruiting migrants as peddlers often involves the use of force, harassment, assault, and even torture.[88] The cartels have expanded their operations to include incorporating migrant routes into drug trade routes to capitalize on the vulnerability of these migrants and to profit from smuggling drugs.[89] The cartels have turned to this because there is an increased number of individuals traveling alone due to the more stringent immigration policies because getting caught illegally crossing the border has greater consequences.[90] Since a number of individual migrants now traverse the dangerous desert separating them from freedom, the cartels have recognized this outlet as a potential resource for moving more drugs into the United States.

To demonstrate how migratory routes and drugs intersect, a study of sixty-six migrant prosecutions in Arizona was conducted. It found that Arizona was both the greatest point of entry for illegal immigration and illegal drugs.[91] The study also showed migrants and drug smugglers often interacted, which suggests there is some level of collusion between illegal immigrants and the drug cartels.[92] Exploiting the migrants'

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[87] Gabriella E. Sanchez and Sheldon X. Zhang, "Rumors, Encounters, Collaborations, and Survival: The Migrant Smuggling–Drug Trafficking Nexus in the U.S. Southwest," The ANNALS of the American Academy of Political and Social Science 676, no. 1 (March 2018): 135–51.
[88] Ibid.
[89] Gabriella E. Sanchez and Sheldon X. Zhang, 135–51.
[90] Ibid.
[91] Ibid.
[92] Ibid.

vulnerability is effective in getting the drugs to the border, for two million pounds of illegal drugs were seized by Customs and Border Protection last year.[93]

To say the immigrants have criminal intent behind their actions, however, is ostensibly false as noted by Sanchez and Zhang: "the role of criminalized actors—particularly men involved in drug trafficking — constituted a critical element of the migratory experiences and even the survival" of these migrants.[94] Support is necessary to cross the border because of the environmental dangers that also threaten success, which is why migrant smugglers, who may be separate from the cartels, are hired in the first place. Common life-threatening elements include falls, dehydration, or heatstroke. Guides are necessary for the mitigation of these environmental factors and taking the most efficient route possible to reach the destination. The migrants peddle these drugs because they are traversing extreme terrain that poses physical dangers in order to circumvent U.S. authorities.[95] Often times, they must rely on help from the drug cartels to survive. [96] The most common transaction was having the migrants pay a fee in order to access the route to the United States, of which is largely under the cartel control. If the fee could not be paid, migrants could aid in drug trafficking operations to secure payment or transportation to the United States.[97] This practice is common and increasing

[93] Ron Nixon, "By Land, Sea or Catapult: How Smugglers Get Drugs Across the Border," The New York Times, www.nytimes.com/2017/07/25/us/drugs-border-wall.html.
[94] Gabriella E. Sanchez and Sheldon X. Zhang, 135–51.
[95] Ibid.
[96] Ibid.
[97] Ibid.

around the border, which supports the idea that the cartels could be expanding their market through the use of coerced immigrant drug peddlers.

Immigration to the United States has provided a resource for the cartels to expand their market and thus their power. Through the enforcement of the IIRIRA, greater numbers of deportation have occurred, giving the cartels more potential labor to assist in their operations. Since the cartels also largely inhabit and control the migrants routes to the United States, this has become another outlet to expand market power and transport drugs across the border.

## Chapter Four

The cartels, as the cunning business men they are, have found a final policy to exploit for their own benefit. The last policy to be analyzed in this paper will be the Federal Assault Weapons Ban, passed in 1994. While this statute had numerous opportunities for the cartels to take advantage of, it did have some attempts at protection from assault weapons being smuggled into Mexico. This chapter will analyze how the cartels have infiltrated the U.S. gun market, and it will argue that this lack of ban has only increased their opportunity to obtain high powered weapons to aid in their violence against local authorities, rival cartels, and innocent citizens.

The federal ban on assault weapons, passed in 1994, was ultimately ineffective when it was in place;, and after it expired in 2004, even more loopholes developed for opportunistic cartels to take advantage. The ban outlawed 18 different types of guns,

focusing on automatic weapons. Congress sought to regulate automatic weapons because of their capacity to expel more bullets in a shorter amount of time. Semi automatic guns are still lethal because they automatically reload, but the trigger has to be pulled for each bullet fired. This makes the gun less capable of inflicting the extreme damage that automatic weapons can do. Automatic weapons, which are most used in mass shootings, create a shower of bullets; holding the trigger down will allow the entire magazine to run out. Semi automatic weapons, on the other hand, shoot at a much slower rate. The result is less bullets can be fired in a short amount of time by the semiautomatic weapon, so less damage is done. The primary issue in this statute is it allowed room for creativity when it came to modifying the guns in such away to comply with standards. For example, attachments could be added and removed so the gun remain legal.

The first loophole in this ban that is advantageous to the cartels was that all automatic weapon manufactured before the 1994 ban were deemed legal for all business transactions: selling or buying.[98] This meant that about 1.5 million assault weapons and over 24 million high-capacity magazines, those that could hold more than 10 rounds, were legal even with the ban since they were manufactured before 1994.[99] With the expiration of the ban, furthermore, U.S. law enforcement lacks the means to break up potentially crime facilitating organizations because it does not have the legal tools to stop

[98] Brad Plumer, "Everything You Need to Know about the Assault Weapons Ban, in One Post," https://www.washingtonpost.com/news/wonk/wp/2012/12/17/everything-you-need-to-know-about-banning-assault-weapons-in-one-post/?utm_term=.ff882771e3e7.
[99] Ibid.

gun smuggling operations to Mexico.[100] Current legislation allows for meaningless consequences of crimes because the punishments are weak since the crimes are not considered severe.[101] An example of a lack of legal tools is that there is no U.S. law that criminalizes weapons trafficking, which means authorities cannot investigate cases surrounding these circumstances; there is no legal grounds to create a case. Therefore, in addition to these powerful weapons being legal, with a large supply readily available since the ban cannot effectively and retroactively deem weapons illegal without extensive seizures, the trafficking of them is also legal. This allows for an entire market to exist that serves the cartels' desire to perpetuate violence in Mexico.

Mexico, on the other hand, has the Federal Law of Firearms and Explosives, which outlaws high-powered weapons like the AK-47, an assault rifle, and the Barrett .50-caliber, a sniper rifle. These are not the only guns prohibited by Mexico, they are simply examples of guns often used by the cartels. Due to this ban, weapons must be obtained outside the country, for they are not legally manufactured nor sold in Mexico. The cartels need not look far; however, because the weapons can typically be obtained from the United States.[102] The elaborate scheme of weapons trafficking to smuggle the guns across the border requires a network of middle men to deceive authorities; and once these weapons are bought, the smuggling process across the border has few obstacles.[103] This process is proven to be effective, as 90% of traceable weapons recovered in Mexico

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[100] Michael Krantz, "Walking Firearms to Gunrunners: AFT's Flawed Operation in a Flawed System," Journal of Criminal Law & Criminology 103, no. 2 (Spring, 2013): 585-624.
[101] Ibid.
[102] Ibid.
[103] Ibid.

between 2006 and 2008 came from the United States.[104] The initial purchase of the gun is often from a federally licensed weapons dealer or from an unregulated gun show, where someone is selling his private collection. The initial purchaser then sells it to the smuggler, who will carry it into Mexico.

Unregulated gun shows exist because, according to statute 18 U.S.C. 922, it is only a "crime for anyone not a licensed importer, licensed manufacturer, or licensed dealer, to engage in the business of importing, manufacturing, or dealing in firearms."[105] This provision is meant to only allow those with government licenses the ability to sell weapons and ammunition.[106] The key word here in this provision is "business," which, as Krantz said, is defined as "a person who devotes time, attention, and labor to dealing in firearms as a regular course of trade…" but does not include those who make "occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or who sells all or part of his personal collection of firearms."[107] Therefore, all people who do not engage in arms dealing as a trade to make a living are protected. Buyers and sellers interested in guns as a hobby do not have to comply with licensing or any sort, and it is the very reason unregulated gun shows exist.

Between unregulated gun shows and a lack of federal laws outlawing these weapons and condemning weapons trafficking, the cartels have ample opportunity to obtain guns from the United States and smuggle them across the border to Mexico, where

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[104] Ibid.
[105] Ibid.
[106] Ibid.
[107] Ibid.

they continue to commit heinous acts to further their drug business and perpetuate violence. While policy loopholes have contributed to the cartels capitalizing on U.S. statutes, other solutions have also proven to be ineffective. Due to the constraints of this paper, these solutions will not be developed completely but merely identified to show other ways the cartels have succeeded in adapting to short-sighted reactions from both American and Mexican law enforcement. As discussed earlier, weapons flow from the United States into the hands of the cartels in Mexico. This weapons trafficking process has posed a serious problem for U.S. law enforcement, as solutions are often ineffective. For example, the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) allowed a number of AK-47s, a common gun used amongst the cartels, to be used in a series of violent acts committed by the cartels. The ATF wanted to trace these weapons, and then take action once they had definitive proof these guns were being used by the cartels to commit much of the violence seen in the streets of Mexico. This operation ultimately failed, however, because the trace was lost; violent acts aided by these weapons were committed; and no arrests were made. While the ATF intentionally allowed the cartels to obtain these weapons, they did not mean to condone the violence that ensued because of it.

Other attempts at solutions have only antagonized the problem. In 2006, President Calderón declared war on the cartels, which included sending authority task forces to different parts of the country to mitigate violence instigated by the cartels there; and the

Mexican cartels responded with even more violence.[108] Perhaps one of these reasons authorities often struggle with their approach to gun violence, as Krantz suggests, is the "violence in Mexico has been largely indiscriminate, with cartels targeting Mexican law enforcement, rival cartels, and innocent civilians, all in an effort to control the drug routes into the United States and to intimidate opponents into submission."[109] The randomness of their violence makes it difficult to predict their motives or next targets, which in return makes it challenging for U.S. authorities to formulate a counter-strategy. This specific approach to essentially waging war against the cartels is not as effective as Mexico and the United States would like it to be, but fewer trafficking operations would lessen the violence in those areas.[110]

Having more effective gun laws would help mitigate the situation, as can be seen in a case study done on gun laws in the states bordering Mexico. While the federal ban expired in 2004, California maintained local laws that outlawed automatic assault weapons, but Arizona, Texas, and New Mexico did not. The results were homicides rose by 60% more in non-California entry ports than those 100 miles away where gun laws were more stringent. Criminal homicides taking place in Mexico are often connected to the drug trade, so using homicide statistics is an effective measure to test how effective policies are in preventing violence escalated by the cartels. Another helpful measure is the sale of handguns. There were more assault guns seized by the Mexican military than hand guns in states without an assault weapons ban, which supports the fact that the

[108] Ibid.
[109] Ibid.
[110] Ibid.

policy ban does have an effect on access to assault weapons. This is because once the ban expired the assault weapons became more accessible and easier to buy. If more assault guns are seized, but handgun seizures stayed the same, then there must be increased access to these assault weapons. If the sale of handguns also increased, then it would be unrelated to the changing of the laws, since the ban on federal weapons did not regulate the production and use of handguns. Other variables that could explain this were ruled out by using time-varying controls on drug seizures, income, and enforcement patterns on both sides of the border.[111]

Furthermore, access to guns does have an effect on the amount of violence committed in a country: Where there are bribes and an informal market, which the cartels actively participate in cultivating as explained in earlier chapters, greater numbers of weapons will most likely increase violence due to the instability of the country.[112] This study also concluded that homicides rose almost immediately after the federal ban expired and has persisted since. Additionally, there was a 15% increase in gun sales in Arizona, Texas, and New Mexico, but only a 5% increase in sales in California, where the gun laws were stricter. Rifle sales also increased, which includes automatic weapons. In fact, sales doubled in non-California states, while California sales stayed the same.

The border with the United States is a particularly advantageous market for the cartels because of the weak gun laws in the United States which complement the strict gun laws in Mexico and allow for the cartels to simply cross the border and obtain

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[111] Arindrajit Dube, Oeindrila Dube, and Omar Garcãa-Ponce,"Cross-Border Spillover: U.S. Gun Laws and Violence in Mexico," The American Political Science Review 107, no. 3 (08, 2013): 397-417.
[112] Ibid.

weapons.[113] While Mexico only has a single outlet for selling legally authorized guns, which is operated by the Ministry of National Defense, there are 7,240 federally licensed firearms outlets in California, Arizona, New Mexico, and Texas alone.[114] The gun laws in California, however, really have an effect on access. From 2004 to 2008, only 20% of guns seized in Mexico were traced to be from California while 49% had originated in Texas and Arizona. The actual export rate of U.S. guns to Mexico from non-California states, though, is even greater: three times as large as that of California.[115] Therefore, as Dube argues, the "combination of larger sales in the non-California states after 2004 along with the pattern of aggregate flows to Mexico suggests that there was a sizable increase in guns going to Mexico as a result of the Federal Arms Weapons Ban expiration."[116]

The access to guns had a profound effect on the amount of violence the cartels are able to commit because greater access facilitates more violence. And, this access has a disproportionately greater impact on violence in unstable areas, especially where bribes exist between politicians, law enforcement, and the cartels in order to maintain order.[117] Violence may not necessarily manifest in obvious ways. Besides using the guns to commit crimes against innocent civilians, there is also violence surrounding obtaining those guns in the first place because certain cartels control certain entry ports to the

[113] Ibid.
[114] Ibid.
[115] Ibid.
[116] Ibid.
[117] Ibid.

country, so it is dangerous to ship a gun into enemy territory.[118] Entering a rival cartel's territory can escalate violence since different parts of smuggling routes are controlled by different cartels. On the other side of the border, U.S. street gangs facilitate the gun trafficking to Mexican cartels. These alliances are crucial for the trade to be successful, and the rivalries between the cartels antagonizes the interactions by increasing the violence.[119] The violence associated with weapons smuggling is thus two fold: obtaining the weapons is the first issue and crimes committed after the guns are in possession of the cartels is the second issue.

Once the guns were obtained, further violence was committed. According to the study mentioned earlier, Mexican border cities near Arizona, New Mexico, and Texas experienced an additional 38% increase in homicides after 2004, compared to cities along the border with California.[120] Additionally, 656 homicides were committed on average annually from 2005 to 2006, which was 181 deaths higher than the California rate. In the post-2004 period, 738 gun deaths occurred on average annually, and it was estimated an additional 235 deaths were a consequence of the change in the U.S. policy.[121] These additional deaths represent around 21% of all homicides and 30% of all gun-related homicides.[122]The results of this study demonstrate that the more guns available, the more

[118] Ibid.
[119] Ibid.
[120] Ibid.
[121] Ibid.
[122] Ibid.

violence is committed as reflected by cartels capitalizing on their proximity to the border and U.S. gun laws.[123]

To touch briefly on possible solutions, passing another ban on assault weapons with automatic capabilities and large magazines to hold numerous bullets will not be as effective as it initially was. There are such a multitude of guns in Mexico now that the ban would not be able to regulate the weapons that already exist in the country. The only way to truly monitor these preexisting guns is through seizures or natural depreciation, which cannot necessarily be counted on, since guns are made to withstand the passing of time. Therefore, more all encompassing policy, such that does not allow the room for clever innovation in the name of Second Amendment freedom, must be implemented in addition to greater law enforcement to curtail homicide rates in the immediate future.[124] In the end, consequences of U.S. policy extend far beyond even Mexico. In the last ten years, most guns in Jamaica have been traced back to the United States and up to 80% of the guns in Central America may also originate from the United States.[125]

The impact of the United States' gun laws thus goes beyond its borders.[126] There was a direct impact in Mexico along the border where the cartels largely operate and perpetuate violence immediately after the expiration of the Federal Assault Weapons Ban. This violence could be seen in both the attempt to obtain illegal weapons and in using those weapons to commit more murders on local law enforcement, government

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[123] Ibid.
[124] Ibid.
[125] Ibid.
[126] Ibid.

officials, and citizens alike. Entering rival cartel territory posed an additional threat to the already extensive process of obtaining these guns from the United States. The extensive process, however, is made easier for the cartels by buying from unregulated gun shows and using a network of middlemen to lose U.S. security forces' traces of the weapons. In addition to this, U.S. policy has largely facilitated the cartels' operations of weapons trafficking. Since weapons trafficking has not explicitly been made illegal, it makes it difficult for authorities to develop a case and use resources to fight back against these operations. Furthermore, even when the Federal Assault Weapons Ban was in place, it simply encouraged further innovation to modify the weapons and circumvent standards to continue selling and buying these weapons. It loosely prohibited participating in dealing these arms; for as long as one was not in the trade to make a living, business could continue without proper federal licenses. Unfortunately, this poor policy eventually expired, taking what little protection there was away and allowing even greater avenues for the cartels to capitalize on loopholes in U.S. policy.

## Chapter Five: Conclusion

From the analysis of the three economic, immigration, and gun policies the cartels have capitalized on, it is clear the cartels' biggest strength is their ability to adapt. Due to this versatility, the cartels can be described in several ways. They are violent, cunning, and resourceful, but first and foremost, they are businessmen. With each obstacle placed in their way, the cartels have found loopholes to continuously keep expanding their drug

market. Any type of setback was turned into an opportunity to further their business, and any solution only encouraged the cartels to strategize more carefully, which is why they are a rather difficult group to combat with force or policy.

As explored earlier in this paper, chapter one outlined a brief history of the cartels, concentrating on the timeline after NAFTA was implemented in 1994. While the cartels have been around since the 1950s, they were not known as the dangerous drug powerhouses like they are known today. A few key events radicalized the groups and created increased tension between the different cartels, leading to horrific violence committed against rival cartels, government officials, and innocent civilians. First, the Mexican cartels were recruited by Colombian drug lords to help expand the drug market into more of North America. Then, NAFTA opened up the borders, allowing for greater numbers of drugs to be funneled into the United States as the demand rose there. This gave the cartels greater profits and allowed them to grow in size and amass more resources to carry out their operations. But even with these two events, the cartel violence was still not as aggressive as it is now.

It was not until President Calderón declared a war on drugs after taking office in 2006 that the violence grew exponentially. In response to this declaration, a cascade of consequences followed. While these actions will be described chronologically, as if one led to the other in isolation, in reality, these events were happening concurrently. Here is where a cycle of issues began, with each event along the circle affirming the other, creating a downward spiral. The first action was the President of Mexico implemented a

series of task forces, made up of varying levels of police, to halt the violence the cartels were perpetuating in various regions across Mexico. While Calderón's intentions were appropriate, the cartels had enough money and power to turn these agents against their own country through coercion and bribes. With each new wave of policemen came more recruits for the cartels to hire for protection and to carry out their operations. The consequence of having a greater staff, armed with weapons from the United States, since the Federal Assault Weapons Ban expired in 2004, is how the cartels were able to carry out more violence against one another. Factions rose up within the cartels and split off to form their own clans. It was in this period, as mentioned earlier, that the number of cartels doubled.

Therefore, the attempt to wager war on the cartels in return simply gave the cartels greater resources to manipulate and exploit for their own advantage. This pattern of capitalizing on the various solutions/policies continued into chapter two, where NAFTA was discussed.

Chapter two differs slightly from chapter three and four in that it focuses more on how NAFTA lead to greater corruption in the country in general, rather than how the cartels took advantage of loopholes in U.S. policy. While NAFTA is an intricate policy, the biggest way the cartels took advantage was by funneling more drugs into the United States under the guise of vegetable trucks. This is mentioned in chapter two, but the more in-depth analysis is about how NAFTA contributed to greater corruption in general.

NAFTA accomplished this in a series of steps. The first was that it liberalized trade by removing the tariffs and quotas on imports into Mexico, which opened up the border to allow for the country that could produce goods at the lowest cost to basically supply that good for all of North America. The result of this free market ideology was that its capitalist undertone put several companies in Mexico out of business, causing mass migration to the United States in search of work. As mentioned earlier, this was known as the deterioration of the formal market, where jobs are monitored and taxed by the government, and drove people into the informal market, where the cartels worked.

The next steps were that this free market system implemented by NAFTA perpetuated inequality and caused corruption because those with access to greater legal resources and political influence, like the cartels who bring in billions of dollars annually, maintained their position in society by striking down reform legislation. The poor, in return, lacked the resources to lobby for reform and instead sought relief from the cartels, who paid for various infrastructure like schools, hospitals, and churches. The results of this were the poor remained poor, and the rich retained their place in society as the wealthy, and the gap between the two simply widened. This chapter concludes by demonstrating how the cartels thrived off corruption by outlining important metrics such as the GDP per capita and poverty rate to show how income inequality remained prevalent in Mexico. After the conclusion of the analysis of NAFTA, the next chapter analyzed the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA).

The IIRIRA is particularly relevant to the cartels because it criminalized illegal immigration, which is a fundamental component in the operations of these drug lords. This policy was first introduced by Democrats, but its enforcement has been largely by the Republican party. As discussed, it caused mass deportation and expanded the criminal justice system to include those crossing the border illegally and those who committed petty drug crimes. Through the enforcement of these provisions, the cartels were able to capitalize on the mass deportation as a labor source for their operations. They also monitored migrant routes from Mexico to the United States and, in some instances, coerced migrants to peddle drugs into the United States.

The final chapter of content covered the Federal Assault Weapons Ban of 1994 and its expiration in 2004. The act ultimately proved to be ineffective in several ways, from its lack of strict regulations on gun attachments to its allowance of unregulated gun shows. A study on gun laws in the bordering states of California, Arizona, New Mexico, and Texas demonstrated how policies truly can have an effect on gun access and therefore gun violence. The stricter the gun laws, the less access, and therefore the less violence.

The cumulation of this research has shed light on a number of issues perpetuated by their very solutions. The cartels are a particularly difficult opponent to combat because they are able to adapt and capitalize on policies as they change. This situation is similar to trying to fight guerilla warfare that is backed by billions of dollars. Additionally, the cartels have semi-legitimacy as state actors as they provide basic services to numerous

citizens irrespective of their own government's ability to do so. These actions entrench them as vital cogs in the wheel of society, making it difficult to simply remove or exterminate them. As the current situation demonstrates, the cartels have overcome numerous attempts at their own eradication. U.S. backed tasks forces, increased border patrol, stricter immigration policies, and other methods of coercion have been utilized, but they are not mitigating the situation as one would predict they would.

One possible course of action would be to starve the cartels from their profit source: U.S. demand for drugs. Rather than attempting to treat the symptoms of the problem, a direct approach going right to the source is quenching the thirst for drugs in the United States, which would be more effective at limiting cartel access to resources. Since their whole business model depends on U.S. demand, reducing this demand could starve them of their profits, causing them to lose money and thus shrink their massive power over the state of Mexico. In reality, a combination of policies and solutions must be implemented in order to address the cartel problem in Mexico. As long as they are profiting from their business, the cartels will continue to grow.

In conclusion, the cartels have capitalized on a number of loopholes in U.S. policy. With the opening up of the borders due to NAFTA, they have found ways to sneak drugs into the United States in trucks that have failed to be inspected. Under the IIRIRA, they have capitalized on immigrant vulnerability by utilizing them in smuggling operations. Finally, under the Federal Assault Weapons Ban expiration, they have found ways to import greater numbers of guns to carry out more acts of violence in Mexico.

Due to the loopholes in these three policies, the cartels have been able to expand their power and market, and they continue to perpetuate violence to this day.

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