PRESERVING U.S. INTERESTS IN LATIN AMERICA

by

Liana Saldana

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Abstract

Traditionally, Latin America has been politically weak and economically disadvantaged, whereas the U.S. has prospered. The U.S. has traded and invested in Latin America despite concerns regarding its weakness. The U.S. has created policies to bolster the economic climate and political stability in Latin America without success. However, the bigger question is determining if these policies and initiatives were created to protect financial and political U.S. interests or as means of creating viable trade partners. These chapters will exemplify several policies and initiatives that have been unsuccessful in the areas of national security, energy security, and instilling democratization strategies. Many of these implemented policies were developed to remedy an immediate threat but not an overarching strategy for long-term change. Also, for the most part, many of these strategies were imposed on Latin America without a cooperative agreement for change. Each of these three chapters presents issues that began in Latin America and have impacted the U.S.

The first chapter presents information regarding drug trafficking organizations (DTOs) and their role as a major national security issue for the U.S. Historically, DTOs have begun in states with weak rule of law and oversight. The hypothesis states that DTOs are able to destabilize their states of origin through recruitment and corruption efforts to expand their empire. Once Plan Colombia was instituted in Colombia, drug cartels used Mexican drug organizations to create a network to transport their product to the U.S. As a result, many Mexican/Colombian drug cartel networks have become an international threat. There is evidence that Mexican drug cartels are heavily involved in expanding their empire using recruitment and corruption as a means of expanding their
network into the U.S. The current policies in place have not had an impact on cartel activity within the U.S.

The second chapter explores the threats stemming from Latin America in the energy security sector. Both Colombia and Venezuela were chosen as the case studies because they are the fourth and fifth biggest petroleum exporters to the U.S. with civil unrest issues. The hypothesis states that resource abundant states with threats of prolonged civil unrest could hinder oil production. The U.S. depends on these exports to sustain American consumption, without these exports energy supplies would be limited. This chapter evaluated U.S. measures to curtail the threat of civil unrest in these states. Plan Colombia proved relatively successful in the elimination of DTOs from Colombia, however; in an effort to regain their empire, DTOs have begun attacking oil production plants. Now, on the verge of inciting a civil war between DTOs and the government, U.S. petroleum exports from Colombia could be at risk. Venezuela has experienced recent civil unrest due to humanitarian rights violations and unfair elections by the current authoritarian regime. Venezuela's biggest economic contributor, PDVSA state oil company, has shown signs of decreasing production. The U.S. has imposed economic sanctions against the Venezuela regime to restore order. Venezuela has responded with refusing to abide by the economic sanctions and creating an anti-American rhetoric within its state. Chapter Two concludes with affirming the hypothesis that threats these two case studies present can negatively impact U.S. energy security. Not only have current policies not alleviated the aforementioned threats, but have exacerbated the situation in both cases resulting in unintended consequences as well.
The final chapter examines the U.S. democratization strategies implemented within Latin America. The hypothesis states U.S. intervention strategies have not been successful in furthering democratization goals in Latin America. Covert action, economic sanctions, and diplomatic measures were the strategies evaluated. All have been implemented in varying degrees in Latin America. The case studies selected were: Guatemala from the 1950s to current, Venezuela from 1990s to current, and Mexico from 1990s to current. These case studies were chosen because they exemplified the most recent and most relevant cases of democratization strategies. Evidence provided in this chapter proves a correct hypothesis that U.S. democratization goals were not met with any measure of success. Also through the investigation, these strategies proved to be used to preserve a U.S. interest instead of promoting democratic goals.

In conclusion, this thesis highlights some of the major issues of U.S. policy in Latin America. Although Latin America poses real threats, many policies deemed in favor of creating democracy in Latin America, are really to preserve U.S. interests. The major areas of security issues are discussed throughout this thesis to convey the idea that a more honest approach to these policies might create a better relationship with Latin America as a whole. Also, a more direct and reformative policy approach to alleviating these issues will mitigate the issues that impact the U.S. The anti-American rhetoric is becoming stronger and could create even greater international relation issues in the future. Each chapter provides recommendations for eliminating the threat presented, promote better Latin American governance, and provide security to the U.S. interests.

Advisor: Mark Stout, Ph.D
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Thesis Introduction

The overall goal of this thesis is to highlight the ineffective polices and initiatives aimed at Latin America to sustain U.S. interests. Though the threats imposed on the U.S. are important and urgent, effective policies have not been developed to target these threats. The effectiveness is measured by determining if current policies are mitigating issues or exacerbating them. Some of the policies discussed had unintended consequences as well. Some of these consequences such as ruined relations, a surge in the international drug trade, and anti-American rhetoric throughout Latin America have been the result of failed policy goals and a U.S. preservation strategy. Another goal of this thesis is to evaluate policies to determine if they are implemented to promote democracy, rule of law, and eliminate threats of criminal organizations, or; they are implemented for U.S. interests only.

Though Latin America has been weak in its governance and maintenance of a viable economic structure, these issues are not viewed as major concerns in U.S. foreign policy. Many Latin American states have autocratic and one-party political systems. This presents issues when bilateral trade or security threats are effecting U.S. interests. Efforts to secure these issues have not been successful due to weak governmental rule or autocratic regimes refusing to cooperate with U.S. concerns. Democratization efforts in Latin America have been ineffective as a means to secure trade and security. The chapters focus on policy and if the initiative or policy implementation has been appropriate or effective. Though each of these issues directly impact U.S. security, the policies aimed at solving these issues is greatly lacking. Each of these chapters takes a different perspective to potential threats to U.S. security issues. The overall thesis
hypothesis is that implemented intervention strategies are not effective in deterring threats from non-state actor organizations in Latin America or potential threats to our energy interests. These chapters examine the issues of energy and U.S. national security determine U.S. foreign policy effectiveness in securing interests.

The first chapter studies drug trafficking organizations (DTOs) and the threat they impose in the U.S. For this chapter I selected Mexico and Colombia because both states had DTO groups originate and transform into international threats. These groups targeted routes to the U.S. because it was their primary revenue source. DTO groups from these two states grew from similar foundations such as small and desolate rural areas where rule of law was weakest, to large international criminal industries. Evidence of Mexican DTOs infiltrating U.S. borders well beyond border cities are examined. The chapter also examines if destabilization efforts forged in Mexico and Colombia will be successful in the U.S. The destabilization factors examined are corruption and recruitment strategies used by DTOs to expand their empire. DTOs within Latin America has been a growing concern for the region. The growing threat stemming from DTOs in Latin America is becoming an increased threat primarily to U.S. national security. Latin America by and large has become a safe haven for drug traffickers. The expansion of these networks have permeated most of Latin America and have gained strength in Northern America. This chapter uses a case study methodology to compare the DTO organizations in Colombia and Mexico. The chapter analyzes the recruitment and corruption methods in weak governance environments. The research question is: Will the corruption and recruitment tactics that drug cartels used to destabilize their home countries be effective in destabilizing a stable state? Due to weak governance, DTOs have been able to understand
which areas are easily accessible to operate. The chapter looks at Mexican and Colombian DTOs and their ability to recruit and corrupt within their respective states. In a bottom up approach, DTOs start in a desolate, weak rule of law environment and use money and power to lure the impoverished and young to work for them. They also repeat this same pattern of influence for bribing and corrupting law enforcement and legislative personnel. Once a network is strong enough to expand, the DTO networks permeate the more urban and lucrative areas of the state. When DTOs are secure in these areas, they become international threats. This infiltration method has proven to be effective. They have used the infiltration methods in the U.S. Current strategies to remove DTOs have not been effective due to the sheer strength and magnitude these networks have stretched. Using current U.S. strategies have been successful to deflate DTO strength but not to fully eliminate. Despite their initial success, intervention strategies have not been impactful in long term support to weaker governmental institutions. Chapter one highlights the emerging threat of DTOs within U.S. borders executing similar strategies that afforded them strength in Latin America. Mexico and Colombia, some of the most notorious DTO networks known internationally, were the chosen subjects for this discussion. Recommendations as to how to combat the problems within the U.S. are suggested, however; further study as to which strategies would be effective within the U.S. borders will need to be explored.

The second chapter examines the economic security issues stemming from non-state actors and civil unrest. This chapter will determine if these variables will have an effect on petroleum output and exportation to the U.S. The failure to export oil by these states could severely impact U.S. consumption of petroleum products and hamper the
quality of life in the U.S. The chapter focuses on whether social unrest and threats by non-state actors could prevent Latin American oil exporters from producing. For this chapter, I focused on Venezuela and Colombia petroleum exports to the U.S. I chose these two cases because they are both have civil unrest issues as well as a resource abundance. Since the issue discussed in this chapter is to examine the impact civil unrest has on U.S. oil imports, these two cases are most qualified. The issue of energy security was examined to determine if it could be effected by social unrest in resource abundant states. The research question is: how does destabilization of governmental rule affect the petroleum supply from leading exporters to the U.S.; and what impact does instability in exporting oil rich nations have on the U.S. for American energy security? Social unrest not only affects basic governmental operation, but it also affects those states that depend on their exports for their own energy needs. This chapter examines Venezuela and Colombia as cases studies of threats of social unrest and how it has impacted exported resources. These two cases were chosen because they are presently the most serious threats to U.S. energy security due to their positions as the fourth and fifth biggest exporters of petroleum to the U.S. with social unrest issues. Though the U.S. has intervened to aid both states in their plight to diminish these threats to governance, the methods used to aid were inappropriate and ineffective. Previous intervention to rid Colombia of security concerns were effective in reducing DTO’s threats, but not in eliminating them. Thus, in an effort to regain strength, these same DTOs target resources that are vital to sustaining the economy. This threat, in turn, affects U.S. energy security vital to sustaining the large volume of American consumption. In Venezuela, due to its failing economy and political corruption, social unrest has erupted. Social unrest can be a
serious destabilization factor to oil production. U.S. intervention strategies to ensure Venezuela export capabilities have been rejected by the Venezuelan government.

Economic sanctions have not had an effect on social injustices or corruption nor has it relieved any social unrest threats. These sanctions have not only had no effect to resolve energy security concerns for the U.S., but have threatened relations with Venezuela as well. Though strained relations have not had an effect on the oil trade between the two states, the fact remains that sanctions against Venezuela has lent to an anti-American rhetoric. This rhetoric has dashed any hopes of future energy security measures the U.S. might launch. Therefore, the unstable political structure of Venezuela will continue to unravel without a possible resolution. Chapter two examines two different kinds of social unrest threats: non-state actor violence against the state and civil unrest that has the potential to lead to civil war. Both cases are viable threats to the U.S. in energy security concerns. These two methods of social unrest are theorized to be the only two methods by which resource exportation might be affected. The chapter also explains how the U.S. current domestic output has been increasing to remedy this. However, the eruptive nature of civil unrest situations might not allow the U.S. time necessary to vamp up production.

The final chapter examines the U.S. foreign policy on global democratization. Particularly focused in Latin America, these measures are implemented in various parts of the region. This chapter focuses on three major imposing methods of democratization: covert action, economic sanctions, and diplomatic measures. The first two methods are coercive because they are imposed without consent by those states. The third method is a cooperative bilateral measure that has potential to be more conducive to a better relationship with the affected state. Each of these chapters will be introduced with greater
detail. The final chapter of the thesis examines intervention strategies to democratize Latin America. The question is: Were U.S. intervention strategies to promote democracy in Latin America a means to preserve U.S. interests? The examination questions whether foreign policy democratization intervention strategies are a ruse by the U.S. to maintain energy and national security concerns. This chapter examines the past intervention strategies of covert military action, economic sanctions, and diplomatic measures implemented in each case study. Covert action was used in Guatemala in the form of a coup in 1954 to rid the threat of communist influences in the region. Venezuela is used as a case study to examine economic sanctions as a democratization method. As discussed in Chapter two, Venezuela is a major exporter of oil to the U.S. Economic sanctions were used against the authoritarian regime in order to rectify social injustices and corruption. Mexico is used as an example of diplomatic measure to determine its overall effectiveness. NAFTA and the Merida Initiative were used as economic and security measures to bolster the economy, fortifying rule of law, and reinforce the democratization of the political system. As examined in chapters one and two, there are several real threats from Latin America in energy and security areas. However, previous U.S. administrations claimed that many of the past intervention strategies were implemented to fulfill the foreign policy of improving global democratization. The cases of Guatemala in 1954, Venezuela during the period of 1990s to the present, and Mexico from the period of 1990s to present, were chosen because they represent some of the major cases of U.S. intervention strategies in Latin America. Although intervention strategies of this nature have been implemented in other parts of Latin America, none are more evident than those in Guatemala, Venezuela, and Mexico.
Latin America is a region that has great impact to the U.S. in every aspect. Due to the proximity and bilateral relationships forged, it is important that the U.S. focus on effective strategies to deal with the unstable governments that the U.S. helped form. These were formed either through military action or the denial of aid because of humanitarian violations. Many of the states discussed in each of these three chapters are fragile states on the verge of possible collapse. If these states become failed states, with non-state actors seeking them out for safe haven refuge, the U.S. will have an enormous task of eliminating the consequences of neglect.

These three chapters are an in-depth description of the impending issues that face U.S. security. These chapters also look at the policies implemented to solve each of these issues and determine if they were successful. Many of the strategies that have been implemented in the past have created distrust of U.S. intentions in Latin America. Past transgressions like the 1954 Guatemalan coup has states such as Venezuela weary of U.S. intentions. The U.S. has done much to certify this by not implementing long-standing strategies to diffuse such claims.

One of the main points of this thesis is to show how bilateral cooperation in these issues of security have led to more success than those imposed measures. The best example of bilateral cooperation efforts is Mexico. Though the U.S. has not fully exonerated Mexico of its issues, improvement has been evident. This method has not been imposed in all Latin American countries, however. A glaring example of this statement is Venezuela. As both chapters two and three exemplify two different perspectives, Venezuelan sanctions have not alleviated issues related to this state that is vital to the U.S.
Another point is to determine if the interest in Latin America is purely maintaining better relations or for the U.S. to impose its will. If the U.S. has no intention of aiding these countries in their global community survival, then imposing these sanctions and measures are a grave misstep. Not only will the U.S. lose credibility within Latin America as a whole and loose in retaining trade agreements, but will also lose credibility as a great super power with nations in the global theater.

This thesis will bring to light the importance of ensuring Latin America’s governance and economic structure remains intact. Failure for the U.S. to recognize that their impact can have a severe consequence. Recommendations as to resolving these issues are stated at the conclusion of each chapter. Though, there are no definitive answers, a recommendation as to better adjust current policies or initiatives to combat security issues are discussed. Implementation of current strategies in Latin America are questioned in this portfolio. The goal of this paper is to determine if these policies are targeting the concerns for U.S. security. When these policies are not addressing the issues, what is the U.S. response? If coercive or diplomatic measures are being used as part of the response, are they effective? What justification is the U.S. using to force Latin American governments to ensure their state is stable enough? There is no question that the U.S. is responding to threats from Latin America. However, are the right responses to these threats being utilized? These questions are not answered here but are proven justifiable in U.S. relations with Latin America. The first two chapters relate to determining if national security and energy security are threatened by unstable Latin American governments. The effects from destabilization in Latin America can have consequences to U.S. interests. The third chapter takes a look at the intervention.
strategies that have been previously and currently employed in Latin America to preserve these interests or in an effort to democratize for the greater good. The last chapter evaluates if the U.S. foreign policy is instituted as an act of a world superpower responsibility or as a means of protecting its interests.
Chapter 1: Introduction

Recruiting and corruption efforts by drug cartels have become successful enough to destabilize countries. Drug cartels have influenced governmental change to combat their advancement. Their influence over governance, law enforcement, and the economic structure of a state has been so vast; the affected country has requested international assistance to halt the drug cartels’ advancement. International cooperation between states has been used to stifle drug cartels’ emergence on an international level up until present day. However, the emerging threat going forward is the re-emergence of cartel networks infiltrating normally stable governments such as the United States. The cases selected represent the larger international threat. Both states have large cartel networks with enough economic clout to destabilize their respective nations. While other states within Latin America have operating drug cartels, none are as internationally viable as those established in Mexico and Colombia. The issue is to evaluate the tactics used in Mexico and Colombia that effectively destabilized those countries. As in the example of Mexico and Colombia, drug cartel networks started in small rural regions were law enforcement was scarce and easily corruptible. The ability for drug cartels to expand into regions where law enforcement and governmental rule is stronger than desolate, rural areas, can destabilize a state. The bigger question though is determining whether those same tactics will be successful in destabilizing a stable state and corrupt it in the same way that other non-stable countries have been affected. Cartels have expanded in both influence and financial gain within Mexico and Colombia. Though destabilization and governmental control are not the goals of drug cartels, they have been able to achieve considerable control within governmentally weak environments and expand their influence.
The focus of this paper is to analyze the recruitment and corruption tactics cartels use to expand their empire sufficiently to destabilize governmental rule. Also, in the case where stable governments do exist, I will analyze whether the same recruitment and corruption tactics used in those cases will be effective. So the question is: Will the corruption and recruitment tactics that drug cartels used to destabilize their home countries be effective in destabilizing a stable state?

**Literature Review**

Drug cartels recruitment strategies and corruption tactics have been effective in their expansion. Cartels are described as a global business with forward and backward linkages for supply and distribution in many countries. As businesses, they are most concerned with bringing products to the market in the most efficient way possible. Cartels have evolved from a first generation street gangs into second-generation organized crime syndicates. Drug cartels are entrepreneurial, and operate with a broader, market focused political agenda. They are most likely to have centralized leadership and hierarchy structure. “The extensive terror and disruption practiced by narcotics producing and trafficking cartels can incapacitate government enforcement efforts, paralyze the judiciary, fuel corruption, and destabilize local communities and nation states alike”.  

Cartels operate and expand because of two sources of replenish-able power: recruitment and corruption. Without these two sources of attaining support to process,

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http://www.cjimagazine.com/archives/cjica76.html?id=543
distribute, and finance operations, cartels would cease to exist. There are many different types and methods that cartels use to recruit and corrupt to further business goals.

One of the methods is through political corruption on the local level. There are several reasons why corruption is a useful tool for drug cartels. One of the most beneficial uses of corruption is to provide political immunity. The relationship between drug cartels and the political structure progresses from the local level to the national level in politics. For political figures, drug cartels provides authoritarian elites or bureaucratic oligarchies a means of gaining wealth and power.\(^3\) Corruption allows cartels to operate with impunity and invokes a governmental cooperation in their business practices. Similarly, recruitment of members is also a crucial element to the success of cartels.

Transnational criminal organizations (TSOs) have the capacity to flow around legal and geographical boundaries. TSO networks are borderless, thus making it difficult for law enforcement agencies to combat them from their constrained national and subnational boundaries. “These networks, based on risk reduction (joining with locals to exploit local conditions or access corrupt officials), market extension (new products or outlets) or product exchange (e.g., guns for drugs), expand the capabilities of individual criminal entities, often minimizing competition and conflict.”\(^4\) The legal limitations of law enforcement agencies creates a void in which TCOs are able to operate without risk of adjudication.

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Drug cartel non-state actors (NSAs) measure success by the level of territorial control it maintains. Author Max Glasser asserts “that many NSAs do not necessarily aim at regime change or total power seizure, but rather employ strategies to deny control to the adversary by causing insecurity and instability.”\(^5\) Whereas other NSA goals might rely on other measurements of success such as violent acts against a state, drug cartels are motivated by territorial control and wealth.

**Political Stability**

In order to define political stability as a dependent variable of this argument, a viable definition needs to be established. Claude Ake defines political stability as:

\[ \text{......the regularity of the flow of political exchanges. The more the flow of political exchanges, the more stability. Alternatively, we might say that there is political stability to the extent that the members of society restrict themselves to the behavior patterns that fall within the limits imposed by political role expectations. Any act that deviates from these limits is an instance of political instability.}^{6} \]

According to this definition of political stability we can assess that major incidents of deviation from political role expectations such as mobilization of a state’s military to combat a domestic issue is an instance of instability. We can also assess that any instance where international cooperation is necessary to combat the domestic problem is a violation of political norms and role expectations. Most who have studied this area would agree that a principal mistake any policymaker or law-enforcement agent could make is to ignore a serious problem [like criminal groups] for an extended period of time. “A key priority for any law-enforcement agency that is practicing either repressive or preventative methods is to be aware not simply of the criminal group(s) in

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place, but to foresee which groups are likely to form once the present problem is
recognized and targeted in an effective manner.”

There are several reasons why TCOs are originating, traversing, or committed to
one state. Primarily, the resources such as a vulnerable populace to prey upon and a weak
economy to support the illegal activity are necessary. To combat this, border security and
strength of law are critical elements. They will determine if transnational criminal
activity will be successful and will either repel or attract transnational criminal activity.
Weak governmental rule breeds organized crime, resulting in corruption which
delegitimizes the country’s government. These elements of TOC groups contribute to a
destabilization effect on a state in which they operate. Inability for the state to effectively
remove the TOC group will have devastating effects on all facets of the government
function.

Recruitment

Recruitment efforts by NSAs require a social identity that can only come from a
group that presents a sense of belonging unique to these organizations. “NSAs use a
sense group loyalty, pertinence, status within and outside the group, skills and
knowledge, among others.” Upon entering the NSA group, individuals attain an alias
and/or nom de guerre. This is done for their protection to distance them from their former
life outside of the NSA group. This also serves as an initiation ritual into the
organization. Once individuals are recruited into the NSA, there are levels of loyalty that

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9 Hesterman, J. 2013. 137-138
determine their motivation to remain. Within social identity there are “social resources (shared beliefs, expectations and norms within certain ethnic/religious/cultural/ideological groups) would lead to the recruitment of ‘high commitment’ individuals, while economic resources (natural resource extraction, taxation, criminal activity or external patronage) would attract ‘low-commitment’ individuals who are seeking short-term personal gain.”

High commitment individuals would include those that NSAs use for expansion for example; the youth and rural farmers. These individuals tend to have more of a social identity connection with cartels. Their loyalty is used in carrying out the expansion activities necessary for cartel influence and business practices. Low-commitment individuals would include the recruitment of governmental officials. These recruits usually are persuaded by the business opportunities that NSAs are able to afford. These opportunities range between future opportunities that are unique for their position. NSAs are dependent on recruits for revenue and to support the overall cause of the organization. Expansion greatly depends on the cartels’ ability to ensure recruits identify and become highly committed.

As Martin Garcia explains, “in Western societies, the consumption and immediate gratification of material goods are generally viewed as a symbol of success, as a result, there is a tremendous pressure from friends, neighbors, and the media to achieve this material wealth and individuals who join drug smuggling organizations do so in part of impersonal coercion; meaning that legitimate opportunities to achieve this immediate goals have been blocked.”

Recruitment requires the NSA’s ability to appeal to those it

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10 DCAF. 2014.: 10
most desires as members. Therefore, members will use their material symbols of wealth as visual recruitment tools.

According to Peter Reuter’s thesis on organized crime, research has “illustrated how particular criminal organizations were able to survive by consistently regenerating themselves through the recruitment of new members and expansion into new territories and criminal markets.”\footnote{Morselli, C., Turcotte, M. and Tenti, V. 2011:58} In order to operate within a given setting, criminal organizations need participation from the community to continue operation and growth. Criminal organizations need a variety of participants to facilitate all the roles necessary to expand the business. The authors [Ko-Lin Chin, Sheldon X. Zhang, and Robert J. Kelly] argue that trafficking/smuggling groups are resilient because most participants have no prior criminal records and because no reputed organization may be identified.\footnote{Morselli, C., Turcotte, M. and Tenti, V. 2011:56} The manner and methods in which criminal organizations carry out recruitment techniques vary due to cultural and societal norms.

**Corruption**

Corruption is a broad term that must also include the differing types of corruption used to influence people of position to aid in the effort to expand the efforts of cartels. The most popular and effective type of corruption is the bribe. The bribe can be used as a promise of money or business ventures that would benefit the government official. Coercion is another method of corrupting officials. This includes threatening the official by using threats of harm to the official and/or their family. Often times, this is an effective tool for NSA groups to in affirming the official’s allegiance.
The main concern with corruption is how it can lead to destabilization of a state. “Corruption weakens democracy and undermining citizen trust in their regimes, in effect, delegitimizing them. In order for political systems to function reasonably well, actions taken by leaders need to be viewed as legitimate.”\textsuperscript{14} TSOs such as cartels have a devastating effect when their operations permeate surrounding communities. TSOs extend their influence by acquiring individuals and organizations to facilitate, enhance, and protect their activities. At the local level, political and operational corruption can diminish the governmental control over protecting the community, resulting in violence and inter-gang conflict. This corruption can ultimately lead to a ‘failed community’, and finally; a ‘failed state’\textsuperscript{15}

Dissenting views on corruption claim that drug cartel money is “not efficient to decide elections in favor of corrupt politicians, not to mention the risks involved in bribery.”\textsuperscript{16} These views contend that corruption is not a factor because authority figures would not risk their position and possible apprehension for money. These authority figures have positions of power that would not be sacrificed to allow for corruption to occur. However, the issue of corruption has been a major issue in many areas where TSO activity has emerged. Evidence of this will be examined further in this chapter.

The existing literature on recruitment and corruption gives a basis to which political stability can be effected. Recruitment by NSA groups that include cartel

organizations, is needed to expand and create a larger operational base. Corruption is critical to cartel success in order for the cartel to enter, operate, and navigate through transportation lines and distribution points. By gaining authority figures to comply with cartel business, it creates safety from opposing authority. This also creates an ability to infiltrate the area without fear. With lower level authority figures compliance, cartels have the option of moving up the ranks to corrupt the next official in line. Both of these variables in conjunction are critical to cartel success because without expansion, cartels would not be able to destabilize countries.

Existing literature has linked lack of authoritative attention and corruption to destabilization. It has also linked recruitment to cartel expansion. This paper will expand on current literature. It will link recruitment and corruption to destabilization. It will also expand on the current literature and prove that the cartel presence has infiltrated the U.S. and is using similar tactics to those used in Mexico and Colombia to expand and corrupt. It will also address weak domestic policies and federal inaction that have created a larger burden on local law enforcement.

The theories behind the destabilization of Mexico and Colombia have lead me to assert that there is a destabilization threat to the United States. Whereas the Mexican and Colombian cartels were able to establish control over the desolate areas of their respective countries by establishing a regime of law with their benefit in mind, cartels will try to do the same within the United States using the same recruitment and corruption tactics. Through using the promise of better pay for those they seek to recruit in the key distribution points within the United States, cartels will gain control and eventually spread their empires to include other areas of government employees and
citizens throughout the United States. My assertion is that Mexico and Colombia had relatively weak governmental control and allowed cartels to operate with little governmental oversight, which within the United States could be a possibility due to the same lack of response by the government. Cartels were able to effectively destabilize their respective governments enough that international military assistance was needed to help restore a semblance of order. My hypothesis is due to weak domestic initiatives and policies along with weak governmental oversight of cartels within the borders of the United States, cartel activity and growth will increase.

**Methodology**

I will use a direct case study comparison to determine the accuracy of my hypothesis and theory. The case studies I chose are Colombia during the 1980s and 1990s and Mexico in the 2000s. I chose these due to the similarity of recruitment and corruption tactics used by cartels. These two countries have the same economic instability and fragile governmental system. Both bred cartels within their own countries and were places where the respective drugs were grown. Drug cartels also had similar success in terms of recruitment and corruption from small, rural areas where they were able to thrive. From corruption and recruitment came expansion. They both were able to expand to infiltrate higher authoritative and affluent areas to become one of the most dangerous, yet profitable businesses.

The differences between Mexico and Colombia are the initiatives the United States took to aid and stifle their success. In the case of Colombia, military aid, governmental support, and tougher border enforcement by the United States were effective enough to defeat Colombian cartels. In the case of Mexico, despite the same
initiatives that were used with Colombia, cartels were not stopped. Another difference between Mexico and Colombia is the fact that Mexico has many competing cartels whereas Colombia only had two primary cartels. Also, unlike Colombia, Mexico’s bloodshed in the competitive nature of the territorial cartel war was a factor. Mexican drug cartels continue to thrive and are infiltrate well beyond the United States’ border with Mexico. Lastly, currently the U.S. has not experienced overall economic and governmental destabilization, however; evidence of low level corruption and recruitment efforts by cartel networks are emerging.

Opposition to this argument would be that the Mexican drug cartels are not present within the United States. The United States is a stable nation that would never succumb to the drug cartels’ efforts because governmental corruption and overall recruitment on the scale to which Mexico and Colombia experienced would never happen.

Data

In this section, I will review the recruitment practices of Mexico, Colombia, and the United States. Then, I will discuss the evidence of corruption for each of these countries. Next, I will discuss the stability of each country and how these factors have led to destabilization. In the case of the United States, there is no concluding evidence of destabilization.

Mexico Drug Trafficking Organizations (DTOs) Recruitment Techniques

Recruitment in Mexico has been relatively easy because of the declining economy. Many have been drawn to the illegal drug market trade because of Mexico’s low economy and high unemployment rate. “Although unemployment went down from
1.1 million in 1995, in 2003 there were still 560,000 unemployed Mexican men.”  

According to the World Bank, unemployment rose significantly in 2009 to about 10% for men aged 15-24 years old. This age range was the most targeted group for Mexican drug cartels. In 2013, this same age range averaged a 9% unemployment rate. This high unemployment rate can have adverse effects when poverty seem imminent for unemployed workers. While under employment has been a major economic concern for Mexico, unemployment is more significant when evaluating this age range. These statistics were to show that the unemployment rates in Mexico created an opportunity for drug cartels to take advantage of the economic situation.

As cartel territorial control increased in parts of Mexico, they became more brazen with their advertising efforts. Help wanted posters and members reached out to the community offering “a good salary, food, and benefits for the families.” They even hung what is commonly known in Mexico as narcomantas (drug banners), around parks and plazas in popular Mexican cities free of fear of the Mexican authorities. “The unemployed found dangerous but well paying, steady jobs in the recession-proof drug trade as farmers, drug couriers, truck drivers, chemists, street sellers, informants, armed security guards, and sicarios (hired killers). Another popular recruitment technique the more established cartels used was to create a backing of the residents of the more impoverished areas of Mexico. They donated drug money to organizations to improve facilities, churches, schools, hospitals, and better sanitation services. This service was

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used to appeal to the masses to help cover the cartel activities as well as serve as a recruiting tool. Cartels sought police and military personnel already trained by the Mexican government. These recruits gave tactical sophistication and insight as to how the government would respond to their activities. Cartels could afford to offer higher wages and better benefits than a failing Mexican economy could offer. The downside to their participation in cartel operations was that rival gangs or governmental crackdowns could have life-ending consequences for them and their families.

There are also the narcocorridas or nacroballads that glorify and praise the successes of drug trafficking activities and wealth. Cartels hold grand concerts featuring narcoballad performers to attract the youth in particular. These events are free and held to promote the wealth and success of drug trafficking kingpins. There is more evidence of recruitment of government officials, however, a more depth analysis of that recruitment will be covered in the corruption section of this paper.

**Colombia’s DTO Recruitment Techniques**

Colombian drug trafficking organizations had similar tactics to recruit members into the organizations. Their tactic was different in that they wanted landowners with a potential to grow drug crops. Colombian DTOs bought or became landlords to farmers to grow the product and essentially recruited those farmers into the drug trade. In exchange for their work, the farmers were paid much more than the Colombian market could afford. They also offered protection from rival DTOs from destroying or killing the farmers for their land. “According to a recent study by National University professor Alejandro Reyes, the drug mafia owns 42% of the best land in Colombia. Since the

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1970s, when the drug traffickers started buying up land with their billions of dollars in illicit earnings, they acquired land in over 400 of the 1,067 municipalities throughout the nation. In doing so, the rich and powerful drug mafias and the paramilitary squads that accompany them have driven over 800,000 campesinos (peasants) from their villages and small farms."°21 A trafficker can earn $1,000 or more annually growing marijuana. This lucrative business is appealing to a trafficker because it is a chance of a decent living. Also, many traffickers have little to lose if he were to be found out by authorities. The 100,000 Colombian families involved in trafficking is evidence of their lack of fear of authority.°22 Cartels are also needed to maintain control of rural and law enforcement light areas through authoritative rule, that is, to be able to have minimal to no involvement with governmental authorities that are not within cartel control. As these areas become controlled under drug trafficking armies, money and social influence become more powerful. In areas where less governmental authority is seen and more of the drug-trafficking rule is apparent, recruitment in these areas become easier. “In such cases, criminals provide the community with a kind of stability, security, and income when they impose a social order that is coherent with the attributes of communities marginalized by modernization.”°23

Another recruitment focus for Colombian DTOs are chemists and transportation personnel. The main consumer of cocaine is the United States, Colombia’s most popular drug product, strategic transportation was needed to get past United States law

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°23 Ducan, G. 2013: 32
enforcement. The distance between Colombia and the United States was not as close in proximity as Mexico. Therefore, smuggling drugs by air and sea became a necessity and recruitment targets became people with ability to carry out these unique modes of transportation.

**DTOs Recruitment within the U.S.**

Though there is no uprising within the history of the United States like in the cases of Mexico and Colombia, information is emerging from several cities throughout the country that explains the extent to which cartels have affected cities and citizens. Though quantitative and long term effects of cartel success will not be achieved within this paper, it does dictate a trend that is emerging throughout the nation. Some recent cases of recruitment have been through the prison system. Many prisoners join the cartels in prison for protection and a sense of familiarity through mutual culture. There are many cases in which cartels have used people in prison to carry out cartel business. Once these members leave prison, they resume cartel business within society. As in the case of Jesus Ernesto "Camello" Chavez Castillo, a Barrio Azteca gang member recruited into the cartel from prison who implemented violent cartel business practices. He testified that he killed people that opposed his cartel’s interests. This included being a hit man for the cartel. He was “involved in cross-border drug-trafficking, and used illegal border-crossers to carry backpacks filled with drugs at points near Anapra. [New Mexico]”\(^{24}\)

Another mode of recruitment is by force as in the case of Ubaldo Candanoza who was “visiting his grandmother in Nuevo Progreso, Tamps. When a white Chevrolet

suburban with four gunmen pulled up and ordered him to go with them. The men told him that they needed to drive a drug load or his grandmother would be executed.”

For the most part, within the United States, cartels recruit youth, military personnel, and governmental officials. Much of the same people who have been historically recruited within Mexico and Colombia are being recruited in the United States. As of April 2011, the FBI National Gang Intelligence Center identified members of at least 53 gangs that have served in or are affiliated with the US military. The NDIC has also noted a rise in gang-related violence and activity along the US-Mexican border. There have been many newspaper reports of cartels recruiting youth from high schools. Miguel Angel Cantu, a 15 year old U.S. high school student, was arrested after admitting to committing cartel related killings in Ciudad Juarez. A Chicago study on drug gang members found that only the top echelon make the most profit, while the lower ranking members make the least. Many of the lower ranking members have second and third jobs and live at home. Yet, even though the chances are slim that lower ranking members will not make it to the top, these individuals are still intent on taking the inherent risks associated with the drug trade.

Corruption

“Corruption is a fundamental component of any illegal industry. Corruption greases the wheels of the drug smuggling business and assures its flow.”

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29 Payan, T., 2006:17
makes the upward mobility of cartels successful. Without corrupt governmental officials and law enforcement, the drug trafficking and other business practices would not be possible. In order to measure this, we use the available statistical evidence that shows the influence public perception and trust for the citizenry. There are two indexes that are used to determine corruption measures. "The widely used Corruption Perceptions Index (CPI) produced by TI (Transparency International 2002b), for example, draws on a series of polls by various organizations reflecting ‘the perceptions of business people and country analysts, both resident and non-resident’ (Transparency International 2002a), while measures by such organizations as Latinobarometro, the World Values Survey or the Latin American Public Opinion Project (LAPOP; 2004-2008) depict the opinions of citizens." These two indexes, will indicate corruption levels for Mexico, Colombia, and the United States.

**Drug Cartels and Corruption in Mexico**

Corruption within Mexico has been documented and widely known. Cartels often use bribery as their means to recruit officials, police officers, and members of the military, however; when this tactic fails, cartels typically use violence as their alternative. “Corruption is such an issue that in August 2010 there as a firing of 3,200 officers, about 10% of the 34,500-federal force, by Mexico’s Federal Police Commissioner after they failed basic integrity tests.” Captured cartel leaders are able to continue operation from prisons in Mexico. They are able to corrupt or bribe prison officials from their cells.

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30 Morris, S. 2008: 390
Corruption within Mexico has not been accurately depicted because of the reluctance of the government to admit to the amount of casualties and governmental downfalls at the hands of cartels. “When the Drug Enforcement Administration (DEA) surveyed its top fifty informants and asked them to name the most important factor for running a drug business, they overwhelmingly answered corruption.”\(^{33}\) “In 2009, there is evidence of collusion between the local police force and the Michoacán drug gang known as “La Familia”, with a federal investigation under way following the detention of Mexican police officers in connection with the torture and murder of 12 Mexican federal agents.”\(^{34}\) This evidence of corruption followed the arrest of 10 mayors on suspicion of collusion with drug gangs. Corruption permeated throughout the police and forensic services, including fingerprints and other forensic services.\(^{35}\) Corruption has infiltrated some of the highest level of governmental authorities that include governors and head of state. “For instance, Mario Villanueva Madrid, former governor of the Mexican state of Quintana Roo, was charged with providing police protection to assist the Juarez Cartel with moving cocaine and laundering money through U.S. corporations. Others recently rounded up include a bodyguard of another governor, police involved in the shooting of an army general, and several police chiefs.”\(^{36}\)

According to the 2002 CPI data, Mexico ranked at a medium level but exhibit the highest level of direct experience of corruption.\(^{37}\) In the year 2000, according to TI,

\(^{34}\) Redmond, H. 2013. http/isreverw.org/issue/90/political-economy-of-mexicos-drug-war
\(^{36}\) Hesterman, Jennifer L. 2013: 157-158
Mexico ranked 59th out of 177 countries. It had a CPI score of 3.3 which indicates that amongst other countries has a high corruption value for that year. In 2013, Mexico still ranks a low 106 out of 177 countries as being amongst one of the most corrupt countries. The CPI as of 2013 still ranks them 34th which is an improvement but is still a low ranking despite the lull in the cartel war. According to another study on corruption by Tania Nguyen, found that “corruption is positivity correlated with drug violence in Mexico, but also that regional variation in corrupt political protection tends to produce immediate and analogous changes in the number of drug executions committed at the state level.”

Drug Cartels and Corruption in Colombia

Drug trafficking corruption has not been a new phenomenon to Colombia. Infiltration of drug cartel influence into law enforcement like police and lower level military personnel is a long understood concept. The more interesting point of Colombian drug cartel influence is to what extent cartels were able to influence governmental rule. “The infiltration of drug traffickers into Colombian politics at the highest levels, including the Presidential Palace, is hardly a new thing. Drug traffickers purportedly contributed to Liberal Party candidate Cesar Turbay Ayala’s campaign in his successful race for president in 1978. In that same general election, 10% of the national Congress were allegedly elected with mafia money.” The first attempt to thwart drug cartel advancement dates back to 1982, when Pablo Escobar was elected to Congress to gain immunity and co-opt the judiciary. The Cali cartel funded the presidential campaign of

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40 Knoester. 1998:94
Ernesto Samper, who won in 1994. Both cartels' attempts to ensure their candidates won, turned the cartels into targets. The weakened Medellin and Cali Colombian drug organizations, guerrillas and paramilitary groups initiated the use of drug trafficking to fund operations. The joint effort of drug trafficking and paramilitary groups resulted in the formation of narco-paramilitary groups. Thus, the newly formed groups implicated the state as part of the struggle against the guerillas. Narco-paramilitary groups gained strength that cost the local population in the long run.\footnote{Colombian cartel infiltration did not only appear at the highest political levels, but also appeared at the most basic authoritative level, like lower court and magistrate systems. Colombian judges lived in fear, and hundreds of investigative magistrates were killed when they did not succumb to bribery.\footnote{Enjoyed.}}

Throughout the height of drug cartel success, corruption was at an all-time high. According to the World Bank Governance Indicator, Colombia between the years 1996-2004 rank rose from between the 30s to the 50s percentile of all countries worldwide. According to this report, the higher the values, the better the governance scores. We can determine that between 1996 and 2004, at the highlight of drug cartel success, corruption rose. Also, according to the CPI report in the year 2000, Colombia scored a 3.2 and ranked 60\textsuperscript{th} out of 177 countries. In 2013, the CPI score was 3.6 and it ranked 94\textsuperscript{th} out of


177 countries.\textsuperscript{43} This indicates that corruption perception has not been effectively eradicated from the country’s political system.

**Drug Cartels and Corruption in the U.S.**

Corruption within the United States has been a relatively minor problem with minimal cases to report. However, recently, evidence of corruption on the lower end of the political spectrum is rising. Primarily, most of the evidence of corruption happens at the law enforcement or lower court systems. Cartels are “actively attempting to compromise the Customs Border Protection (CBP) system by recruiting or planting operatives. Since 2004, more than one hundred CBP agents have been arrested or indicted for drug smuggling, money laundering, conspiracy, or human smuggling, succumbing to the lure of vast sums of money. In the last four years, the need to fund internal affairs investigators in CBP leapt from just five in 2006 to over 200 in 2012”.\textsuperscript{44} Drug cartels actively search for greedy officials and offer monetary incentives to supplement officers’ income. “A U.S. official may make anywhere between $34,000 and $40,000 a year, while a drug lord may offer to pay him $15,000-20,000 for every drug load he waves through at the point of entry. While upwards of fifty to sixty cases of corruption per year are open on account of drug smuggling, only a fraction of them are probably being caught, and drug cartels are constantly recruiting new officers.”\textsuperscript{45} Many cases involving the Mexican drug cartels are concentrated in the U.S. southwest region that borders Mexico. “Over 400 cases of corruption have originated from the southwest border.”\textsuperscript{46}

\textsuperscript{44} Hesterman, Jennifer L. 2013: 158
\textsuperscript{45} Payan, T., 2006:14
\textsuperscript{46} Payan, T. 2006: 14
Increasingly, there is evidence that corruption is now reaching the interior of the U.S. One such case is “Dennis M. Sindone, a fast-rising police commander became one of the highest-ranking officials ever indicted in a drug corruption case, prosecutors argued in court that he had conspired with a drug dealer and a fellow officer to steal $60,000 from a drug supplier in the Bronx [New York].”\(^{47}\) Another case involving corruption included “a former veteran Chicago narcotics officer who was sentenced to 18 years in prison for using his badge to help a violent crew of drug dealers kidnap and rob [a] rival [Mexican cartel] of large amounts of cocaine and millions in cash.”\(^{48}\) Cases like these are increasingly emerging from all areas of the U.S. which includes the northern states such as New York. These areas not customary cartel hotspots are gaining corruptible law enforcement members. As with Mexico and Colombia, statistical information on corruption is necessary to develop an understanding of the U.S. standing in corruption perception.

According to the TI report on the United States corruption perception, in the year 2000, the U.S. had a CPI score of 7.8 and a rank of 14 out of 177 countries. In 2013, the U.S CPI score was a 7.3 and a ranking of 19 out of 177 countries. This indicates that for the most part, the U.S. has maintained a low perception of corruption.\(^{49}\) Throughout the 13 year span, the U.S. did not have a corruption issue that was as remarkable as its Latin American neighbors.


Mexico and Destabilization

There is little debate about the political decline within Mexico as a result of drug cartel violence and influence. The main assertion in this paper is to suggest a political decline rather than a complete state collapse or failed state status applied to Mexico. Rather, the point is to acknowledge the political stability has been affected by Mexican cartel recruitment and corruption strategies. The political weakening due to drug cartels have had an effect on citizens of the state. “The primary systemic weakness of Mexico is its inability to keep its citizens secure and exercise its authority over its sovereign territories.”50 Many citizens believe that drug cartel violence and business practices will continue and the government cannot do anything to stop it. Many scholars believe that “the Mexican state appears headed for further erosion, a general lack of security, an apathetic electorate, and weakening economic and government institutions.”51 Arguably, the most serious threat to Mexican national security today is narcotrafficking. The reason is not hard to discern: The cartels have so penetrated the Mexican state and socio-economic structure that they have effectively subverted the country's institutions.52

Colombia and Destabilization

Colombia’s drug cartels have had a destabilization effect on the country as a whole. Again, like in the case of Mexico, the goal of this paper is not to assert that complete state collapse will be needed to prove destabilization. Rather, a serious deficiency for the government to effectively curb and dismantle drug trafficking cartels from creating civil unrest. In order to take political control back from Colombian drug

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50 Mercille, J. 2011. "Violent Narco-Cartels or US Hegemony? The political economy of the 'war of drugs' in Mexico." Third World Quarterly Vol. 32, No. 9 1637-1653:1647
51 Mercille, J. 2011: 1641
cartels, the government had to wage war against them. “Traffickers, like any rising entrepreneurial class…sought broader legitimacy, running for office (Escobar briefly served as a new Liberal senator), financing candidates, offering truces and fiscal gifts to the state, and supplying local social services and charity, especially in Medellin.”

Governmental instability imbalances societal norms that drug cartels fulfill by maintaining rule of law. “Despite frequent disputes and changes of balance of forces, oligopolies of coercion do not imply constant clash of armed factions. Most of the time the actors in power, legal and illegal, maintain agreements on the modes of social regulation.” Bargaining with local authorities to serve trafficking needs are needed to maintain control of the parts of the country that are agriculturally beneficial.

“Colombianos have come to refer to their own politicians and police as “gangsters” and “mafiosos [mafia]”. It is equally obvious that the nation could not have achieved such international notoriety in narcotics if many officials were not on the drug “take”.”

The U.S. and the Threat of Destabilization

Within the U.S. there is little evidence of widespread destabilization. As the threat of drug cartels starts to develop within areas where law enforcement is willing to comply with cartel business practices, we see an increase in drug cartel activity. Within central U.S as well as our borders, we see cartel influence. “North Carolina is known as the second busiest drug trafficking route in the South after the region in Atlanta. Since entering into an agreement with U.S. Immigrations and Customs Enforcement in early 2008, the Frederick County, MD. Sheriff’s Office has detained 1,250 illegal immigrants,

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54 Ducan, G. 2013: 35
50 of whom have had connections to Mexican drug cartels and organized crime, Sheriff Jenkins said."\textsuperscript{56} Despite the fact that cartel members have been arrested and prosecuted by law enforcement, there is no evidence of a slowing growth. One important reason for continued cartel recruitment is to ensure that those captured by law enforcement do not have an impact on the cartel organization. Cartels account for law enforcement to incarcerate lower ranking cartel members. If these members are captured and law enforcement is satisfied that they are making an impact on cartel activity, cartels may remain hidden and under the law enforcement radar. It is important to cartels not to not draw the attention of law enforcement so that their activities and growth continues uninterrupted as indicated on fig.1 and 2.

By resisting the stigma of infiltration by drug cartels within U.S borders, we deny the ability for cartels to have a destabilizing effect. Refuting evidence of widespread cartel presence has serious destabilizing implications. Fig. 1 shows individual cartels, their drug specialty, and which regions they operate. As of 2011, Fig. 2 shows the extent of cartel activity within the U.S. borders.

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<tr>
<th>TCO</th>
<th>Primary Drugs</th>
<th>Primary Regions</th>
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<td>Sinaloa Cartel</td>
<td>Cocaine, Heroin,</td>
<td>Florida/Caribbean, Great</td>
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<td>Marijuana, MDMA</td>
<td>Lakes, New England, New</td>
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<td>York/New Jersey, Pacific</td>
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<td>Los Zetas</td>
<td>Cocaine, Marijuana</td>
<td>Florida/Caribbean, Great</td>
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<td>Lakes, Southeast, Southwest</td>
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<tr>
<td>Gulf Cartel</td>
<td>Cocaine, Marijuana</td>
<td>Florida/Caribbean, Mid-Atlantic, New England, New York/New Jersey, Pacific, Southeast, Southwest</td>
</tr>
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<td>Juarez Cartel</td>
<td>Cocaine, Marijuana</td>
<td>Great Lakes, New York/New Jersey, Pacific, Southwest, West Central</td>
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<td>BLO</td>
<td>Cocaine, Heroin,</td>
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<td>Marijuana, Methamphetamine</td>
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<td>Tijuana Cartel</td>
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Source: National Drug Intelligence Center analysis of law enforcement reporting.

*Figure 1 MEXICAN BASED TCOs WITHIN THE U.S.*

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Chicago, Illinois has been battling the Mexican cartel problem the most effective way possible. Through local law enforcement cooperation, “Operation Strike Force” has been able to recognize cartel activity and attempt to use measures to slow their growth. Even with this initiative implemented at the local level, cartel presence is still a factor. A

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special agent in charge reported that Chicago’s location in the heartland of the U.S., its large Mexican population, and its abundance of street gangs has drawn cartel activity. Cartels have designated the city as one of its main hubs of operation in America. Therefore, the increased cartel activity has contributed to Chicago’s rise in violent crime rates. This cooperative measure is one of the nations’ only noticeable indicator of U.S. government recognition of cartel presence within the U.S. However, even with this cooperative measure in place, we still see a major presence within Chicago and surrounding areas. Without an effective national initiative that could put an end or major impact on cartel activity, cartel networks will continue to grow and be successful. Cartel networks as exemplified in fig.2 have a widespread effect that starts at central transportation point and spread outward. Law enforcement officials are able to identify the drug cartel activities but not eliminate them because cooperative measures are not used effectively. Single agency approaches are ineffective and do not attempt to disrupt the main sources of cartel growth that is corruption and recruitment. Without these factors, drug cartels cannot operate and extend well beyond the U.S./Mexican border. Through cartel activity does not directly imply destabilization, it does show infiltration.

The cartels have been able to emerge well within the U.S. due to various factors. One factor is that the U.S. interior has not been exposed to the problem of cartels. “Border states from Texas to California have long grappled with a cartel presence. But cases involving cartel members have now emerged in the suburbs of Chicago and Atlanta, as well as Columbus, Ohio, Louisville, Ky., and rural North Carolina. Suspects

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have also surfaced in Indiana, Michigan, Minnesota and Pennsylvania. These areas are key transportation distribution points within the U.S. that allow for cartels to operate at the most effective level.

Cartels moved into these distribution points because it was more cost effective for their business operations. Cartels historically were more inclined to make deals in Mexico with American traffickers, who would then transport and distribute within major cities. As the American/Mexican traffickers grew more sophisticated, Mexican cartels began to take over all operations to cut out their American middlemen counterparts. This change in organizational cooperation pushed out American traffickers altogether.

As cartel networks infiltrate new areas of the U.S, local law enforcement officials do not have sufficient information on cartel operations to be able to attempt to control their dealings. Even when agencies are able to identify and understand cartel operations, they are ill-equipped to handle the cartel networks singlehandedly. Individual law enforcement agencies do not have the capability to combat cartel organizations that are well organized and entrenched into their business practices. “Outmanned and outgunned, local law enforcement officers are alarmed by the drug and human trafficking, prostitution, kidnapping and money laundering that Mexican drug cartels are conducting in the U.S. far from the border. U.S. sheriffs say that securing the border is a growing

concern to law enforcement agencies throughout the country, not just those near the U.S.-Mexico boundary.”

Another factor is the lack of awareness and the ineffective current domestic policies in place which make cartel presence successful within the U.S. Many of the policies that are aimed at hampering cartel presence within the U.S. are from the perspective of anti-immigration initiatives. Though these initiatives have had an impact on prohibiting illegal immigration to a certain extent, it has had little to no impact on cartel presence. According to Fox News in 2013, “a wide-ranging Associated Press review of federal court cases and government drug-enforcement data, plus interviews with many top law enforcement officials, indicate the groups have begun deploying agents from their inner circles to the U.S. Cartel operatives are suspected of running drug-distribution networks in at least nine non-border states, often in middle-class suburbs in the Midwest, South and Northeast.”

Some critics of using law enforcement resources for combating cartels contend that it is an exaggerated problem. “The number, widely reported by news organizations across the country, is misleading at best, according to U.S. law enforcement officials and drug policy analysts interviewed by The Washington Post. They said the number is inflated because it relied heavily on self-reporting by law enforcement agencies, not on documented criminal cases involving Mexican drug-trafficking organizations and

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This, however, contributes to the issue of cartel presence being largely ignored and allowed to expand deep within the borders of the U.S. This dissention in addressing the cartel problem has led to cartel presence to continue to grow. “David Shirk, of the University of San Diego’s Trans-Border Institute, said there is a dearth of reliable intelligence that cartels are dispatching operatives from Mexico on a large scale.”66 The scale to which cartels have spread can be ascertained by the areas in which cartels have become influential. Many places that have not had any previous cartel activity are now seeing an emerging presence in these areas. These assertions are being made despite the amount of cases by “government claims of Mexican drug activity in numerous cities in unexpected places: 20 in Montana, 25 in Oregon, 25 in Idaho, 30 in Arkansas.”67 Though these numbers might not be high in terms of overall drug crime, it does show that cartels are becoming a big enough network to emerge in these areas that are not typically associated with drug cartel activity.

The current policies in place are combatting cartels from Mexico’s standpoint. The current policies aimed at creating a stronger Mexican government and creating a stronger border defense has had no effect on the emerging problem of cartels in the U.S. interior or on the border regions. In April 2010, President Obama created the “border tsar” position by naming Alan Bersin as the Assistant Secretary for International Affairs

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and Special Representative for Border Affairs through the Department of Homeland Security (DHS). DHS directed more than $400 million in stimulus funds from the American Recovery and Reinvestment Act to support law enforcement of the southwest border. In 2009, the Office of National Drug Control Policy along with DHS and Department of Justice, issued its National Southwest Border Counternarcotics Strategy. The strategy aims at “substantially reducing the flow of illicit drugs, drug proceeds, and associated instruments of violence across the Southwest Border. The strategy committed the Obama Administration to enhancing intelligence capabilities; improving controls at ports of entry and in the ground, air, and maritime domains of the border; disrupting the smuggling of guns and bulk currency; disrupting and dismantling drug trafficking organizations; enhancing counterdrug technologies for drug detection and interdiction; and enhancing U.S.-Mexico cooperation in counterdrug operations.”68 However, despite the Obama Administration’s effort at establishing control at the borders, cartel activity has not only been unsuccessful, it has expanded to the interior of the U.S. These measures taken by the current administration have not inhibited cartel networks to continue to operate and increase its territory.

Similarly, the current administrations’ immigration control policy has also had little to no effect on the cartel business. The biggest consumer of Mexico’s drugs is the United States. There is big opportunity to smuggle drugs along the U.S-Mexico border because of the amount of traffic that is seen on a daily basis. “According to the Bureau of Transportation Statistics, 4.23 million trucks with 2.6 million loaded truck containers,

7,774 trains with 266,469 loaded train cars, 88 million personal vehicles with 194 million persons, 319,087 buses with 3,747,337 million bus passengers, and 48,663,773 pedestrians crossed the border on the U.S.-Mexico border in 2003."⁶⁹ This does not count the millions of people that try to cross the border illegally. These numbers are too vast for any agency to attempt to disrupt cartel movement of drugs. Even when a supply gets stopped, the more people that attempt to cross the border with a supply of drugs, the more opportunity that drugs will get past the point of entry into the U.S.

Clearly, both domestic policies on combatting entry has failed without much debate. “The Mexican drug cartels’ as an influence inside the United States has been almost completely absent from the immigration reform debate but needs more attention, said Immigration and Customs Enforcement union president Chris Crane.”⁷⁰ Due to the ineffective measures currently in place, cartel activity which was previously more apparent in the border regions are becoming an increasing problem for the interior and throughout the U.S. The presence in the interior of the U.S. is similar to the desolate areas of Mexico and Colombia because weak law enforcement action has afforded cartels the protective space in which to grow and carry out operations. Mexico’s newspaper, El Universal, reported that U.S. authorities were secretly signing agreements with Mexican drug cartels such as the Sinaloa Cartel. Reportedly, for use in furthering geo-political objectives, ICE, CIA, and ICE were colluding with cartels without Mexican authority approval. American authorities were purportedly making deals with cartel leaders to

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eliminate cartel competitors, in exchange, cartels were allowed to avoid prosecution from crimes such as murder, corruption, bribery, and extortion. Cartels obliged American authorities because they were able to avoid prosecution and continue profit enhancing crimes.\(^7\) If the U.S. allowed cartels to operate within the U.S. knowingly, it shows blatant disregard for the dangerous implications of cartel activity on the U.S. public. It also creates a similar scenario that the Mexican government endured by allowing cartels to operate in a “controlled” environment breeding an endemic problem that became too powerful to contain.

Corruption and recruitment efforts that can be seen and documented in the border regions are emerging among the interior states of the U.S. Recruitment and corruption efforts are being underreported because compiling these incidents will take time as the cartel presence becomes more undeniable in these areas. As the interior of the U.S. becomes more familiar with the effects of cartel activity, the more the public will be aware of cartels.

### Analysis

The research suggests that Mexico and Colombia’s drug cartels have been able to effectively infiltrate their respective governments through, for the most part, the same recruitment efforts and corruption types. The combination of recruitment and corruption has led to destabilization of those countries. The implications that this has in regard to the U.S. is that evidence of cartel presence and operation is evident. Factors such as ignorance of the issue and weak law enforcement has increasingly led to heavier cartel

presence in key distribution areas of the U.S. These key areas where transportation hubs provide for the best opportunity for cartels to move products mimic the remote areas in which cartels in Mexico and Colombia were able to thrive. Like the remote areas of Mexico and Colombia, law enforcement was weak and unable to effectively slow the cartels’ growth. Similarly, areas where cartels have established their distribution points within the U.S., law enforcement has been proven weak and unable to deal with cartel networks or how to effectively dismantle them.

Also, in cases such as Mexico and Colombia, ignorance of the severity to which cartels have gained power and momentum has been overlooked in the U.S. Due to the fact that not enough law enforcement personnel or initiatives have been proposed to stop cartels growth is just as ineffective and allows for the agreeable attitude of the U.S. government to allow cartel presence. Weak and ineffective measures are not directly addressing the issue of cartel presence and operation within the U.S. has given strength to cartel growth. Cartels mainly stood as a border issue and did not include members setting up networks within the U.S. It was largely a Mexico issue and a drug flow problem to the U.S. Things have changed, however, in that the cartel networks are setting up networks to effectively recruit and corrupt the U.S. governmental structure. This destabilizing effect could have the same negative consequences that were seen in both Mexico and Colombia. Their ability to start in areas where recruitment and corruption is appealing, as in the cases of Mexico and Colombia, is emerging within the U.S. at an alarming rate. Until very recently, the city of Chicago, has proposed a joint agency initiative that incorporates both federal and local agencies to combat the cartel presence. Although this is a step in the right direction toward combatting the cartel presence in U.S. cities, it might be a futile
effort because cartel growth in that area is significant and demands greater attention. Similar to Mexico and Colombia, governmental allowance of cartels to operate at a small scale can have dire consequences. Cartel growth can happen at a rapid pace and if not thwarted at an early stage, can overgrow all law enforcement capabilities.

**Conclusion**

In this paper, I have reviewed that recruitment strategies for Mexico and Colombia were similar and seemed to indicate expansion both economically and territorially as a result. It is determined that in using bribery and political corruption in its favor, Mexican and Colombian cartels were able to influence governmental change to achieve their desired expansion. As a result of drug cartel recruitment and corruption activities, in both cases, destabilization of their respective states occurred. In the case of the United States, we see that recruitment of lower level law enforcement and political leaders has begun to rise recently. Though the corruption perception index has not indicated cartel influence as of yet, one explanation is that sufficient attention has not been given to this concern. Further study of how cartel infiltration will affect U.S. stability will be needed in the future.

**Chapter 2: Introduction**

Many Americans think about the price of gasoline when they fill their car gas tank. However, many do not consider what would happen if gas were unavailable. How would they go to the grocery store, work, or school? Many people remember the oil crisis shocks of the 1970s when the Organization of Arab Petroleum Exporting Countries (OAPEC) proclaimed an oil embargo. OAPEC “imposed an embargo against the United States in retaliation for the U.S. decision to re-supply the Israeli military and to gain
leverage in the post-war peace negotiations.” At that time, the U.S. was heavily dependent on foreign oil and the embargo resulted in a gas shortage—including long gas lines— and extremely high prices. Instead of driving, people began to change their behavior—choosing to walk or bike instead of driving—and President Nixon moved to rebalance domestic oil production and foreign imports.

Even with the increased domestic oil production that exists today, the U.S. still depends heavily on foreign exports. Therefore, if the U.S. underwent another oil production shortage, or shock, the effects would have a dramatic impact to the U.S. usage of oil. What would happen if these shocks became a permanent situation, how would the U.S. recover? Would it devastate the public enough to ensure that oil sources were coming from stable states capable of protecting its infrastructure?

In 2013, the U.S. led the world in petroleum consumption when it used 18,961.1 thousand barrels per day. Consequently, even though the U.S. produces 12,343 thousand barrels per day, it imports 6,618. Today, the U.S. ranks second in petroleum consumption behind China. While they are not as discussed as the U.S., China, or even India, two other Western Hemisphere neighbors, both Venezuela and Colombia are ranked fourth and fifth (respectively) in total exports of petroleum and crude oil to the U.S. for 2013. Venezuela exports 802 thousand barrels per day and Colombia exports 398. Although the U.S. now produces a significant amount of petroleum, it is still not

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enough to meet its consumption demand. Without the Venezuela and Colombia oil imports, the impact on the U.S. could prove devastating.

Both Venezuela and Colombia continue to struggle with violence within their borders. In Venezuela, civil unrest as a result of poor economic development has created governmental instability. Though it has been an autocratic socialist society for many years, recent civil unrest has threatened production capability to sustain the already strained economic situation. In Colombia, the Fuerzas Armadas Revolucionares de Colombia or Revolutionary Armed Forces of Colombia (FARC) and the Ejercito de Liberacion Nacional or National Liberation Army (ELN) have formed a powerful insurgency that has challenged political stability. The research question is: How does destabilization of governmental rule affect the petroleum supply from leading exporters to the U.S.; and what impact does instability in exporting oil rich nations have on the United States for American energy security?

**Literature Review**

Many nations with resource abundance encounter unique political and economic challenges. States with long traditions of political stability have the means to overcome societal issues such as economic decline more readily than politically fragile states. The political unrest, inter-state security of commodities, and corruption paradox are widely controversial subjects. The issues raised by scholars relate to distinguishing the correlation between these variables and determining their relation and relevance.

**Resource Abundance, Civil Unrest, and Political Stability**

The correlation between natural resource abundance, civil unrest, and political stability has been divided into three camps of scholarly contemplation. One camp of
scholars contend that “a country’s petroleum wealth—measured as the value of oil and gas produced per capita—is strongly correlated with the likelihood that a conflict will begin.”\textsuperscript{74} As Collier and Hoeffler explain, “primary commodity exports substantially increase conflict risk.”\textsuperscript{75} Opportunities that commodities provide, make rebellion feasible and perhaps even attractive. An alternative explanation would be that primary commodity dependence worsens governance and so generates stronger grievances.\textsuperscript{76} Essentially, commodity dependency attracts anti-government rebels because they understand that it weakens governmental rule.

These scholars explain that “… a strong correlation within countries between the location of oil wealth and the location of armed conflict: when oil and gas are found in a conflict zone, conflicts are more likely to flare up, especially if the region is relatively poor; casualties tend to be higher; and the fighting tends to last longer.”\textsuperscript{77} Weak governmental rule preceding the discovery of abundance also contributes to the increased risk of conflict. Strong governmental institutions are vital especially when high value commodities are discovered. This camp subscribes to the notion that resource abundance, civil unrest, and political stability all have a correlation and each variable impacts the other. Increased oil resources in a politically weak environment produces the increased likelihood of conflict and unrest.

The second camp of thought indicates that there is no correlating factors between internal conflict and commodity economic volatility. As Bazzi and Blattman examine,

\textsuperscript{74} Ross, 2001. "Does Oil Hinder Democracy." \textit{World Politics} Vol.53 No. 3:325-361.8
\textsuperscript{76} Hoeffler, P. and Collier, A. 2004: 588
\textsuperscript{77} Ross, M. 2001:8
“the fact that commodity price shocks bear little systematic relation to new conflict onsets but have some effect on ongoing conflict, suggests that political stability might be less sensitive to income or temporary shocks than generally believed.” However, this examination explores only temporary shocks. The authors do not address long term effects of internal violent conflict or long established insurgent groups using commodities to further fund its interests in a political environment that has been unstable since before the insurgency. Several scholars also agree with the assertion that there is not a correlation between these factors. Fearon and Latin “find no support for an independent effect of primary commodity export dependence on civil war onset.” Fearon finds an exception to this correlation in respect to oil. He claims that “oil exports are a major component of primary commodity exports for a number of countries, and the two variables are moderately well correlated.” Therefore, there is a significant correlation between oil rich nations and the possibility of civil war being a concern in politically unstable environments.

There is a third component to the argument of commodity abundance and violent political conflict. As Di John explains, the variables used by the preceding scholars fail to provide adequate definitions for commodity abundance as a correlation to civil war. As this author explains, it is difficult to adequately quantify and define measures of civil war. Battle-related deaths as a measurement cannot be ascertained with any degree of accuracy.

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because of the inability of civil registration systems being operational in conflict zones.\textsuperscript{81} The author also states that battle deaths (in respect to active participating combatants) is a misleading indicator of political violence. Smaller populations might experience a significant impact by civil war than a larger one. States with higher populations would incur less of an impact of the number of deaths related to violent conflict than those states that have a smaller population. Therefore, it is difficult to ascertain the impact of combatant deaths on a state with resource abundance.

\textbf{Resource Curse and Rentier State Model}

The resource theory is based on two different ideas: the resource curse and rentier state model. The resource theory is based on the hypothesis that resource abundant states have a higher propensity for internal instability and violent conflict. This theory links natural resources as the motive for violent conflict and as such, particularly relevant in relation to oil rich nations. Essentially, rebel groups see the resource revenues as means to establish financial stability. Resources, especially oil, indirectly increases the likelihood of violent conflict through corruption, weakening governmental rule, and creating a decline in revenue. The theory, sometimes called the ‘honey pot’ or rent-seeking argument, explains that less developed nations generate valuable rents and the existence of these rents tends to generate ‘greed-based’ violent insurgencies.\textsuperscript{82} The resource curse theory literature suggests that “resource-dependent countries over proportionately tend toward internal instability and violent conflict.”\textsuperscript{83} As Busse and

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Groning contribute, “natural resources enhance opportunities for corruption. Some evidence for a negative impact of natural resource exports on the quality of the bureaucracy.” 84 This model of rebellion finds that low income, economic decline, and dependence on primary commodities increase the risk of the onset of civil war. 85

The second component of resource curse is called the rentier state model. This argument states that when governance is achieved through large portions of revenue from external sources, such as resource rents, the reduced need for authorities of the state to impose domestic taxes and causes leaders to be less accountable to individuals and groups within its society. 86 Oil rents and authoritarian stability are attributed to two general factors. One, “it is presumed that oil rents foster the formation of stabilizing patronage networks, widespread clientelism, and assistentialist distribution policies, which may also result in a depoliticization of society.” 87 The second, the influx of oil revenues reduces the need for governmental authorities to tax citizens. Since taxes are not imposed, governmental accountability diminishes. “Furthermore, resource wealth may facilitate the suppression of—potentially violent—opposition, as it helps to finance an extensive, oppressive state apparatus.” 88 States essentially disassociate themselves from its citizens and becomes an autocratic authority.

Some scholars contend that the rentier model most aptly corresponds to oil as the resource commodity. As Maya explains, “economic surplus does not derive primarily

85 Di John, J. 2007: 962
86 Di John, J. 2007: 962
88 Ross, M. 2001: 357
from an internal productive process taxed by the state. The premise here is the “petro state” is externally financed income is extracted from external markets. The elites and governmental authorities become autonomous from society and without citizen consultation, are free to implement projects of their own accord. This inevitably breeds inefficiency and corruption. Maya calls this rentier socialism in which private property is weakened in favor of social property. The communes would be socialist spaces such as rural cooperatives, communal councils, and social production companies. Essentially, it is a “collective property with anti-hierarchical principles that do not distinguish between manual and intellectual labor and claim not pursue profits.” However, since these communes would not be “tangible”, the support would have to come from the petro-state.

Rentier States and Violent Conflict

Political ‘Dutch Disease’ is a term most scholars use to describe the emergence of violent conflict on political rentier state governments. Rentier state governments rely on ‘unearned’ income (i.e. mineral rents and aid) and do not have public tax to hold them accountable. Therefore, in lower-income states, along with weak and illegitimate state institutions, conflict can be triggered. “Unearned’ income through mineral resource rents can allow elites to purchase security through corrupt patron-client networks rather than with the establishment of a ‘social contract’ based on the exchange of public goods financed through domestic taxation.” This reduces the states’ legitimacy and can have an effect on every aspect of governance such as military, political, and economic institutions. Therefore, these states have less power to thwart any rebellion.

90 Maya, M. L. 2011: 74
91 Di John, J. 2007: 963
Scholars who support the rentier state model explain that the states’ ‘uneearned income’ will create peace if these states avoid multinational extractive industries and use the proceeds from domestic extraction to develop a more diverse mineral economy by investing in agriculture and manufacturing. However, as Di John explains, this would be a consideration if the states’ government did not assume to own the rights to the natural resources. Since there is a lack of public control over resources, state authorities are unwilling to dispose of their power to support endeavors such as domestic extraction or diversifying the mineral economy.

Short vs. Long Term “Shocks” Due to Civil Unrest

According to Blume, “the majority of the analyses and studies that have been conducted on speculation over the last five years by government, financial, consulting and other institutions have reached the same conclusion: speculation plays a role in price fluctuations, but it does not dictate price direction.”92 Blume also concludes that speculation is not the sole factor for price fluctuations, it is one factor that impacts the market that generally has “a shorter-term effect on market movement than do fundamentals with wider-reaching and longer-lasting implications, such as demand booms, supply shortages and political and economic turmoil.”93 Most of the fluctuations can be attributed to reactions of traders and consumers. “Both consumers and traders tend to be more emotionally responsive during times of increasing and high prices than they are during times of decreasing and low prices.”94 Blume concludes that consumer fear is what creates the market to become volatile and fluctuate when short term shocks occur.

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93 Blume, A. 2012: 88-89
94 Blume, A. 2012: 88-89
Gholz and Press assess that the oil markets adjust via a variety of mechanisms driven by profit. “Some adjustments could only supply the market for short periods of time, and others could be sustained indefinitely.”\textsuperscript{95} Incidents that disrupt oil supply will inspire new oil into the market through non-OPEC nations. This increase of output alleviates short term price increases. These non-OPEC nations will increase their production rate to accommodate the negative supply through its “spare capacity”\textsuperscript{96}. Typically as long as the price exceeds their cost, most non-OPEC nations will aid in compensation for disruptions. However, “spare capacity” can temporarily accommodate disruptions.

Long term shocks such as a large-scale conquest, long-standoffs along ports, and civil war could inhibit market adjustments. Gholz and Press explain that if locations such as the Persian Gulf were to be seized by a regional empire, it could have major international implications. “Many analysts worry that disruptions in waterways could stop the flow of oil, force tankers to take much longer (more expensive) routes, or drive up shipping-insurance costs, substantially increasing the price of oil.”\textsuperscript{97} Using the world’s “spare capacity” would still be difficult to recover from closures of major tanker routes.

\textsuperscript{95} Press, E. and Gholz, D. G. 2010. "Protecting "The Prize": Oil and the U.S. National Interest." Security Studies Vol. 19: 453-485: 458 “The purpose of cartels like OPEC is to limit the total amount of product on the market. Members of a cartel agree to produce less than they otherwise would, thereby raising the price.” (Press and Gholz 2010: 457) There is much strife with cartels output and the size of their country’s quota. To evade cheating allegations, international negotiations among cartel members facilitate adaption to oil supply shocks. Members therefore are able to produce less than they could, leaving a reserve called ‘spare capacity’. Also, since cartels have an incentive to cheat, plenty of reserves are available to discipline members of the cartel. Leaders will drive down the market through flooding with the ‘spare capacity’. Lastly, when supply conditions change substantially, cartels are forced to re-negotiate, dividing the shares among its members. “Because OPEC cartel members tend to possess most of the world’s spare capacity, the breakdown of cartel discipline in the wake of a shock can trigger major increases in global oil production.” Press and Gholz 2010: 458-459.

\textsuperscript{96} Press and Gholz 2010: 462

\textsuperscript{97} Press and Gholz 2010: 468
Large-scale intrastate violence and civil disorder disruptions of a “big enough component of the world’s supply would overwhelm the adaption mechanisms and impose significant costs.” Therefore, if long-term blockades caused route detours, added expenses already incurred because of the price shock to the market could have negative economic international effects.

**U.S. Intervention Strategies to Protect Oil Interests**

U.S. intervention strategies thus far has been premised on the Plan Colombia model. Plan Colombia started as an initiative in the 1960s as a counterinsurgency program designed to attack Colombian self-defense communities. By the time President Clinton came into office, Plan Colombia had become a politico-military policy. Many scholars prescribe to the notion that U.S. military intervention to protect oil interests promotes the wrong U.S. agenda. As Petras asserts, “the Colombian insurgency question is part of a geopolitical matrix that is in the process of challenging and modifying U.S. hegemony in northern South America and in the Panama Canal Zone.”

Oil production, supply, and prices along with the core conflicts with the empire are found in Colombia, Venezuela, and Ecuador (the radical triangle) are challenges that are faced in that region. The strength of the radical triangle in oil diplomacy and independent policy of Venezuela’s former President Chavez has disassembled the U.S. strategy in the Cuban revolution. Venezuela’s oil deals have strengthened the Caribbean and Central American regimes to resist U.S. interests in reserving the Caribbean as a U.S. lake. The strategy of

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98 Press and Gholz 2010: 457
99 Petras 2001: 35
100 Petras 2001: 35
disassembling the insurgency through on-going intervention strategies will secure oil interests and perhaps stabilize the region.

“A broad consensus around national security experts hold that wars and other forms of instability near the Gulf threaten access to oil and therefore jeopardize core U.S. national interests.”

Gholz and Press find that “the policy consensus for an active and forward-deployed U.S. military presence in the Persian Gulf is built on excessive fears about the consequences of regional stability.” The authors argue that oil market adjustments are more adequate to compensate for the incidents of disruptions than military presence. In fact, implementing a military force might exacerbate the situation. The authors propose that the U.S. should not respond to analysts and the public fear of oil disruptions, but rather allow for the oil markets’ flexibility compensate. Presence in these areas not only infuriate radicals, it also aids in recruitment efforts because the U.S. presence depicts symbolic infiltration. U.S. presence also suggests weak or illegitimate authority figures which furthers radical narratives. The authors suggests that there is no viable evidence that minor oil disruptions warrants military aid to governments.

The argument by Stokes asserts “as in the case with South America, Central Asia is an oil-rich region and U.S. national interests and its security assistance have been explicitly linked to stabilizing particular kinds of political economies in the region with U.S. military aid supporting abusive militaries.” He also states, “insofar as U.S. intervention both serves U.S. national interests through underwriting U.S. hegemony and

101 Press and Gholz 2010: 455
102 Press and Gholz 2010: 454-455
securing crucial oil supplies, and transnational interest in terms of underwriting an open international market within which all other core states can participate.”

Also, current U.S. security assistance has pointed to consolidation of authoritarian regimes which promote human rights abuses and unaccountability. Current U.S. intervention strategies have included energy diversification targeted at South America, West Africa, and Central Asia which will become more important to the global energy economy as the Middle East increasingly un-stabilizes. These regions are historically known to inhabit authoritarian regimes which impacts human rights, social justice, and state development.

In the other camp of thought, scholars urge that U.S. intervention is crucial, especially in certain areas where U.S. oil interests and national security is a concern. U.S. intervention contend that succumbing to weak states for oil dependency would greatly weaken the U.S. foreign policy and national security. As Patrick explains, “rising dependence on energy from weak or failing states will complicate U.S. democracy promotion objectives, by encouraging the United States to cozy up to authoritarian dictators or intervene to shore up already unstable regimes in regions like Caucuses or Central Asia.” The author proposes more intelligence about transnational threats in weak or failing states, improved policy coherence to integrate U.S. national influence, and a more robust international engagement of allies and partners to encourage shared interest in stopping spillover of state weakness into other less developed nations.

104 Stokes 2007: 262
107 Patrick 2006: 73.
Authors Sharma, Tracy, and Kumar agree in a civil military approach in retaining oil in politically weak environments, however; with the U.S. interests spread throughout the world currently, a military campaign would prove difficult. The authors also subscribe to a war of attrition against regimes like Chavez in Venezuela to be carried out by its subalterns and proxies established in the region. The authors suggest that “destabilizing and sabotaging the economy with the help of U.S., local upper classes and corrupt right-wing unionists would be the first phase.” Other destabilization measures that could be implemented is using bureaucratic measures to obstruct the workings of parliament and disrupting the oil infrastructure. Also, as part of this coup to overthrow authoritarians like Chavez, planting false propaganda and posing the populace into a regime change. The second phase would incorporate U.S. intelligence agents in Venezuela to infiltrate within the personnel to put pressure on Chavez’s army. The final phase of this coup would be direct military intervention with the aid of neighboring countries. The final phase, as mentioned earlier, would have to be postponed until diplomatic conditions were right in order to negate international criticisms. The authors suggest that although the U.S. oil interests are at stake, economic and political security issues are also issues that could prove that U.S. military intervention is needed to maintain U.S. security. Though no such intervention methods have been employed by the U.S., the authors suggest that this strategy might be the best course of action to retain U.S. energy security.

Methodology

The employment of two case studies will examine how export from resource abundant weak nations to the U.S. will impact the energy security issues described in the research question. The cases that are utilized are Venezuela and Colombia. Each country is a regional exporter of petroleum to the United States, but are at different stages of development. Using Venezuela and Colombia in a comparative analysis allows an examination of political stability’s effect on oil exportation. Additionally, the case studies allow for an examination of the impact civil unrest might have on U.S. energy security. In recent years, Venezuela has had several incidents of political unrest as a result of the purportedly economic conditions that exist. Colombia has suffered through political unrest as a result of a long-standing insurgency with the FARC and ELN.

Both Venezuela and Colombia are major exporters of oil to the U.S. In 2014, Venezuela is estimated to have exported approximately 287,993 thousand/barrels of total crude oil and products. Though this exportation amount has been in steady decline, it is still ranked as the fourth biggest exporter of crude oil and products to the U.S. Similarly, Colombia exported approximately 107,483 thousand/barrels of total crude oil and products in 2014. Colombia is ranked as the fifth biggest exporter of crude oil and products to the U.S.\(^\text{109}\) Though U.S. domestic production of crude oil and products has steadily risen in recent years, the production by these two countries has provided approximately 20% of the total imports to the U.S.

The major difference between the two case studies lies in the manner in which civil unrest affects each country. Venezuela had a predominately stable one party governmental system with recent economic hardships being one of the major causes of the civil unrest. Colombia, on the other hand, has experienced the longest insurgency known throughout the world. The insurgency has international notoriety at the hands of a very powerful organization that has continued to threaten the government stability today.

The variables that are examined to determine the effect of civil unrest are also evaluated to understand the effect of civil unrest on production and exportation. The impact these same variables have on civil unrest as a threat to the overall political stability of each state are also evaluated. Finally, these same variables are evaluated on the effect civil unrest in these states have on the U.S. energy security.

**Data**

**Colombia:**

Colombia’s issues regarding insurgent groups and weak political governance has plagued the state for decades. The FARC was established after the civil uprising known as *La Violencia* after President Jorge Eliecer Gaitan assassination in 1948. Shortly after the conflict, President Laureano Gomez took power, but was overthrown by a military coup led by General Gustavo Rojas Pinilla in 1953. Rojas failed to restore democratic rule and became increasingly corrupt. “In July 1957, an alliance between former Conservative President Laureano Gomez (1950-53) and former Liberal President Alberto Lleras Camargo (1945-46) led to the creation of the National Front.”[110] Though this

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collaboration brought an end of La Violencia, the democratic process instilled eventually disintegrated in 1978. The post National Front years produced strong FARC and ELN paramilitary groups that expanded in the Colombia remote and rural areas. The FARC and ELN increased its attacks and drug production during the Andres Pastrana administration. It was during this administration that “Plan Colombia” was instituted to combat the increasingly powerful FARC and ELN groups. “The Pastrana administration unveiled its "Plan Colombia" in 1999 as a strategy to deal with these longstanding problems, and sought support from the international community. Plan Colombia is a comprehensive program to combat narco-terrorism; spur economic recovery; strengthen democratic institutions and respect for human rights; and provide humanitarian assistance to internally displaced persons.”

Despite Plan Colombia being newly instituted, clashes between the government and FARC continued. “In February 2002, after the FARC hijacked a commercial aircraft and kidnapped a senator, Pastrana ordered the military to attack rebel positions and reassert control over the neutral zone. The FARC withdrew into the jungle and increased attacks against Colombia's infrastructure, while avoiding large-scale direct conflicts with the military.”

One of Colombia’s main oil pipelines is a jointly operated Colombia state oil company and U.S-based Occidental Petroleum. This pipeline is critical to oil exportation carrying a major share of the 107,483 thousand/barrels of Colombian oil. “Attacks shut down this pipeline more than 2/3 of the time, costing the country $430 million dollars in oil revenue.”

111 “History and Political Conditions”: 3
112 “History and Political Conditions”: 3
attacks. “Oil pipe repair crews, helicopter pilots, maintenance chiefs, even biologists, must risk their lives routinely as they patrol the lines, especially the one called Caño Limón-Coveñas, which has traditionally been the pet target from FARC and ELN, attacked over 900 times in its 16-year history.”

These paramilitary groups, which traditionally gained their financial support from the illegal drug trade, have suffered a blow to their economic stability due to U.S. aid and intervention into strengthening the Colombian government. Also, since agreements with the U.S. for extradition for crimes associated with drug trafficking are in place, sustaining the paramilitary force has proved difficult for the FARC and ELN. The organizations are fighting the Colombian government to end the agreement for extradition. Though weakened paramilitary organizations such as FARC and ELN have fought the Colombian government for decades, vulnerable infrastructure such as pipelines have been the favorite target by these groups. “On April 7, 2014 a local oil workers' union announced that Occidental Petroleum Corp. had laid off approximately 500 contractors at the Cano Limon oil field due to a slowdown in oil extraction. That reduction in activity came after the Cano Limon-Covenas oil pipeline was shut down on March 25, 2014 because of repeated militant attacks (rebels have hit the pipeline at least 18 times since January).”

Since these groups have effectively slowed production and reduced international interest in oil exportation, government officials have had ongoing negotiations to resolve the organizations’ discontent. The ongoing negotiations have not slowed the attacks on the oil infrastructure until a very recent breakthrough. These organizations want to maintain

114Public Radio International
the Colombian governments’ attention on what failed negotiations with these groups could cost. “The closure of the two pipelines owned by Ecopetrol has prevented Colombia from transporting at least 35,000 barrels of crude oil per day, according to government figures.” As seen by Figure 1, the success of attacks by paramilitary groups has been growing due to its effectiveness.

\[116\] Stratfor Analysis, 2014: 58
The impact these attacks have on the Colombian economy has been substantial.

“Colombia's known oil reserves amount to 2.6 billion barrels, far fewer than those of the world's major oil powers. But only about 20 percent of the country's potential oil territory has been explored, due to the violence.”  

Government sponsored security teams have protected and instituted repair companies to restore attacked pipelines. However, even with this protection, attacks on the pipelines have a significant impact on production.

“The oil sector represents more than 20% of Colombia's exports as well as about 4.5% of the gross domestic product (GDP). In 2001, Colombia exported 280,000 b/d to the United States. By 2008, this had fallen to just 90,000 b/d.”

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117 Stratfor Analysis, 2014:58
States (down from 332,000 b/d in 2000, and more than 450,000 b/d in 1999). However, Colombia is incurring estimated losses of more than $900,000 per day in royalties, taxes, and state participation due to the pipeline bombing campaign.**119**

Colombia’s recent economic downturn has inspired the government to work with paramilitary groups to reach a peace deal. “Colombia has continued to lose steam since the beginning of this year. Exports recorded an unprecedented contraction in January and the peso depreciated to yet another multi-year low in March. The drop in oil revenues prompted the government to cut the 2015 budget by 3% in February; cutbacks will mainly affect infrastructure and administrative spending.”**120** The overall Gross Domestic Product (GDP) has been substantially hampered by the exportation slowdown, and evidence of lack of foreign investment confidence is greatly effecting overall economic health of Colombia. “The Colombian peso weakened against the U.S. dollar as the weak oil price weighs on the net oil exporters’ growth prospects. In addition, the oil sector has been Colombia’s main receiver of foreign investment and the slowdown in investment that came along with the weaker oil price contributed to the weakening of the peso.”**121**

Foreign investors in Colombia’s oil sector have concerns regarding the increasing attacks by paramilitary forces. “Rising rebel attacks are a main factor in the falling production and energy companies' reluctance to invest here. Exxon Mobil Corp. and other foreign firms here, said rebel attacks this year have cost the sector $522 million in

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121 Focus Economics.
lost oil production compared with $350 million in all of last year (2013).”¹²² This loss of revenue for foreign investors has led to more exploration of oil reserves by long established oil companies throughout the country. These exploration ventures mainly impact those rural areas that are amongst Colombia’s poorest communities creating further disdain for the Colombian government. This, coupled with the lack of benefits for these poor communities, could erupt in revolt.

Another key element that has contributed to the Colombian governments’ problem concerning their oil economy is the growing dissent by the poor who have not seen the benefits associated with oil production. “Local communities complain that they get the worst of the industry - the disruption that comes with heavy industry, environmental damage, heavy traffic and increased rebel activity - but see little wealth or public service in return. The oil industry operates in some of Colombia's poorest areas, and billions of dollars of investment over the past decade has done little so far to lift those communities out of poverty.”¹²³ The potential for civil unrest in these rural parts of the country is an emerging threat to the stability of the Colombian government. Also, if these communities turn to paramilitary organizations such as the FARC and ELN to help with their plight for the government to invest in these communities, civil war is possible. Weak governmental rule in these rural areas coupled with the growing governmental dissent, has given paramilitary organizations prime recruiting grounds.

¹²³ Jacobs, J. “Rebel Attacks Hit Colombian Oil Output” Petroleum Economist. , 2014, 81, 6, 1-1
U.S. intervention to eliminate paramilitary attacks on the oil sector has been substantial. Since the Colombia Strategic Development Initiative (CSDI) has been instituted, a drop in paramilitary events have resulted in less violence. “For the first time in recent Colombian history, there is a government presence in all of the country's 1,099 municipalities (county seats). Attacks conducted by illegally armed groups against rural towns decreased by 91% from 2002 to 2005. Between 2002 and 2008, Colombia saw a decrease in homicides by 44%, kidnappings by 88%, terrorist attacks by 79%, and attacks on the country's infrastructure by 60.”124 This new initiative, however, has only shown short term effectiveness. Also, as evidenced by Plan Colombia, it cannot be determined yet what unforeseen countermeasures paramilitary organizations will engage in to avert the effectiveness of this initiative. Long term results will have to be determined in the future. This initiative was instituted after Plan Colombia. Plan Colombia brought U.S. military and economic aid to Colombia to combat insurgent groups. It was very effective against the drug trade that funded the paramilitary organizations. Though, this now has an adverse result because the paramilitary organizations are demanding drug trade operations be allowed by the Colombian government. The weakened paramilitary organizations’ lack of financial support of drug trade operations left these organizations to resort to attack Colombia’s top revenue source, oil. Traditional military action has not deterred paramilitary organizations from targeting oil pipelines. Though the Colombian government has used bombing to battle paramilitary groups, diplomatic measures have been more effective than engaging in war-like conflict.

Venezuela:

Venezuela’s President Hugo Chavez came into power in 1999 as the economy was in a downturn. Inflation and corruption plagued the oil sector. Poverty was very high in that one in three citizens was in extreme poverty. “Despite the vast increase in Venezuela’s export income in 2006, Chavez managed to alienate foreign investors via several heavy-handed expropriations and accelerated both inflation and the deterioration in living standards among his country’s poorest citizens—once his most powerful and reliable base of political support.” 125 With oil being the sole economic provider and new foreign investment unwilling to participate in the high expropriations Chavez has instituted, Venezuela relied on PDVSA. The PDVSA is the Venezuelan state-owned petroleum company. However, with the inflation and external revenues declining, the government does not have the economic capability to maintain operation costs associated with state-owned monopolies. In 2002, an oil strike by workers at PDVSA halted an already weak and volatile economy. “As a result of the strike, Venezuela ceased exporting its then-daily average of 2.8 million barrels of oil and oil derivatives. Shortages soon erupted throughout Venezuela and gasoline imports were required to keep the country from descending into economic paralysis and chaos.” 126 The workers called for Chavez’s resignation. Instead, Chavez fired most of the PDVSA management and engineers. About 18,000 employees were dismissed by Chavez whom explained that the mismanagement and corruption was the cause of the economic downward spiral of the oil sector.

126 Whalen 2007: 59
PDVSA began borrowing “to replace the capital funds being confiscated by the Venezuelan government, with $8 billion in new debt.” This debt includes Japan’s loan of $3.5 billion, $1 billion by the French company BNP, and a $7 billion Eurobond. Though the prospect of owning part of Venezuela’s rich natural resources were appealing in 2007, those investments have dried up considerably due to the political and economic decline of the oil sector as Fig. 2 shows. Not only do the economic conditions discourage investment, but political unrest has raised doubts about the government's ability to manage the delicate domestic situation.

“Protests in March 2004 descended into violence after the electoral commission contested a million of the three million anti-Chavez petition signatures. A second petition succeeded in delivering the referendum on the president’s rule allowed for under the constitution. However, Chavez ultimately triumphed in the August 2004 poll and he

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128 Whalen 2007:59
remains firmly in the seat of power.”"\textsuperscript{129} Chavez’s re-election has been contested as to its validity. Massive protests and demonstrations since Chavez came into power have not subsided. The driving force for such civil unrests is the ongoing sluggish domestic economy with no relief in sight. “With such low oil production and export rates, there are fewer dollars in Venezuela's domestic market to finance imports, which will only perpetuate ongoing shortages of basic goods and drive further unrest.”\textsuperscript{130} Nicolas Maduro, who succeeded Chavez in 2013, has faced the same political and economic issues that Chavez endured. In 2014, “Maduro faced the biggest anti-government unrest the country has seen for a decade, but, even so, he denies that Venezuela is yoked to global oil prices.”\textsuperscript{131}

Maduro claims that this temporary price depression of oil will soon recover and Venezuela’s economy will regain strength. “Economists have long recommended that Venezuela cease price controls, unify its multiple exchange rates—the local currency is pegged to the U.S. dollar at three different levels—and end its heavy gas subsidies. Prices at the pump here are the cheapest in the world; it costs just a few cents to fill up an entire tank, at an opportunity cost to the government of some twelve billion dollars per year.”\textsuperscript{132} However, Maduro prefers to continue to use his accosting of U.S. policies and intervention as a means of passing blame for Venezuela’s economic problems.

The recent civil unrest has become a growing concern for the Venezuelan government. Though economic strains have taken its toll on citizens, demonstrations...
criticizing the government have become increasingly violent. “Something more serious than material shortages has been prompting Venezuelans to take to the streets; they also resent the mounting repression of any who dare speak out.”

Venezuela’s crime rate has soared since the uprising. Though these opposition groups are not organized and have suffered because of the government’s violent suppression, these groups have not been completely disbanded. “Sporadic protests have plagued Maduro’s government from the beginning, but the murder, in January, of a beloved television star and beauty queen, Monica Spear (along with her British husband), proved a turning point, highlighting Venezuela’s status as one of the most homicide-afflicted countries on earth and sparking demands that the government protect its citizens.”

Political corruption has prevented many of the governmental violence against protestors to be squelched from international media reports. Independent studies and news reports by outside agencies reveal that violence and crime is rampant throughout the country. “Venezuela has the second-highest homicide rate in the world behind Honduras, according to a report released by the NGO Venezuelan Violence Observatory. The Observatory placed Venezuela’s homicide rate for 2014 at 82 per 100,000, with a total of 24,980 killings recorded for the year. The figure marked an uptick from the group’s estimate for the year prior, which stood at 79 per 100,000.”


U.S. intervention has not been welcomed in Venezuela. Maduro claims that the U.S. has launched coups to overthrow his government and replace him with a politician that sympathize with American policies. Though the U.S. has openly opposed the transition from Chavez to Maduro due to the electoral process, it has not committed to using military or proxy groups to overthrow Maduro. Instead, the U.S. has imposed sanctions on Venezuela for its corruption and human rights violations. For example, the U.S. revoked visas and froze the assets of Venezuelan officials responsible for violence and human rights violations against the protestors during demonstrations. Additionally, in early 2015, the U.S. State Department also added family members and expanded the list of officials responsible. As a rebuttal to the U.S. sanctions, Maduro instituted similar sanctions against the U.S., including preventing American citizens from entering the country without a visa. Venezuela has also denied U.S. ambassadors, revoking their offices. Further, Maduro is attempting to use U.S. sanctions in an attempt to regain some of the support he lost during his violent attacks against the protestors. Utilizing the U.S. sanctions in this manner allows him to demonstrate to the Venezuelan people to reinforce his claims that the U.S. wants to invade Venezuela and take over for their oil. Currently, there are no plans for a diplomatic resolution by either side. Meanwhile, as civil unrest grows in Venezuela, oil production continues to decline, and the economic conditions worsen.

Analysis

These two case studies exemplify resource-abundant states with civil unrest. States such as Colombia and Venezuela have weak government institutions that have mismanaged or are unable to restrain those responsible for the disruption of oil production. Oil is one of the world’s most sought out commodities. However, as seen in these case studies, oil does not alleviate political and civil unrest. Resource abundance has not only exposed the weak governmental institutions, but it has exacerbated local economic hardships. U.S. intervention has been shown to have its positive and negative effects. In Colombia, Plan Colombia strengthened governmental rule and eradicated the drug trade. This weakened the paramilitary organizations enough to restore order to the most populous areas. However, paramilitary organizations have resorted to pipeline attacks to weaken the Colombian economic climate in an effort to resume their drug trade operations. New initiatives instituted by the U.S. and Colombia to combat paramilitary organizations have been deployed but not yet analyzed for effectiveness. This, along with Colombia’s diplomatic talks could bring a peaceful end.

As discussed in the literature review, minor attacks or temporary strikes are not the major concern regarding the stability of oil exportation. Foreign oil reserves are capable of stabilizing the market until pipeline repairs take place or strikes end. However, the growing concern is that civil war is looming in both case studies. As the literature review points out, civil war would greatly impact U.S. energy security in oil. Both Venezuela and Colombia are vital oil interests for the U.S. The U.S. depends on the foreign imports from these countries to fill the gaps of domestic oil production.
Therefore, U.S. intervention plays a crucial role to not only stabilize the governmental institutions to bring peace to that state, but to ensure the states’ ability to produce.

U.S. intervention within these states has been minimal in Venezuela and substantial in Colombia. Plan Colombia was instituted in 2000 as military and law enforcement aid to combat paramilitary criminal organizations. However, evidence of such interventions has not proved to eradicate the paramilitary organizations’ ability to continue to operate and expand. Currently, the Colombia Strategic Development Initiative (CSDI) is in place as “an inter-agency approach that provides U.S. assistance across a full spectrum of activities: eradication and interdiction; capacity-building of the national police, military, and prosecutor units; strengthening state institutions at the local level; creation of viable economic options for communities, particularly in the agricultural sector; support for land reform and victims’ reparations, and assistance to vulnerable populations, including women, indigenous peoples, and Afro-Colombians and persons with disabilities.” As a more comprehensive plan, CSDI seeks not only to provide military assistance, but to build the social infrastructure necessary to thwart paramilitary organizations from permeating and destabilizing governmental rule.

The U.S.-Venezuela bilateral relationship, in contrast, has been virtually non-existent. President Hugo Chavez (1999--2013), and current President Nicolas Maduro have outright opposed the U.S. in every aspect with the exception of trade. U.S. aid to help strengthen economic conditions have been denied by both presidents. Venezuela opposes U.S. policies and political intervention in Latin America. Though Venezuela

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maintains an embassy within the U.S., there has not been a U.S. Ambassador in Venezuela since 2010.

Future analysis about the difference between U.S. interventions in both case studies should be examined to determine if aid contributes to political stability enough to deter civil unrest or diminish its effect on governmental rule. Though current U.S. intervention strategies are being implemented, long term effects should be analyzed further. U.S. intervention strategies should be studied to determine if such strategies to maintain U.S. energy security are effective.

**Conclusion**

Oil abundance for states with issues of social unrest can become a risk for the U.S. energy security. The threat of long term unrest has impacted exportation of oil and thus negatively impacts states dependent on foreign oil. In Colombia, the U.S. has enacted two initiatives that brought military and monetary aid to alleviate insurgencies threatening governmental stability. In Venezuela, however; U.S. intervention measures have been denied and there is increased tension between the two states. U.S. intervention in both cases has both created unforeseen consequences.

Additionally, in Colombia, paramilitary organizations understand that attacking one of Colombia’s most important economic commodities can afford benefits not otherwise given. Going forward, how will paramilitary organizations use this knowledge? Will attacking pipelines and weakening Colombia’s economic capabilities be one of their weapons once they regain strength? In Venezuela, as tensions mount within its society, will that further suppress the ability for Venezuela to produce oil if a revolt takes place? Inevitably it will make the situation worse politically, socially, and economically. As
Venezuela’s oil production slows, and U.S. intervention and aid is not welcomed, how long will the Venezuelan people allow Maduro to rule? If Venezuela becomes a failed state, the U.S. cannot continue to import oil.

The U.S. is taking measures to close the gap between consumption and domestic oil production. The result is less reliance on foreign exports. This is probably the best option as the futures of these two major foreign oil sources might not be able to sustain their oil production for very much longer given their circumstances. As of today, if these two respective states were to engage in civil war, oil production would cease. Already, oil production has slowed in these two states as a result of their internal conflict. This would greatly impact U.S. oil imports and usage. Both states seem to be on the brink of succumbing to their respective problems. Though the U.S. interventions have somewhat helped in Colombia, political stability is difficult to achieve. Finding states without civil unrest would be in the best interests of the U.S. oil security. If that is not possible, then the U.S. needs to concentrate on domestic oil output to ensure less dependence on foreign oil. It is clear that U.S. oil security would be greatly affected if the biggest foreign oil sources are politically unstable states.

The current U.S. economic sanction directed at Venezuela are enacted to preserve U.S. oil interests. Prior to the Chavez/Maduro regime, political turmoil in Venezuela did not invoke the same type of reaction from the U.S. As the issue of civil unrest becomes a growing concern and a precursor for civil war, the U.S. oil interests are becoming threatened. The economic sanctions have proven ineffective, yet; the sanctions remain intact. This differs greatly from Colombia because the government in this case has not been able to thwart the threats from drug organizations. In Colombia, relations with the
U.S. has been cooperative and do not need policies to regain political order yet. Rather, additional support to fend off drug organization to preserve interests is the major concern for the U.S. Once these organizations gain strength, the U.S. will institute policy to preserve its oil interests in Colombia.

The larger implications of this subject is determining whether resource abundant states with weak governmental rule has an impact on exportation of that commodity. Civil uprising, whether through insurgencies or civil unrest, can have a significant impact on oil production. In both cases, civil unrest has the potential to lead to civil war. Civil war, as discussed in the literature review, could result in the cessation of oil production. The elimination of production would have energy security implications for states that depend on these exports. Therefore, the enigmas of civil unrest, resource abundance, and weak governance are interconnected. The combination of these variables will significantly impact production, despite the resource abundance that inflicted states possess. Civil unrest in resource abundant states becomes a greater concern as global scarcity rises in resources such as oil rises.
Chapter 3: Introduction

Classically defined as “rule by the people”, democracy has diverged into several different theoretical schools of thought. Consequently, democracy cannot be singularly defined. To the American public, political figures, and other democratic nations, democracy means that people have a right to participate in free and fair elections to determine leaders. For the most part, many agree with the notion that democracy is the best and most effective form of governance. It is U.S. foreign policy that democracy should be encouraged and spread globally. In Latin America, however; the traditional form of government usually aligns with authoritarian dictatorships or one-party systems. It is argued as one of the major contributing factors to Latin America’s generally weak governance, poor economic history, and slow development. Also, humanitarian rights as well as systematic oppression are regularly violated throughout Latin America. There has been much debate on whether intervention strategies were implemented by the U.S. to instill democratic reform or as a ploy to secure U.S. interests such as economic or political security. Many scholars believe that U.S. intervention strategies may prove unsuccessful in defeating cultural and deep rooted authoritarian rule. Other scholars believe that intervention strategies could promote democratic behavior enough to instill a long-standing form of governance. The question is: Were U.S. intervention strategies to promote democracy in Latin America or as a means to preserve U.S. interests?

Literature Review

Democracy

In very general terms, democracy means ‘rule by the people’. Although this simple definition is a fundamental building block, democracy has taken on several differing viewpoints as it relates to types of democracies employed throughout the world.
The strength of rule of law determines the effectiveness of governance. Though defining democracy based on this principal alone does not adequately encompass the whole democratic model of governance, it is a major component. One of the major democratic theorists, Arend Lijphart defines democracy as: “(1) the right to vote, (2) the right to be elected, (3) the right of political leaders to compete for support and votes, (4) elections that are free and fair, (5) freedom of association, (6) freedom of expression, (7) alternative sources of information, and (8) institutions for making public policies depend on votes and other expressions of preference.”

Thus, an accepted definition of democratic rule of law can be measured by the “functioning of the rule of law, the level of accountability (horizontal and vertical), the degree of and freedom of participation, political competition, and rights and freedoms and equality.” Democracy, by this definition, “allows populations to peacefully and regularly oust inept, inefficient, and corrupt government administrations, while allowing people to keep more efficient, successful regimes, thus tending to make the quality of governance on average higher in the long run.” As Rivera-Batiz explains, “democracy is a key determinant of growth but only insofar as it is associated with improved governance.” Similarly, Assiotis and Sylwester find that rule of law increases as states become more democratic.

141 Rivera-Batiz: 244
this generally is an accepted conception by most scholars, variances of democratic theory have been discussed when addressing many Latin American governments.

Many scholars of post-authoritative governments explain that instilling democracy in Latin America needs to be minimal to be effective in the long term. “One strand of research on democracy describes the world using a minimal standard of democracy: countries are democratic or not, and countries have been democratic for a longer or shorter time, inasmuch as they meet that standard.”143 The standard can be limited to incorporating electoral voting. This minimal standard, it is theorized, will evoke other democratic standards such as human rights and legislative checks and balances. As Munk states, “an integrated theory of democracy should be based on a dynamic rather than a static approach; that is, an approach that recognizes that the democratic rules of the game are constantly open to change rather than being fixed, and that theorizes statics as a special case of dynamics.”144 Newly democratic officials seek the democratic models that are most beneficial to maintaining long term power. This theory postulates that a determining factor of whether democratic principles will prevail in newly formed democracies heavily depends on the perceived benefit of power by the onset officials. “The outcome of the conflict over which model of democracy will prevail determines how a political system democratizes and, since the model of democracy determines how interests are affected by democracy, how a political system democratizes determines whether it is and remains democratic.”145

144 Munk, G. 2015: 388
145 Munk, G. 2015:388
Another author that contributes to the issues of ‘new’ democracy theory is Pedro Riera whom states that electoral reform should be proportionate to the number of years it is democratic. He “questions the validity of analyses that treat the effect of institutional change as essentially linear.”146 He states that new democracies have established poor party systems that are not unique to new democracies. “But there are many other features, for example high levels of social turmoil that are also characteristic of new democracies. In fact, it is reasonable to think that institutions can only shape politics and, hence, really work in the direction theory predicts when society is quite stable. And even though social turmoil is more common in new democracies, we see periods of ‘social unrest’ in some consolidated democracies as well.”147 Therefore, it is necessary to shape the democratic model to fit society’s acceptance. Societal acceptance is crucial in order to instill institutional change on a wider scale.

A counter-argument to the minimal standard of democracy is theorized by Tedesco and Diamint who state, “our research leads us to conclude that low institutionalization can increase the autonomy of political leaders.” 148 These authors theorize that weak institutions reinforce the need for strong leaders. These leaders also consequently, reinforce weak institutions and promulgate a longer standing presidency. Thus, this dynamic increases leaders’ autonomy, rendering political parties irrelevant. The authors propose that “if political parties are weak and norms are flexible, the leader can increase his/her capacity to ignore citizens and rules.”149 Therefore, sub-democratic

147 Reira, P. 2015: 230
148 Tedesco, L. and Diamint, R. 2014: 32
149 Tedesco, L. and Diamint, R. 2014: 32
models would not succeed in a new democracy and return the state to an authoritative regime.

There is a plethora of theories about democracy implementation, especially those transitioning from autocratic or one-party systems. These three theories are the leading approaches to transitioning democracies. Though some of these theorists contend that Latin American countries are anomalies to general transitioning democracies, for the purpose of this paper, it will be assumed that Latin American transitions do not differ from the general consensus. There are no sources in the current document.

**U.S. Intervention Strategies in Latin America**

**Covert Action**

The U.S. uses many intervention strategies in Latin America, such as the use of covert action. It is difficult to assess the use of covert action due to its secretive nature. Information regarding detailed events can be difficult to attain, though its implementation evidence can be determined through disclosure by the acting state. Covert action is defined by the 1991 Intelligence Authorization Act “as any activity conducted by an element of the U.S. Government to influence political, economic, or military conditions abroad so that the Government's role is not apparent or acknowledged.”

Covert action is implemented when overt action does not further the political objective. “The intervener rarely employs its own military forces directly against the target, instead inducing and/or assisting indigenous elements in the targeted state’s military to topple their leader; arming and sponsoring rebel forces outside the military to launch a rebellion; or hiring

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http://thomas.loc.gov/cgi-bin/bdquery/D?d102:1:/temp/~bdUjs:@@@L&summ2=m&
mercenaries to do the job.”¹⁵¹ In many historical cases such as Iran (1953), Guatemala (1954), Indonesia (1957), Brazil (from 1961), Chile (1973), and Nicaragua (from 1981) as identified by scholar David Forsythe, U.S. covert action against states was an effort to deter communist or authoritative states from uprising. These are identifiable examples of covert operations. Several similar operations have been suspected to be CIA covert missions but have been denied by the U.S. government. As Forsythe asserts, “one reason why liberal states do not make war *inter se* is that representational decision-making is not likely to lead to a vote for a war likely to bring great destruction on the people. Liberal states exercise ‘democratic caution’.”¹⁵²

Especially in cases where states do not pose a direct threat, support for overt action is difficult to achieve in a democratic state. Many scholars assert that U.S. covert intervention is necessary to instill democracy in these states for justifiable reasons. As author Bruce Russett explains in reference to the aforementioned identifiable covert actions, “these governments were not fully democratic according to the criteria that have been applied here for late twentieth-century regimes; rather, all were anocracies.”¹⁵³ The author also regards these interventions as necessary in order to preserve U.S. security from communist and authoritative regimes. Also, covert operations fail to cross the threshold of one thousand battle deaths to constitute a war, therefore, cannot be categorized as one state’s forces against another. Many scholars that subscribe to these arguments contend that paramilitary foreign forces or privately contracted forces could be

used in covert operations and cannot be attributed to the state. In using covert action to instill democracies, the U.S. preserves its overt action spurring war and conflict. “The normative restraints of democracy were sufficient to drive the operations underground amid circumstances when the administration otherwise might well have undertaken an overt intervention. Normative/cultural and structural/institutional restraints were strong enough to forestall open military action, but not strong enough to prevent a secret operation or to stop it except belatedly. The constraints could and did prevent an inter-state war, but could not preserve the United States from deep culpability in initiating and sustaining one side in a formally “civil” war.”

This argument, however, does not address the long term impact these covert operations have on the state. Also, scholars in this camp rarely address the impact of covert operations on the targeted state.

Authors Downes and Lilley contradict this camp’s argument by addressing each of their main argumentative points. The authors offer the Chile covert action of 1973 by the U.S as an example. They argue the U.S. recognized Chile as a democratic nation and only resorted to covert action because the U.S. feared international repercussions of overthrowing another democracy, not because it would be unpopular with the American public. The authors are also careful to point out that there are many instances that prove this point, Chile however, is one of the clearest examples. Another point the authors argue is the use of institutional checks and balances do not constrain democracies from using covert action. “Covert intervention also seems incompatible with the checks and balances version of the institutional argument because such behavior demonstrates that democratic institutions do not necessarily constrict the actions of democratic

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154 Russett, B. 1995: 124
governments."¹⁵⁵ The authors argue that if democracies are engaging in covert action, then institutional checks and balances are constraining factors. Also, in terms of using covert action as a plausible deniability factor, in Chile for example, President Nixon decided to proceed with the coup against President Allende despite the odds of low success and high likelihood that the American government involvement would be exposed.¹⁵⁶ The argument presented by these authors is that covert action as part of a strategy to impose democratic principles upon a state is flawed because deniability by the acting state cannot be achieved with any degree of certainty.

**Economic Sanctions**

Economic sanctions to induce democracy or humanitarian rights violations by authoritarian regimes have been widely controversial. The purpose of economic sanctions is to use non-military methods to encourage regimes to reform their practices. “The basic mechanics of international financial intervention are straightforward: state regulators direct financial institutions to freeze assets of a foreign state or foreign nationals. Once assets have been frozen, they may not be paid out, withdrawn, transferred, or set off without the host state’s permission. States frequently combine asset freezes with other measures such as blocking a target state from obtaining loans, credit, interest payments, transfer payments, and international aid – all in an effort to limit the target state’s access to foreign capital."¹⁵⁷

The proponents of economic sanctions contend that it is an effective tool towards authoritarian regimes to inhibit humanitarian violations. Economic sanctions reduce the

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¹⁵⁵ Downes, A. and Lilley, L., 2010: 303
¹⁵⁶ Downes, A. and Lilley, L., 2010: 304
need for military intervention yet a more stern than diplomatic talks. Nikolay Marinov states, “in view of the finding that sanctions destabilize, that the results reported here contradict the pessimistic view in the literature regarding sanctions’ effectiveness.”\textsuperscript{158} The author also asserts that “economic pressure would only work if it generates political costs for the leaders it targets. Specifically, if leaders are more likely to lose office following the imposition of economic sanctions, they should be willing to offer at least some policy concessions to avoid sanctions, as well as to secure their lifting once in place.”\textsuperscript{159} Daniel Drezner also stipulates that sanctions work on non-democratic, authoritarian regimes.

Smart sanctions are “sanctions that hurt key elites, on the other hand, would have a better chance of success without hurting the target country’s mass public. Many of the targeted sanctions are instead of sanctioning an entire country, smart sanctions advocates the targeting of individuals, restrictions corporations or holding companies associated with the target government’s leadership.”\textsuperscript{160} The goal of this type of sanction is to dissatisfy elites through targeting individuals, corporation operation through restrictions on trading, and government holding corporations. Though Drezner says comprehensive sanctions overwhelmingly hurt the marginalized poor more readily, smart sanctions uniquely target the wealthier and influential members of society. Authors Dashti-Gibson, Davis, and Radcliff also agree that sanctions could be effective if directed at a specific cause. “The factors affecting success depend upon the goals of the sending nations. When that goal is simply destabilization, the principal determinant of success is the initial stability of the

\textsuperscript{159} Marinov, N., 2005: 566
target. For other goals, the use of financial sanctions is most effective. We also find evidence of a modest downward trend over time in the relative effectiveness of sanctions in the latter category.\textsuperscript{161}

The counter-argument to economic sanctions states that inducing democracy through sanctions has not proven to produce the desired results in targeted states. As Mitchell and Diehl argue, “With respect to encouraging democracy, the intended impact is minimal and the unintended effects pernicious. Economic sanctions do not enhance the prospects for democracy and indeed are associated with a diminution of democratic practices and forces in the target state. Most notably, sanctions actually increase government political repression of opposition groups, many of which might be advocating democratic reforms.”\textsuperscript{162} Many scholars that subscribe to this argument deem economic sanctions ineffective towards authoritarian regimes because they shift the burden of sanctions to oppress the marginalized poor. As author Katerina Oskarsson writes, “sanctions translate into bottom-up political change, as the “deprivation perspective,” which has influenced American foreign policy toward recalcitrant regimes, would predict. Sanctions tend to reorganize the political economy of the target state in ways that, paradoxically, strengthen authoritarian regimes. Ration systems and the rise of illicit trade from which the state captures revenues, both strengthen the state relative to those who otherwise might overthrow the regime.”\textsuperscript{163} Authors Julia Grauvogel and


Christian von Soest also reiterate Oskarsson’s claim that sanctions can strengthen authoritarian regimes, however; they contribute that the sender’s ties to the targeted state have significance on the impact of sanctions. “To incorporate sanctions into regimes' legitimation narratives is easier when only weak ties to the sender of sanctions exist, as this constrains the senders' ability to communicate the underlying goals of the sanctions. Distant senders are often branded as enemies and their sanctions as an unjust imperialist infringement of the country's sovereignty.”¹⁶⁴ These authors assert that sanctions can legitimize authoritarian regimes by signaling support rather than have an impact on the target states’ economy. Even targeted sanctions need to be assessed as to how it is perceived by the authoritarian elite. The authors of this camp contend the perception of economic sanctions needs to be considered before implementation.

Diplomatic Measures

Diplomatic measures are used by non-governmental organizations (NGOs) and by U.S. through aid and monetary support. Diplomatic measures differ from both military and economic intervention strategies by offering democratization through encouraging participation at the local level with public works programs. As with all democratic intervention strategies, there are two camps: one that proposes diplomatic measures to

increase democratic goals, and the other that dispels those claims because they are not effective.

Proponents of diplomatic intervention strategies argue that there is a positive relationship between democracy aid and increasing democratic principles. The goals of democracy aid is to assist democratizing states transition by encouraging adopting principles such as decentralization of political power, increased transparency, and accountability.165 "It is through the local action of individuals, political organizations, and social movements that funding decisions can translate into democratic change in the short run.166 In reference to the United States Agency for International Development (USAID), many scholars on this side of the issue regard this agency as a positive influence in democratization goals without creating internal conflict within the target state. Authors Burcu Savun and Daniel Tirone argue that “democracy assistance programs can help democratizing countries cushion risks of domestic political violence by providing democratic governance and providing external validation of commitments and promises made during the transition. Democratizing countries that receive high levels of democracy aid are less likely to experience civil conflict than those that receive little or no democracy aid.”167 Scholars of this camp argue that through strengthening rule of law through democracy aid, both the legislative and executive branches will become effective, thus diversifying leadership. Authors Finkel, Linan, and Seligson state “contrary to the generally negative conclusions from previous research, there are clear

167 Savun, B. and Tirone, D. 2011: 243
and consistent impacts of USAID democracy assistance on democratization in recipient countries. An investment of one million dollars (measured in constant 2000 dollars) would foster an increase in democracy 65 percent greater than the change expected for the average country in the sample in any given year.”  

However, the authors do caution that this study only assesses the effectiveness of USAID and no other programs. Also, as a disclaimer, the effects of USAID and other democracy programs may take several years to mature.

The dissenting argument for diplomatic aid is no empirical or other substantial evidence to prove that democracy aid works. Stephen Knack explains that the lack of empirical or quantitative data, “does not necessarily imply that no democracy-promoting programs work as intended, but those successful programs appear to be too few and far between for their effects to be detectable in the aggregated data, or are compensated by other effects of aid that tend to undermine democratic development.”  

The author suggests that although democracy aid does not necessarily promote democratization, it does have a positive impact on other objectives. Such objectives include: improving access to education, decreasing infant mortality rates, and improving household incomes. Another view on the effectiveness of democracy aid suggests that “foreign aid may contribute to making already democratic countries more democratic and already dictatorial countries more dictatorial.”  

The authors also propose that “aid for the purposes of democratizing the dictatorial developing world may not only fail, but may

actually cause harm." Dictatorships that receive aid can impose more power through preventing adoption of better policy which would decrease the likelihood of economic growth.

Methodology

Case study analysis will be used as the methodology to determine if U.S. intervention strategies to preserve U.S. interests are effective. The three strategies deployed in Latin America are military (covert action), economic sanctions, and diplomatic measures. In order to have a comprehensive analysis of the overall effectiveness of U.S. democratic intervention strategies, three states with varying stages of democracy will be examined. The analysis will include determining if it was effective from outset and if the democratic measures used contributed to its democratization today. The first case study will exemplify the military U.S. democratic intervention strategy against Guatemala during the 1940-1950s, when the U.S. launched a coup to overthrow the Arbenz regime. The second case study will show the effectiveness of economic sanctions in Venezuela against the (1990s-present day) Chavez regime. The final case study shows the effectiveness of diplomatic measures used in Mexico to create a multiparty democracy instead of the one-party system that had been in place for 70 years. The U.S. diplomatic intervention strategies used were monetary funds to reform their legislative and executive branches of governance, North American Free Trade Agreement (NAFTA), and other cooperative support initiatives. There are several indexes that will be used to determine effectiveness of intervention strategies. The Freedom House Index and Corruption Index will be used to assess overall democracy, an analysis of current

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relations with that targeted state, and an analysis of the short term and long term
democratization goals. I hypothesize that U.S. intervention strategies implemented were
not to democratize Latin American countries, but rather to ensure U.S. interests were
preserved.

Data

Guatemala (1950s-Present)
The U.S. perspective towards Guatemala in 1954 was that it was fractioned,
militarily autocratic, with a looming threat of communist influence. Economically,
Guatemala was struggling. The elite class controlled most of the land and wealth. Up
until 1944, “Guatemala had been ruled by strong, brutal, arbitrary dictatorships: Rafael
Carrera, 1839-1865; Justo Rufino Barrios, 1873-1885; Manuel Estrada Cabrera, 1898-
1920; and Jorge Ubico, 1933-1944. The oppression and despoliation of the majority
Indian population had continued unrelentingly through the years. In contrast, from 1944
to 1954, presidents were chosen by openly contested democratic elections, a labor code
was promulgated allowing workers and peasants to organize, and land reform was
initiated.”173 Joseph Arbenz was a democratically voted president. Though he won with
65% of the vote, he wanted to instill leftist policies that were inconsistent with the U.S.
democracy goals.

The events that lead to the Guatemala coup in 1954 were based on notions that
Arbenz was increasingly conforming to the communist influences. According to the CIA:

What unfolded in May and June of 1954 is now a familiar story in US intelligence and
diplomatic history: Washington used the CIA and US Ambassador John Peurifoy to
support and direct certain Guatemalan military leaders in overthrowing Arbenz's

Comparative Political Studies. Vol. 17, No. 3. 373-407:373-374
government. It was also psychological warfare—cleverly deceptive efforts to persuade Guatemala's citizens and political/military leaders that a major invasion force was steadily moving toward the nation's capital so unnerved Arbenz and others that the government fell without much of a battle.

The story has been told most notably by historian Richard Immerman, who carefully analyzes the American and Guatemalan political environments. While the overthrow of Arbenz was unfolding, the US government pretended to have nothing to do with it. In the year or so after President Castillo Armas's anti-Communist government was brought into power with Agency assistance, CIA quietly judged that his government was "inept," despite his "virtually dictatorial powers," and that there were growing "public demands for a return to constitutional democracy." Still, while American news reports and Congressional debates began to acknowledge that the United States had been involved, the overthrow became one of CIA's "well-known successes." This was the analysis of a Washington Evening Star article in early 1956, for example. Even critics of CIA in the 1950s and 1960s were reluctant to challenge that interpretation of events.174

The covert operation called PBSUCCESS “used an intensive paramilitary and psychological campaign to replace a popular, elected government with a political nonentity.”175

The most notable issue is whether this military intervention strategy was implemented to preserve economic interests in Guatemala. United Fruit Company (UFCO) was a major U.S. company within Guatemala. UFCO owned a large portion of land, railroads, ports and telephone facilities in Guatemala. The company that grew crops and bought out big areas of land to retain for future farming prospects. As a result, approximately half a million acres were uncultivated. Arbenz in an effort to remedy the severe poverty, nationalized approximately 400,000 of the 550,000 acres of land held by UFCO. Though Arbenz paid for the land, UFCO was not pleased with the buyout. At this point, the chief counsel to UFCO Tomas Corcoran alerted the Undersecretary of State

175 Cullather, N. America’s Backyard in Secret History: The CIA’s Classified Account of its Operations in Guatemala, 1952-1954 (Stanford, California, 1999), 7
Walter Smith of the potential communist threat that Arbenz posed. Both the chief counsel and the Undersecretary of State pointed out that Arbenz had “recently legalized the small Guatemalan Communist Party in addition to his expropriation of land.” Many critics of the CIA involvement in Guatemala contend that the motivation to overthrow a democratically elected Arbenz was to preserve U.S. interests in Guatemala. Once the ‘threat’ of communism was at bay, U.S. military intervention ceased.

Many critics of the Eisenhower Administration also claim that not enough geopolitical information was known about Latin America to instill such aggressive foreign policies. The Eisenhower Administration “often wound up simplifying complicated local and regional developments, confusing nationalism with communism, aligning the United States with inherently unstable and unrepresentative regimes, and wedding American interests to the status quo in areas undergoing fundamental social, political, and economic upheaval.” Despite leaving the government in another regime-like situation, Eisenhower’s administration approved of Castillo Armas in control over Guatemala.

“The invasion’s disastrous setbacks dispelled all illusions about his (Castillo Armas) capabilities, and U.S. officials had low expectations at the outset of his presidency. Even those proved optimistic. Hopes that he would align himself with centrist and moderate elements were dashed within weeks, as the new junta sought out the only elements not tainted by ties to the Arbenz regime, the aged and embittered retainers of

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Uboico (former president of Guatemala.) The U.S. did not ensure that a regime capable of returning Guatemala to a true democracy followed the coup of 1954.

After the initial rule, Castillo Armas held an election to assure the people that they would not experience another dictatorship. However, Castillo Armas ran “sham elections”. “The law promulgated the election was "clearly designed," according to U.S. Ambassador John Peurifoy, "to assure full control of this assembly by elements favorable to continuing Castillo Armas in presidency with full powers." The law affirmed, for example, the policy of the new regime that illiterates were to be disenfranchised but granted an exception for this one election.” During Armas’ presidency there were several protests amongst the population with growing distain for his oppressive standards and his inept ability to rule. Increasing tensions lead to Armas banned protests and demonstrations. One demonstration by Guatemalan students resulted in six deaths, dozens wounded, and 168 deaths. Many attribute Castillo Armas’ assassination (July 27, 1957) to the growing tensions between students, communist sympathizers, and Arbenz supporters. Many pro-U.S. Guatemalan officials contend that growing corruption of members of the Castillo Armas’ government would have led to his eventual downfall through an internal coup if the assassination had not occurred.

Since Castillo Armas’ downfall, Guatemala has only experienced intermittent democratic rule. According to The Freedom House Index, Guatemalan “citizens can change their governments through elections, but recent voter turnouts suggest that people

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178 Cullather, N. 1999: 113
180 Brockett, C. 2002: 103
are increasingly disillusioned with the process. The constitution guarantees religious freedom and the right to organize political parties, civic organizations, and labor unions. However, political and civic expression is severely restricted by a climate of violence, lawlessness, and military repression.”  

“Political activity simply became too dangerous as groups of the extreme right and left, both led by military officers, plotted against one another. In the early 1960s, guerrilla groups began operating in the eastern part of the country, and in 1966 the United States responded by sending military advisers and weapons, escalating a cycle of violence and reprisals that by the end of the decade claimed the lives of a U.S. Ambassador, two U.S. military attaches, and as many as 10,000 peasants.” In 1998, Guatemala ranked fourth in kidnapings and experienced major drug trafficking issues. Guatemala served as a transit point for many drug trafficking organizations while also creating a safe haven for criminal organizations to operate. According to Freedom House, Guatemala ranked a 3.5 out of 7. The rank consists of 1 being the best (most free) and 7 being the worst (least free). The Freedom House awarded a “partly free” status in 1998 to Guatemala. However, by 2010, the following was written “Guatemala is one of the most violent countries in Latin America, and in 2009 it experienced its most violent year in recent history, with 6,451 homicide victims; the country registered an average of 18 murders a day in 2009, compared with 15 a day in 2008. It is estimated that only 2 percent of murder cases result in a conviction. Violence related to drug trafficking has

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182 Cullather, N. 1999: The Sweet Smell of Success in Secret History:116
spilled over border from Mexico, with rival gangs and cartels battling over territory.°°¹¹³
Freedom House ranked Guatemala at 4.0 out of 7, in 1998 which is considerably less free
than previous years. It still remained partly free as in 1998, due to the government’s
ability to implement policies and effective legislation to combat organized crime. Civil
liberties and political rights were greatly hampered due to corruption, intimidation, unfair
treatment of women in the workplace, and child labor violations.

As the chart indicates, government effectiveness and corruption was not
significant between 1996-2011. Rule of Law saw a significant increase in 2002 measured

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world/2010/guatemala#.VYoYJkJ2XoY
at 22.5 percentile rank and declined significantly. Similarly, governmental effectiveness was estimated to decline significantly after 2002, and has not recovered since the decline. According to DemocracyRanking.org, Guatemala ranked 78 out of 112 which was of the bottom third of all countries in 2014 in global democracy quality rankings. This was an increase in rank from previous years. In 2009-2010, Guatemala scored a 49.2 and in 2012-2013 scored 51.2. These scores were derived from the following components and sources: 25% (Political rights: Freedom House), 25% (Civil liberties: Freedom House); 25% (Global Gender Gap Report: World Economic Forum); 10% (Press freedom: Freedom House); 10% (Corruption Perceptions Index: Transparency International); 2.5% (Change of the head of government -- last 13 years, peaceful); 2.5% (Political party change of the head of government -- last 13 years, peaceful). 185 These recent scores indicate no significant improvement from 2009-2014. Since the coup in 1954, there have been no further major U.S. intervention strategies implemented in Guatemala despite their struggle with maintaining democratic principals.

**Venezuela (1990s-present)**

Venezuela’s political issues stemmed from long-standing issues with corruption and greed. Rafael Caldera was elected president (1969-74) and again from 1993-1998. Caldera’s last term presidency was marked with allegations of corruption, a high crime rate, and soaring debt. “With crime soaring, oil wealth drying up, and the country in the worst economic crisis in 50 years, popular disillusionment with politics deepened.” 186

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Hugo Chavez became president in 1999 due to worsening conditions in every facet of governance. “Salas, a respected two-term former state governor, won just 40 percent of the vote, to Chávez’s 57 percent. Chávez took power in the world's number three oil exporting country in February 1999.” When Chavez took power, he instituted his own congress. Many criticized Chavez for militarizing the Venezuela political apparatus as well as politicizing the military. Soldiers were commissioned to oversee elected officials and promoted without congressional approval. Military personnel were dispatched to build public works. Senior military officials such as generals were appointed to posts such as presidential chief of staff, head of the secret police, and head of the internal revenue service despite never being elected.187

The U.S. has energy security interests in Venezuela. Venezuela is one of the five biggest exporters to the U.S. in petroleum. Venezuela exports 802 thousand barrels per day of petroleum on average. Though the U.S. domestic petroleum production continues to increase, the U.S. still heavily depends on Venezuela as a major exporter of petroleum products. Many strategies have been suggested by scholars to retain the vital oil exportation to continue despite the ongoing political issues Venezuela endures. Venezuela still relies on the production from its oil company to sustain its economy. Therefore, a push to retain production levels are still demanded by the aging oil infrastructure. “State firm PDVSA achieved record production in the Orinoco basin, and exceeded 1.3 MMbopd in that area during February. This will help it reach its production goal of 1.4 MMbopd in that region by the end of 2015.”188

“The United States has imposed sanctions, consisting of visa restrictions and/or asset blocking, on more than 50 former and current Venezuelan officials since July 2014 for involvement in human rights violations.” These sanctions are imposed in different forms. In July 2014, the State Department announced it had imposed visa restrictions pursuant to Section 212(a)(3)(C) of the Immigration and Nationality Act (INA) against a number of Venezuelan government officials responsible for or complicit in human rights abuses associated with arbitrary detentions and excessive use of force employed to suppress protests. Visa restrictions were imposed on the elite class as well as on governmental officials. In February 2015, the State Department announced that it had imposed additional visa restrictions pursuant to the INA against a number of current and former Venezuelan government officials responsible for or complicit in human rights abuses and on persons considered to be responsible for acts of public corruption. Family members of accused governmental officials were also banned from visa acquisition. In addition, U.S. President Obama imposed asset blocking on several Venezuelan officials responsible for human rights violations.

190 Sullivan, M. 2015: 29-30
191 Sullivan, M. 2015:30
According to DemocracyRanking.org, Venezuela ranked 94 out of 112 which was the bottom third of all countries in global democratic quality rankings. Venezuela fell eight places in 2014 from the previous year. In 2009-2010, DemocracyRanking.org scored Venezuela at 46.9. In 2012-2013, their score weakened to 45.5. These scores were derived from the following components and sources: 25% (Political rights: Freedom House), 25% (Civil liberties: Freedom House); 25% (Global Gender Gap Report: World Economic Forum); 10% (Press freedom: Freedom House); 10% (Corruption Perceptions

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These economic sanctions have not been effective in inspiring President Maduro to abandon his authoritative rule. “While the sanctions themselves were relatively benign, the executive order through which they were delivered cited the situation in Venezuela as an "extraordinary threat to the national security and foreign policy of the United States." U.S. officials said such language was standard for initiating sanctions, but the harshness of the characterization alienated even U.S. allies in Latin America and fueled Maduro's ideological fire denouncing U.S. influence inside his country.”194 Maduro is effectively using these sanctions to gain approval from the poor. Though many protestors disapprove of Maduro’s increasing authoritative rule, Maduro has used these economic sanctions as a vehicle against the U.S. Mr. Maduro told supporters in a recent speech that he wanted to “show up in Panama with the strength of 10 million Venezuelans and tell the U.S. Empire and its president: ‘Repeal the aggressive and offensive imperialist decree against Venezuela!’” As of Wednesday (April 8, 2015), the government said it had collected 9 million signatures, representing nearly a third of Venezuela’s population.195 Though many of the signatures have been reportedly to be coerced by the Venezuelan

government, there have been many Maduro supporters that have willingly signed the petitions.

**Mexico (1990s-Present)**

Mexico’s security issues has been a concern for much of its history. Drug trafficking organizations (DTOs) increased its violent activity in the 1990s and early 2000s. Rival DTOs fought over territory and criminal enterprises such as extortion and narcotics trafficking. This was exacerbated by a weak political foundation. Politically, Mexico has been mono-political system for roughly seventy years. The Institutional Revolutionary Party (PRI) ruled much of Mexico through “imposing a clientelistic and patronage-based social order.”\(^{196}\) The failing economy, rising violence, and rising violence from the indigenous peasant Native American population also are suspected to have contributed to the change in political structure. In 2000, Vicente Fox was the first National Action Party (PAN) candidate to win in the 70 year span. There are two major diplomatic measures that have been implemented with cooperation from Mexico. They are NAFTA and the Merida Initiative. Both these measures will be discussed as indicators of democratic change in Mexico.

U.S. intervention in democratization has been through mostly diplomatic measures. These measures have not been very invasive but have been essential to supporting Mexico’s democratic effort. Some of these diplomatic measures are economic support, political support, and rule of law support.

The North American Free Trade Agreement (NAFTA) proposed by former President Salinas had an impact on supporting Mexico’s democratic change. NAFTA “hurt the PRI’s capacity to deal with every problem in a vertical, highly hierarchical manner, NAFTA introduced a whole new socio-economic rhetoric in which populism had no place.”\textsuperscript{197} NAFTA was not necessarily a democratic change in the economic sense, rather a method of solidifying democratic plurality within the Mexican political system. “It is possible to infer that NAFTA played an important role in Mexico’s democratization without even trying”\textsuperscript{198}

NAFTA has been positive for the U.S. economy rather than on Mexico’s. “Per capita income in Mexico rose at an annual average of 1.2 percent over the past two decades, from $6,932 in 1994 to $8,397 in 2012, far slower than Latin American countries such as Brazil, Chile, and Peru.”\textsuperscript{199}

NAFTA has not been the catalyst it was believed to be in furthering Mexico’s development. “Any true revival of NAFTA as a development project would require that regional leaders agree on a continental strategy that taps labor markets across the three borders.”\textsuperscript{200} As a result of NAFTA, the divide of Mexico’s wealthy and poor grew and shrunk the annual gross domestic product (GDP). “In 1980, Mexico’s GDP per capita was 47 percent of the average (Organisation for Economic Co-operation and Development) OECD level; in 2005, it had fallen to 34 percent. According to a World

\textsuperscript{198} Calde\-ron Martinez, P. 2014 :185
Bank evaluation, NAFTA increased total 1994-2003 cumulative per capita income by a miniscule 4 percent.”\textsuperscript{201} Many economists and scholars have maintained that NAFTA has not encouraged as much growth in the U.S. economy. According to a study conducted by Esquivel and Blecker, the level of economic development has not converged between the Mexico and the U.S. since NAFTA was instituted. The economic gap has not shown much change in the 15 years it has been enacted. Since the economic crisis in 2008-09, it is anticipated that the gap between the two economies will widen since the financial crisis impacted Mexico more than the U.S.\textsuperscript{202}

There is rhetoric that NAFTA has hurt the U.S. economy. However, job growth in the U.S. has increased since NAFTA and exports have also contributed to the U.S. manufacturing market. “The U.S. unemployment rate averaged 5.1 percent for the first 13 years after NAFTA, compared to 7.1 percent during the 13 years prior to the agreement.”\textsuperscript{203} Therefore, NAFTA has not provided the economic growth to Mexico that was believed to bring. Rather, the free trade between Mexico and U.S. has provided a better job market to the U.S. with minimal impact to develop the Mexican economy.

The U.S. has also instituted various cooperative programs that have helped to have an impact on drug trafficking organization violence in Mexico. The biggest U.S. intervention measure instituted is the Merida Initiative. It is based on supporting Mexico’s police, justice systems, and civil society organizations. It is a focus beyond

interdiction of contraband to include facilitation of trade and travel and build a stable community that can withstand crime and violence. Unlike similar initiatives such as Plan Colombia, the Merida Initiative does not include direct military support. Rather, the DoD is assisting Mexico through aiding police and intelligence agencies as a cooperative measure. DoD’s role is largely involved in overseeing the procurement and delivery of Mérida-funded equipment for Mexican security forces. The support, however; is an effort to divert the violence drug trafficking can have on the U.S.

There are many issues surrounding the implementation of Merida. One of the main arguments against Merida is that the U.S. is violating the corner stone of U.S. foreign policy. “While US laws explicitly prohibit the delivery of aid to foreign individuals and units implicated in systematic human rights violations, internal reporting on the implementation of Mérida programs reveals that institutional connections to organized crime are consistently overlooked, ignored or kept hidden from public scrutiny as counter-drug money continues to flow.” Many have criticized the U.S. continued support in Mexico despite the various corruption allegations and human rights abuses. One such case was the abduction of several student protesters in Guerrero, Mexico. Despite the confirmation that a corrupt Iguala mayor turned the students “over to a local drug gang that buried the bodies in clandestine graves”, intervention strategies and aid was not halted by the U.S. The Merida Initiative provides security to the U.S. through

reinforcing the border. However, since the Merida Initiative, there has been no consequence to Mexico to sustain support.

The diplomatic measures instituted in Mexico have been successful in creating a more stable Mexican government. Destabilization efforts by drug cartels have been thwarted. Since the implementation of diplomatic measures such as the Merida Initiative and NAFTA there has been a significant impact on the overall governance in Mexico as evidenced by the chart below. The figure below indicates that in early 2000s, there was a drop in rule of law. According to DemocracyRanking.org, Mexico ranked 69 out of 100 countries tested on overall democratic governance. These factors included rule of law, quality of democratic rule, and political strength. Mexico was given a ranking of 37.05 out of a possible 100 points in democracy. The Freedom House has applied the status of “free” to Mexico since early 2000 despite the growing issues with drug cartel violence. In 2011, however; the “free” status dropped to “partly free” because of the rampant corruption taking place. In 2015, the Freedom House has downgraded Mexico from a 2.0 status in early 2002 to 3.0 in 2015. As discussed before, the range for freedom is based on 1 being the best rating and 7 being the worst. Although the diplomatic initiatives that took place well before 2011, databases have indicated that there has been a slight impact by U.S. diplomatic measures.

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Analysis

The intervention measures instituted by the U.S. have not shown to have an effect on the democratization of Latin American countries. The Guatemalan coup of 1954, though successful in overthrowing the regime, was not successful in restoring democratic rule. Guatemala’s political structure can be defined as inconsistent, at best. PBSUCCESS was a successful covert operation for the CIA and the Eisenhower administration. However, diplomatic aid or supplemental initiatives were lacking and insufficient to ensure that democratic governance was instilled.

\[\text{Source: Worldwide Governance Indicators}\]

\[\text{Created on: 07/16/2015}\]

\[\text{Figure 7 MEXICO GOVERNANCE INDICATORS}\]

In the case of economic intervention, Venezuela has not returned to a democratic centered government and has used U.S. imposed economic sanctions as rhetoric for anti-U.S sentiment. Venezuela, like Guatemala, has a history of non-democratic rule. Venezuela has been in a severe economic decline with growing unrest by its populace. Though the U.S. has designed these sanctions that do not impact on the suffering population of Venezuela, Maduro has used these same sanctions to further justify his initiatives. Due to the retaliatory sanctions that Maduro has imposed, the U.S. cannot aid in further measures to democratize Venezuela. Therefore, further democratic development by the U.S. cannot take place. This greatly hampers any true democratic model to be instilled.

Though measures such as NAFTA and Merida have been more successful in having an effect on strengthening the rule of law in Mexico, it still has not been effective enough to sustain a stable democracy. Of all the intervention strategies imposed, diplomatic measures seem to have the most impact. However; these strategies were implemented with just enough force to preserve U.S. interests. In the case of Mexico, the U.S. is interested in preserving national security from drug trafficking organization threats. Before the threat of DTO violence was prevalent, U.S. intervention was virtually non-existent even when Mexico experienced 70 years of a mono-political system.

Diplomatic measures, as discussed in the literature review, have yet to be successfully implemented anywhere within Latin America. Though economic aid and cooperative measures have been used to booster economies throughout Latin America, political aid in legislative and governance to promote democracy has not been tried. Through providing assistance to those states in the form of NGOs and aid, long term
democratic goals would be more successful than implementing them forcefully. USAID and security measures have been implemented in places such as Mexico, Peru, and Nicaragua to name a few. Many of these measures are to increase security against drug-trafficking organizations. USAID also cooperates with other NGOs to support civil society groups within the affected state. In regions such as Haiti, parliamentary reform measures have been instituted with the help of diplomatic measures by both USAID and other NGOs. A study by USAID found “positive findings and USAID’s extensive prevention experience, the Agency calls on Central American governments, U.S. government counterparts, private sector partners, and multilateral organizations to join together and increase prevention efforts to: 1) expand USAID's proven community-based prevention model in more dangerous communities in Central America; 2) target youth that are most likely to become perpetrators of crime and violence and support re-entry programs for those in gangs; 3) implement a place-based approach that integrates law enforcement efforts closely with community-based crime and violence prevention programs; and 4) align resources to ensure economies of scale on public security programming.”

Other democratic diplomacy measures include The Bureau of Democracy, Human Rights and Labor’s Human Rights and Democracy Fund (HRDF) which “supports innovative, “venture capital” programs that uphold democratic principles, support and strengthen democratic institutions, promote human rights, and build civil society. DRL focuses its work in countries with egregious human rights violations, where democracy and human rights advocates are under pressure and where

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governments are undemocratic or in transition. The Bureau's programmatic strategy is to primarily work with local civil society, including independent media, to support those working to strengthen democratic institutions and promote accountability.ʻʻ210 Though no statistical information exists to prove the success or failure of diplomatic measures or goals, it is the least invasive measure used by the U.S. to implement democracy goals. Future study into how USAID and other NGO programs advanced democratic goals will need to be examined in the future.

**Conclusion**

U.S. foreign policy to implement democracy worldwide would be difficult to implement successfully by any hegemon. Though arguments can be made as to why democratic governance is superior to authoritative regimes, not every authoritative state can be persuaded to relinquish control. Military action, economic sanctions, and diplomatic measures have proven unsuccessful in Latin America. Latin America has experienced a long history of economic and political instability despite the U.S. efforts to intervene and introduce true democratic principles. Through the case studies discussed here, it is evident that both Guatemala and Venezuela have not experience any change in stability or economic recovery. Diplomatic measures implemented to decrease the amount of drug-trafficking violence in this region have proven to be somewhat successful. Determining the success of measures to instill democracy has not been fully assessed. The U.S. interests in instilling democracy in Latin America can be defined as a ploy to preserve U.S. interests without creating a potential war with autocratic or mono-

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210 Department of State. International Programs to Support Democracy, Human Rights and Labor. Number: 19.345. [https://www.cfda.gov/index?s=program&mode=form&tab=core&id=26e5ead6835cb8a5582bc40246b97](https://www.cfda.gov/index?s=program&mode=form&tab=core&id=26e5ead6835cb8a5582bc40246b97)
political regimes. This is evidenced by the inconsistent and short term policies that have been discussed in this chapter. The facts and information contained in this paper have contributed in determining if U.S. intervention in Latin America has been successful to date. The research conducted for this paper has confirmed no significant impact of past or present measures used by the U.S. to promote democracy in this region. If the U.S. were seriously considering instituting democracy throughout Latin America, diplomatic measures would probably be most effective. It would be effective if these diplomatic measures were supported by the U.S. government through NGOs. Also, if the U.S. would be interested in implementing a long term strategy, then long term support through aid or initiatives would have to follow to ensure success. It is unclear whether these strategies would be impactful long term. Further study to determine the success of USAID and NGO efforts will be successful in furthering democratic goals in the future is necessary.
Thesis Conclusion

The goal of the thesis is to demonstrate policy and initiatives the U.S. imposed in Latin America to secure threats of national and energy security have been ineffective. Efforts to democratize Latin American countries to eliminate autocratic regimes and communist influence have been proven ineffective as well. The overall theme of the thesis is to question the policies in place currently and determine if they are satisfying the intended purpose of improving economic, security, and democratization goals in Latin America. Or, if these were instituted for the benefit of U.S. interests. Many of these policies are having an adverse effect in Latin America. In many cases, they are compounding the problem by creating an even larger and long term threat to the U.S. There are many examples of this throughout the thesis.

Some of the previous policies instituted were thought to be successful, such as Plan Colombia. However, as the first chapter shows, it compounded the problem when Colombian drug cartels used Mexican DTOs as middlemen to funnel product to Mexico and through the U.S. Once Mexican DTOs took over production and transportation, Colombian DTOs were left out of the process. Colombian DTOs lost strength and became small organizations without the clout they once maintained. Although this was an unintended consequence, remedies to solve issues of Mexican DTOs have not been successful. As chapter two exemplifies, Colombian DTOs are targeting petroleum production to regain their strength and as a result proving to be a civil unrest threat. Therefore, what was deemed as a successful imitative, Plan Colombia resulted in several unintended consequences. Subsequent initiatives to mitigate and correct these initiative failures have not been successful nor had a significant impact for the good of Latin America. Rather, these initiatives had an impact on eliminating and mitigating the threat that was immediate to U.S. security. Each chapter recommends that policies that need to be re-evaluated or eliminated altogether to reflect the intended purpose of eliminating DTOs, political, economic, and energy concerns that plague Latin America. From the U.S. perspective, it would greatly benefit the U.S. to help in bolstering a more
democratically viable Latin America. However, it would be better received by Latin America if the U.S. were forthcoming with its intentions. Quick fix policies do not eliminate issues that are now becoming more deeply rooted in Latin America and are threatening to have an effect on the U.S.

Furthermore, these initiatives proven to be ineffective can further alienate Latin America and strain the relationship with the U.S. An example of a strained relationship is that of the U.S. and Venezuela. As we see in chapters 2 and 3, economic sanctions imposed to instill a regime change has not achieved desired results, rather; it has further alienated Venezuela from the U.S. Venezuela presented issues for the U.S. in energy security interests. The U.S. also sought to eliminate the current autocratic Chavez/Maduro regime. However, the current regime has also proven to be corrupt, in violation of human rights, and created an anti-American rhetoric amongst its people. The social unrest in the state has erupted and is becoming a growing concern for civil war. Economic sanctions imposed on Venezuela have not had an impact on ensuring their petroleum output is maintained, nor has it aided in creating a more democratic government. Another example is the covert action taken upon Guatemala in 1954. As discussed in chapter 3, many scholars question the reason for the CIA to overthrow Arbenz, a democratic elected leader. These scholars question whether the claim of potential communist influence was really the motive behind the coup. It is difficult to dismiss these claims because many autocratic leaders that took command after Arbenz were corrupt, violated human rights laws, and ceased all democratic elections. Such non-action in the face of these events has created an anti-American rhetoric that centers on the idea that the U.S. only intervenes when it is convenient and for the protection of its interests. The anti-American rhetoric has progressed further to suggest that the U.S. is responsible for the economic failures Venezuela has experienced. The Venezuelan Chavez/Maduro regime claims that the U.S. tried to overthrow its regime as the U.S. did in Guatemala.
This thesis is a presentation of the issues the U.S. faces in Latin America. Further studies need to be conducted regarding U.S. foreign policy in Latin America. Though the policies aimed at rectifying some of the Latin American issues aren’t effective and bring suspicion of being in the sole interest of U.S. priorities, they are creating even bigger security issues for both regions. Current policies need to be evaluated to determine if these are rectifying the identified threat. These policies are not only damaging relations between many Latin American countries and the U.S., but the issues that originally were to be corrected are continuing to fester are becoming larger issues. Eventually, if these failing policies continue to be used, the security issues will become too big to contain. At that point, no matter what policy is instituted, these threats will overtake both regions.

Latin America has been a neglected region in U.S. foreign policy. Since concerns in the Middle East have been the focus of U.S. foreign policy in recent history, Latin American issues have fallen in the list of priorities. It is an interesting phenomena that can have serious negative consequences. It has not received the attention from Washington that it deserves. Initiatives, sanctions, military action, and policies have not been evaluated for effectiveness, rather, a quick fix approach has been the tradition. However, the quick fixes are not alleviating the problems nor resolving any further issues. The issues are not going away and further interventions that have not worked in the past continued to be used with no hope of resolution. Therefore, a new path must be forged in these matters if security issues are truly important to the U.S. Perhaps new methods in terms of empowering and supporting NGOs and true cooperative measures will be more successful if they are implemented and used correctly.
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Curriculum Vitae

My name is Liana Saldana and I was born in El Paso, Texas on July 22, 1979. I have lived on the U.S./Mexico border throughout my life before coming to Washington, D.C. I graduated from New Mexico State University with a Bachelor’s degree in Criminal Justice and a minor in Security Technology in 2001. During my studies at New Mexico State, I came to D.C. to do an internship at the Federal Bureau of Investigation Headquarters and the Quantico Training Center. After the internship, I returned home. I became a physical education teacher but dreamed of perusing my graduate degree. Years later, I came back to fulfill that dream at Johns Hopkins University. I look forward to returning to my hometown to help alleviate some of the issues presented in this thesis.