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**WIDESPREAD EFFECTS OF HIGH-LEVEL CORRUPTION:
THE CASE OF MEXICO**

Bachelor's thesis

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ABSTRACT

Corruption is a complex and global phenomenon in today's world. Mexico is one of the countries that has been struggling with this social phenomenon for a long time. This thesis will examine how high-level corruption influences on Mexican society as well as observe the existing level of interconnectedness between the state and the drug cartels in the country. This thesis will begin with the observation of the historical background of Mexico in the context of its linkage to the current corruption situation that the country is facing. Furthermore, the patterns of criminal organizations will be scrutinized and the main focus will be on the most powerful drug cartel globally, Sinaloa Cartel. Moreover, the widespread effects that high-level corruption has created towards society will be examined through political as well as economical angle. The paper will also make an attempt to determine how high-level corruption could be reduced by suggesting that Mexico should invest more on its national security and justice system in order to be able to mitigate the power of drug cartels which increases the threat of corruption. This thesis concludes that corruption is a severe threat which has highly negative impacts towards the whole state and in order to reduce corruption, the power of drug cartels needs to be mitigated. What has to be kept in mind though, the war on drugs has increased the amount of corruption since criminality and corruption walk hand in hand.

Key words: corruption, Mexico, Sinaloa Cartel, crime, government

INTRODUCTION

Corruption is a widespread phenomenon in today's world and it often comes across in headlines. It is a multifaceted phenomenon which can be found from different sectors depending on the level of corruption. The concept of corruption can be defined as "the abuse of entrusted power for private gain" (Transparency International 2018). One of the countries that has been combating with the phenomenon for a long time is Mexico. In 2017, Transparency International (TI) has ranked the country to the place 135 out of 180 countries with the scores of 29. The scores are given on a scale from 0 to 100 in which the highest score demonstrates clearest transparency and lowest score illustrates visible corruption (Corruption Perception Index 2018). In Mexico, corruption stems straight from the core of the government and the phenomenon walks hand in hand with the drug cartels who besides drug trafficking are committing severe crimes against not only each other but also against the civil society. The rule of law is constantly violated, journalists are assassinated, freedom of speech is insulted and many people have gone missing without an explanation (Beittel 2017, 7). These characteristics are common for the Mexican state.

High-level corruption and drug cartels are nothing new in Mexico and some have even referred the state to the term "Narco-State" to demonstrate the visible linkages between the political elite and the cartels (Grasso 2017). However, during the last decade, the situation has escalated notably and become even more severe. The war on drugs which was executed in 2006 under Mexico's President Felipe Calderón and the political system's shift from centralized into decentralized direction after 71 years have affected notably to corruption and its patterns as well as the drug cartels and their widespread activities which once were under control without extreme violence. The country is struggling and has immersed itself into deep waters, it faces systematic violence which include torture, kidnappings, assassinations and everything in between. (Beittel 2013; Rios 2012). The situation is beyond challenging and the government has alienated from its citizens due to the lack of trust. Despite of several different anti-corruption reform initiatives, the perceived corruption rates are at its peak and the future does not seem bright for Mexico.

This paper will examine corruption in political level and its widespread effects in Mexico. It aims to identify the factors and trends that make corruption in the country possible including the reason how government officials end up getting involved with illegal activities. The paper will discuss about the nexus between the criminals and the government by focusing on one of the most

powerful global drug cartels, Sinaloa Cartel, which is Mexico-based. This research is focused on drug cartels as an integral part of the organized crime.

Considering the above and exemplifying its observation with the Mexican case, this thesis aims at re-confirming the claim that corruption enhances and broadens the scope of opportunities of criminals and weakens the state and the credibility of its political system. It also poses severe threat against national security and democracy. A case-study on Mexico – an influential G-20 country – in the context of corruption is significantly under-researched area as the structural side of Mexican criminal groups has plenty of country-specific peculiarities in terms of interlinking the phenomenon of corruption with activities of different local state institutions.

The main research questions of this paper are as follows: 1) How drug cartels have been able to gain significant amount of power in Mexico and what has enabled corruption to occur in the first place? 2) What is the role of Sinaloa cartel in Mexico and how its structure has evolved? 3) How high-level corruption influences on society? The paper will use qualitative research methods such as analyzing Mexico's historical background and its impact on current corruption situation. The research uses descriptive case-study approach by examining intensively corruption as a phenomenon in Mexico as well as observing organized crime and its interconnections to the phenomenon by providing notable arguments by different scholars and relying on multiple academic sources. The relationship between crime and the state will be examined through Peter Lupsha's theory on criminal-state relationship. In addition, different statistics such as TI's Corruption Perception Indexes as well as other international organisations results will be used as a support to identify the patterns of corruption and its influence on society and to criminal groups structure. With the help of these research methods the paper will be able to answer to the research questions that this paper performs. The data that has been used in this case-study has been gathered from a broad variety of primary and secondary sources, namely academic articles and books, statistical data as well as empirical evidence provided by *Transparency International*, *INTERPOL* and United Nations Office on Drugs and Crime.

Mexico is facing constant insult on freedom of speech, challenges in transparency and twisted governance as well as high-level criminality. It is essential to consider the framework which gives the ability for the state to build its system around twisted and insecure ground and what could be done in order to improve the situation. Political Corruption and its connections to drug cartels in Mexico has drawn many scholars attention and the topic has been visibly discussed for many years.

Nagle (2010) has expressed that corruption runs very deep in the system and the "policies of the government cannot be questioned". Whereas Beittel (2017) has stated that corruption reduces government efforts to combat against criminal organizations and increases the impunity of committed crimes. However the unique characteristic of this paper's contribution to the general debate about the relationship between political corruption and drug cartels is that there has not been much examination about how political system's corruption furthers and creates constantly new opportunities for the criminal gangs and how the criminal organisations form constructs from the structure of the government as well as how corruption effects on society.

The first part of this paper will focus on historical roots of corruption in Mexico in order to be able to provide the sufficient understanding of how and why corruption has emerged in the first place. The paper will also take into account the war on drugs and its influence on current situation. Secondly, the paper will explain the concept of corruption comprehensively and bring out Transparency Internationals' perceived corruption status that Mexico has been given during the last eleven years. This chapter will also discuss about the Sinaloa cartel and its structure. Thirdly, the paper will move towards to the widespread effects that corruption has created in Mexico by observing the issue through economical and political aspect as well as investigating the impacts on national security. In addition, the key factors that has enabled corruption to take control over the country and its political system will be also discussed briefly. Furthermore, the relations between the state and the criminal organizations will be investigated more closely in this chapter as well. The last part of the paper will focus on how to reduce corruption step by step.

1. HISTORICAL BACKGROUND

In the investigation of the political corruption and its widespread effects in Mexico, it is crucial to take a brief look to the historical roots of the country and its political system in order to understand how it has shaped the situation that the state is currently facing. The following chapter presents and analyzes the history of Mexico by focusing on three different time periods starting from Post-revolutionary period, followed by the era of new political elite and then moving to the democratic transition. Mexico's system shift from centralized into decentralized direction will be taken into account and analyzed how it has affected to the patterns of corruption and violence.

1.1. Roots of Corruption in Mexico: Post-Revolutionary Period

In order to understand why and how Mexico became so corrupted in the first place, it is essential to examine the historical epoch when the state's political system was centralized and ruled by single party. For over 70 years, Mexico was dominated by Institutional Revolutionary Party (PRI). The party was established back in 1929 and it remained in power until 2000. PRI was created to ensure that Mexican state would maintain its stability after Mexican Revolution (1910-1920) which had brought brutal violence and insecurity along with it. At first, PRI managed to keep the system of the state quite stable and the future of the country did not seem unsatisfactory. PRI gained popularity through workers, state employees and peasantry. In the beginning, its foreign policy was highly based on leftist ideologies for many decades until 1980s. (Storrs 2006) As an opposite to PRI ideologies, The National Action Party (PAN) emerged in 1939. PAN principles were based on conservative values and the emphasize was on transparency when it came to governance. However, PAN did not manage to achieve popularity in elections for many decades due to the PRI domination over the country. (Ibid)

Even though the shell of the PRI seemed glorious and the violence was kept under control, the content was opposite. The party was holding the victory in presidential elections from year to another by gaining the majority of the votes in each elections. However, the secret of the constant victory lied straight behind the electoral fraud. PRI was highly corrupted and it was impossible to beat up since all the crucial sectors of the country such as governorships, seats in Senate and Chamber of Deputies were dominated by PRI (Weiner 2013). The party was professional in

manipulating the media, bribing the high-level criminals and even corrupting the state's own army. (Ibid) Step by step PRI built a twisted political system which worked through their own conditions. The system structure included three different stages: President who held the executive power, fragile legislature which was built from chamber of deputies and senators and lastly, weak judicial system which representatives were Supreme Court of Justice and national courts. Due to this kind of political system structure, PRI was able to control the whole country in a way that was beneficial for them (Nagle 2010, 96; Nieto 2012, 25). Drug traffickers got protection from the PRI government with the help of special agreements between the state and the criminals even though PRI claimed that it had zero tolerance towards criminal activities (Beittel 2013, 8).

1.2. The era of the New Political elite

Closer to 1980s, the system started changing because the structure of the system began to scatter. In the end of 1970s neoliberal economic policies begin to come up, globally. These policies emphasized free market, trade liberation and state enterprise privatizations. Soon this ideology reached also Mexico and the new political elite was composed of technocrats. (Nieto 2012, 26) Technocrat as a concept does not have single definition but this paper defines technocrats as experts who are specialists in economics and finance but have turned their way into politicians (Li 2001, 69). This means that technocrats have specialized in different field of studies and are not educated to be politicians since they actually do not have experience in politics or decision-making that relates to politics (Ibid).

As the political elite had experienced a new formation, it was obvious that also the former structure of the system began to transform visibly. Traditional rules were not emphasized anymore and the system focused more on economic and financial aspects through different statistics. This meant the end of social agreements and little by little the peace started to decline. Criminal organizations and rebellious groups started to emerge and the violence which was formerly managed to keep under control begin to escalate since the focus was elsewhere (Nieto 2012, 27). During this era, also the former nature of corruption begin to change its pattern gradually. The new face of corruption was more brutal and severe, it brought violence and ruthless along with it. In 1990s, several different political assassinations such as the murder of Luis Donaldo Colosio Murrieta who was running as a candidate for Presidential elections and other shady disappearances revealed the

changed face of corruption. (Ibid) The system was not able to control the criminals and their violence as effectively as before. However, the situation was not fully out of control, yet.

1.3. Democratic Transition

In 2000, the opposition party PAN candidate Vicente Fox won the presidency for the first time since PRI had stepped in 1929 (Camp 2015). This was a notable turning point since the political system was not ruled by a single party (PRI) anymore, instead the system shifted into decentralized direction and after 71 years the power was divided from the hands of the PRI. This meant also a change of patterns in the relationship between the criminals and the political elite. PRI members who were successfully dominating the country before, were suddenly not able to guarantee the safety of the criminals in national level anymore (Beittel 2013, 8). The centralized structure of the state had allowed PRI to ensure that all the members of the political system would stay loyal to them since it would be beneficial for the both sides but it had also managed to keep the criminal organizations violent activities under control because of the code of conduct between PRI and the criminals (Rios 2012, 75-76). PRI had allowed drug traffickers to operate as long as they would not practise any brutal violence inside Mexico. When the structure changed towards decentralized direction it had notable influence on corruption. The officials who were bought to cover their eyes before were now multiplied and criminals were not able to continue their operations if they would have bribed only a single party. It was required to bribe the officials in multiple levels since the power was divided. The new structure of the system also increased the demand for the amount of money that criminals needed to pay to officials so that they would not expose their illegal operations (ibid).

Decent explanation about the difference between centralized and decentralized system and its influence on corruption patterns can be found from Rios (2012) who describes that

Under centralized institutions, the center has the monopoly of authority and can punish lower levels of government. Under a decentralized political system, authority is dispersed and lower levels of government can act independently without fearing punishment from the top layer.

There were hopes that the new direction in politics would emphasize transparency and equality in elections in which the PRI had strongly failed before. However, when the North American Free

Trade Agreement (NAFTA) was signed between US, Canada and Mexico back in 1994, some of the scholars argue that it was the beginning of increased drug trade by saying that when the NAFTA was signed it gave a springboard to drug trafficking to become one of the main challenges for not only national economy but also for international finances (Nieto 2012, 27). Yet, despite of society's high hopes about more honest governance, Fox did not manage to clean corruption from the government. He was bound to the twisted system and the shady operations remained in place. At the end of his presidency the criminal organizations had become notably more violent and began to challenge the state system visibly (Bailey and Taylor 2009, 20).

After Vicente Fox presidency, Felipe Calderón became the President in 2006. He was the candidate of the PAN party and remained in power until 2012. Calderón had an aggressive strategy against the drug cartels and he declared immediately the war on drugs, after he stepped his foot on office. The goal was to fight against the biggest drug cartels in the country. Calderón sent tens of thousands of fighters from military forces to battle to the most popular grounds that were under drug cartels possession. Mexico also got significant assistance from the United States through Merida Initiative (MI). MI is a bilateral partnership between the US and Mexico which intention is to combat against organized crime (Merida Initiative 28.3.2018). MI gave 2,4 billion dollars to the war on drugs, so the assistance was significant. MI also provided training for the Mexican security forces and shared intelligence information about the cartels (Koskinen 2015; Beittel 2017, 3). As a result, numerous drug lords such as Alfredo Beltrán Leyva, Eduardo Arellano Félix and Jaime González Durán were arrested but only handful of them faced jail time. These traffickers were the key figures from one of the biggest cartels: Beltrán Leyva-, Tijuana- and Los Zetas Cartel (Koskinen 2015).

However, despite of the success to arrest some of the key drug lords, the war on drugs can be said to be far from victory. Due to the aggressive combat by Mexican military forces the cartels responded with extreme violence. When main drug lords were put in prison, it gave an opportunity to other traffickers who earlier had been more on the background to step in. The cartels were fighting against each other but the violence was also targeted towards the civil society. The gangs were killing journalists, kidnapping randomly chosen citizens, murdering mayors and the list went beyond (Rios 2012, 3-9). Mexico faced extreme violence and the drug cartels started to spread by multiplying into smaller gangs when the leaders of the most well-known cartels were arrested. The new smaller organizations were more violent and brutal than the previous ones because the key leaders were not able to control their members after being captured. The patterns of crime changed

into disorganized and more chaotic direction (Koskinen 2015; Mexico's Deathly Data... 2016). It is also vital to point out that the war on drugs has drawn the attention from the country's corruption issues into drug cartel issues whereas it would be crucial that corruption would be taken into consideration as much as drug traffickers and their operations since it is part of the organized crime.

After Calderón's presidency, it was time for Enrique Peña Nieto to take the office in 2012. After 12 years, PRI was back since Nieto was the candidate of this party. Calderón had left Mexico wounded and insecure due to the war on drugs. Nieto had great promises about more transparent atmosphere and making Mexico developed country (Rueda 2012). He also had pledges about reducing significantly the criminal violence that the country was facing. However, despite of the promises, after Nieto was elected as a President, he was centering his focus elsewhere and the promises remained in verbiage level rather than an achievement level (Beittel 2013, 36).

It is crucial to point out that during the PRI ruling time, the number of criminal organizations was notably lower compared to the current time. The criminal gangs were managed to keep under control because of the so called *Pax Mafiosa* (Rios 2012) between the state and the criminals. Drug cartels were allowed to traffic drugs to outside the border into the United States if they would promise to stay out of violent acts inside Mexico. In other words, the political system gave an opportunity for the drug cartels to become the huge enterprises that they are today by giving their protection to them and enabling the organizations to continue their illegal operations as long as they would stay loyal to the politicians. Bribes were paid and eyes were closed. The political elite used the organized crime groups for political rivalries and in situations where they did not prefer to take action under their own reputation. Yet the great harm that the country would face later was not thought over. The historical structure of the Mexican political system built step by step a fragile and weak platform for the state and its future.

2. CORRUPTION AND ORGANIZED CRIME IN MEXICO

The next chapter will explain the concepts of Corruption and Organized Crime precisely. In the case of corruption, Transparency International will be used as a main source and Mexico's Corruption Perception Index will be portrayed from the last eleven years, starting from 2007 and ending to 2017. The term of Organized Crime will be opened and followed by an examination of the structure and the role of Sinaloa cartel in Mexico.

2.1. The Concept of Corruption

Transparency International (2018) offers a methodological approach to distinguish three different categories of corruption: grand corruption, petty corruption and political corruption. The category of corruption can be identified with the help of two things: the amount of money that has been vanished as well as the sector where corruption takes place. Grand corruption occurs in governmental level where the state's functioning is being exploited by the cost of public good. Whereas petty corruption can be related to public officials such as police officers who are exploiting their position to gain profits such as taking bribes from ordinary citizens and covering their eyes from illegal activities as a return service. The last category, political corruption takes place through political figures who may manipulate the political system or institutions in order to maintain their powerful position in society and gain private benefits (Transparency International 2018). In Mexico, every single one these categories are visibly present in everyday life. Corruption takes place in grand, petty and political level. In Mexico it is very common that police forces are demanding bribes as a return service for doing their job. If the bribes are not paid most commonly the cases will remain open without any further investigation.

2.2. Mexico's Perceived Corruption Status

Transparency International establishes every year Corruption Perception Indexes which include all in all 180 countries worldwide with rankings and scores. Mexico has not been able to improve its ranking and it has dropped year by year into a lower level. Currently, Mexico shares same position with Russia. Both of the countries has been ranked to the place 135 out of 180 countries with the scores of 29 (Corruption Perception Index 2018). The perceived ranking reflects how

corrupted country Mexico really is and how its situation has escalated even more severe during the last decade.

Table 1. which can be found from below provides Mexico’s Corruption Perception Indexes from the last eleven years, starting from 2007 and ending to 2017. The scores are given as follows: From 2007 until 2011 on a scale zero to ten where zero means highly corrupted and ten means least corrupted. Whereas from 2011 until 2017 the scores are given on a scale 0 to 100 in which the highest score reflects clearest transparency and lowest reflects visible corruption. (Corruption Perception Index 2018)

Table 1. Mexico’s CPI Results 2007-2017

Year	Rank	Score
2007	72	3.5
2008	72	3.6
2009	89	3.3
2010	98	3.1
2011	100	3.0
2012	105	34
2013	106	34
2014	103	35
2015	111	31
2016	123	30
2017	135	29

Source: Transparency International Corruption Perception Indexes from 2007 to 2017

As it can be seen from the table, Mexico’s corruption ranking has changed notably during the timeframe between 2007 and 2017. There are several reasons why Mexico’s corruption scores have decreased and the situation has gotten worse. First of all, it is important to point out that in today’s world the public has better opportunities to get access to information even if the country is highly corrupted. Different social media platforms provide the opportunity for regular people to share information anonymously. The social media is also harder to control than the regular media such as newspapers and tv channels. It can be said that the awareness of corruption has increased during the last decade. However, there are also additional factors which have contributed to the increased corruption rates. After 2008, the rank has increased every year into more inferior level and the scores have declined along with it. It is vital to recognize that after the war on drugs, which Calderón declared in 2006, also corruption level has started to increase. Mexico’s position has

dropped in only six years (2012-2017) from position 105 to the place 135. Another thing which have influenced to the perceived corruption rates is the case of 43 students which took place in 2014. It was found out that the municipal police forces of Guerrero were highly involved in the case as well as the former mayor of Iguala and his wife (Double injustice... 2018, 2). The case of 43 students will be discussed more accurately in chapter three.

2.3. Organized Crime in Mexico

Organized crime has been controlling Mexican state for a long period of time. The concept of organized crime can be classified as severe illegal activities which are committed by a group of criminals. The motivation is usually driven by notable profits and the crimes may cause violence as a consequence. Organized crime groups (OCG) are often involved in money laundering and corrupting officials. (Dijk and Buscaglia 2003, 5) Organized crime goes hand in hand with corruption since the phenomenon usually works through corruption. Scholars have argued that corruption is essential tool for organized crime and without it, organized crime would not be able to thrive (Briones *et al.* 2013, 55).

Organized crime can be connected sometimes into political origins. Some of the groups may have been left out from voting at the time of conflict or alternatively during huge flows of immigration. Political groups may have adapted some of the same characteristics as criminals have had in order to improve their own circumstances. As a consequence OCGs have exploited the political system or even displaced the fragile system functions in order to benefit from the complex situation. (Rose-Ackerman and Palifka 2016, 295) In the northern part of the Mexico; Tijuana and Ciudad Juárez for example, OCGs have managed to stand out in the efforts of providing better help to the citizens than the state. Many migrants are looking for a job in *maquiladora factories* (Ibid). Maquiladora factories are manufacturing plants locating in Mexico. These plants import their raw material or parts from the U.S and after finishing the product they export them back there. The products were duty-free even before the NAFTA. Maquiladora factories provide employment for the low-skilled workers. OCGs have exploited the work-seeking migrants challenging situation where they have very poor conditions to live. In the eyes of these migrants, criminal organizations are able to provide better equipments for living than the state (Ibid, 295-296).

Since the concept of organized crime is wide, this thesis will focus on the operations of the drug cartels. Mexican drug cartels have a huge influence in Mexico and they hold significant amount of power in their hands. The common saying in Mexico called *Plata o Plomo* (Rose-Ackerman and Palifka 2016, 299) which means bribe or bullet demonstrates how the system works between the government and the cartels. If the politicians refuse to cooperate with the cartels and choose to work in transparency, the person or his family members will most likely get killed by the cartel members. In other words, the cooperation is not voluntary, it is requisite for living. Drug cartels are known from their high-level extortion and funding political campaigns in order to be able to control the state at governmental level (Ibid, 302). This way the cartels can ensure that the politicians will work in their advantage.

The history of organized crime in Mexico can be traced back to the time of small smugglings which took place in the United States and Mexico's border back in 1960s. At this time, the criminal groups had only limited resources available. Yet, when the demand for cocaine started to increase during the next decade 1970s, also the power of criminal groups started to rise. In 1980s the difference was evident. Colombian drug traffickers were forced to scatter and their routes were shut down. This was an opportunity for Mexico's traffickers to step in and so they started to replace the Colombian drug trafficker duties in order to gain higher profits than ever before. (Beittel 2013, 8; Organized Crime in Mexico 2008) This was a remarkable decade since Mexico's most powerful drug cartel, Sinaloa Cartel origins can be traced back into this time (Organized Crime in Mexico 2008).

2.3.1. Sinaloa Cartel

Rios (2012) has described that "Criminal groups are what institutions allows them to be". Today, one of the most powerful drug cartels in Mexico and globally is known to be Sinaloa Cartel. It was established back in 1980s. It is crucial to point out that during 1980s, the most powerful Colombian drug cartels such as Medellín cartel were losing their potency which gave the opportunity for Mexican drug cartels to come up. Sinaloa Cartel was one of the criminal organizations which managed to exploit this situation effectively. (Tikkanen 2017) Today, the cartel and its operations are widespread and it has been estimated that Sinaloa cartel has notable influence worldwide in approximately 50 countries (Beittel 2017, 13). It is essential to take into consideration this specific cartel and its former leader El Chapo since they are strongly interconnected to high-level

corruption in Mexico. The branches of Sinaloa Cartel extend straight to the heart of the country's political elite and its functioning.

The original leaders of Sinaloa Cartel are Joaquín Guzmán also known as "El Chapo" and Héctor Luis Palma Salazar "El Güero Palma". After El Güero Palma's capture in 1995 and later El Chapo's catch, Ismael Zambada García "El Mayo" became the new and current leader of the cartel. Sinaloa cartel is at present holding significant control over five different Mexican states including Sonora and Baja California and in addition the states of Sinaloa, Durango and Chihuahua which are also known as the *Golden Triangle* (Beittel 2017, 13-14). The Golden Triangle includes the "triangle" shaped area that contributes from Sinaloa-Durango-Chihuahua. The same area has slopes which are famous for their opium poppy cultivation. The areas are in challenging spots which are hard to climb. (Briones *et al.* 2013, 31)

El Chapo was captured for the first time back in 1993. Even though he was held captive, he remained as the main commander of the Sinaloa Cartel and in 1995 he was leading the most powerful cartel in Mexico fully alone. (Tikkanen 2017) He managed to handle the cartel businesses straight from the prison by bribing the prison guards and as a return service, the guards covered their eyes and allowed El Chapo to do whatever he needed to do (Kokkonen 2017). In 2001, El Chapo escaped from the prison that he was held in (Tikkanen 2017). El Chapo became quickly known from his brutal use of violence but also from his impressive intelligence and already in 1990s he was considered to be one of the most dangerous and powerful drug lords in Mexico (Kokkonen 2017).

In the beginning of 2014 El Chapo was successfully recaptured again. However, only few months later, in July 2015, El Chapo made his second escape from the prison's cell that he was held captive. He was on flight until the beginning of 2016 when he was arrested once again (Woody 2016). El Chapo's ability to escape from Mexico's high-level security prison for more than once illustrates the Mexican government's ineffectiveness to control criminals. El Chapo was recently extradicted to the United States to serve his jail time.

Today, Sinaloa Cartel's structure can be seen as horizontal, however earlier in the history the cartel formulated its structure around vertical hierarchy which later on changed so that it would adapt better to its functioning due to the prominent expansion of the gang (Vigil 2016). Horizontal structure of the criminal organization can be understood as a functioning "federation" which

includes several different smaller criminal organizations instead of uniform structure (Lohmuller 2016). The horizontal structure of the organisation is one of the key factors why Sinaloa cartel's power has not declined despite of the capture of El Chapo. The cartel is known from its extreme use of violence and often their acts are referred as terrorists because of their brutality. Another strong advantage compared to other drug cartels is that Sinaloa Cartel has managed to keep its leader "El Mayo" in a powerful position for a long time. This key person of the cartel has never spent a day in prison despite of his over 40-year drug trafficking career. This in turn creates certain steadiness for the criminal organization since it reflects the image that the cartel is able to keep its structure under control (Hernández 2013, 569). Sinaloa Cartel is currently operating in approximately 17 different states and holding significant power over five different states in Mexico (Woody 2017; Beittel 2017, 13). *Figure 1.* shows the areas which are under the influence of different cartels in Mexico.



Figure 1. Map of Operating Drug Cartels in Mexico for 2016

Source: Beittel (written by Stratfor) 2017

The cartels have spread their operations throughout Mexico. However, the most prominent areas for cartels are located in the northern part of the country. During the past few years, the cartels have scattered into smaller and more dangerous gangs and their general structure has transformed

into more challenging direction to demolish. Before the war on drugs, there were approximately four powerful cartels in Mexico: Sinaloa-, Tijuana-, Juárez- and the Gulf Cartel. Years later, Los Zetas-, Beltrán Leyva- and La Familia Cartel were also dominant organizations. It has been estimated that these seven powerful drug cartels has divided into nine to twenty different organizations. (Beittel 2017, 9)

Some of the greatest cartels which were formerly led by respected drug lords and their structure were based on hierarchical scheme have now been replaced by smaller organizations. The new form of these organizations differs from the previous structure since the cartels are now more unscrupulous and more agile than the traditional ones. The new cartels are not interested in keeping their violence under control and they are competing brutally with each other about the power. When the amount of cartels has multiplied, also the violence that comes with it has increased significantly. However it is crucial to point out that the Sinaloa Cartel still have a key leader (El Mayo) who is the head of the cartel despite of their cellular structure. (Beittel 2017, 5; Institute for Economics and Peace 2018, 2)

3. WIDESPREAD EFFECTS OF CORRUPTION

The following chapter examines how corruption has effected to Mexican society and how the government has been setting initiatives through decades for the criminals so that they have been able to continue their operations. The widespread effects of corruption will be measured through political and economical aspect as well as observing how corruption affects to national security of the country. The chapter will also investigate the relationship between the cartels and the state through Peter Lupsha's theory about the Criminal-State relationship. The chapter will also concentrate on the impunity of committed crimes and give some notable examples of different cases such as the case of 43 students who went missing in 2014.

3.1. Key Factors that Drive Political Corruption

Grand corruption and political corruption requires certain circumstances in order to take place. Political corruption can be recognized when state's most vital branches are being exploited by the highest-level of decision makers and the rulers of the country. When law enforcement becomes twisted and regulations are bypassed by the leaders, political corruption will be able to take place. (Amundsen 1999, 3) Once corruption has integrated into state's political system, it is extremely challenging to dispose since the whole functioning and survival of the state has been based on corruption. It creates vicious circle where being honest will not be beneficial. The state structure will encourage to be dishonest and accept actions which can be classified as criminal activities. Weak governance reflects negatively to the state and its welfare by blooming organized crime for example (Burcher, Perotti and Sullivan 2017).

Mauro (1998) gives a simple example in his article by describing a corrupted scenario in which people are living in a society where stealing is common. If people from this society choose to steal and they will get caught, there is a high probability that these people will not be punished since stealing is so common. This in turn, encourages people to steal since the probability for punishment is highly unlikely. However, if people who are living in a society where nobody steals and someone gets caught from theft, the person will have high probabilities for punishment. This will ensure that people choose to obey law and to not steal anything. (Mauro 1998, 12-13) The same scenario

can be adapted into a higher-level where political corruption occurs. Political corruption takes place when the benefits of corruption are bigger than the downsides.

3.2. Opportunities of the Criminals

3.2.1. Nexus between the Political elite and the Drug cartels

According to Steven Dudley, organized crime groups are able to thrive in an environment where the trust has been broken between the society and the state or alternatively the trust is not there at all due to corruption, absence or incompetence of the state officials or the government itself (Dudley 2016). Mexican state is a perfect match for this description. Corruption can be seen in everyday life and the society cannot trust its own state officials. Pimentel has introduced Peter Lupsha's theory about the relationship between Criminals and the State. This theory can be adapted to Mexico's situation by illustrating how the relationship between the political elite and cartels has evolved. The relations between state and the criminals can be described with *stage evolutionary model* and *elite exploitation model* (Pimentel, 39-41).

Stage evolutionary model includes three different steps: 1) Predatory 2) Parasitic 3) Symbiotic. The first step demonstrates the starting point of the criminal group, the gang often begins to operate in some specific area and their operations are not large-scale, yet. When the gang reaches itself in to the second level which is parasitic, it has managed to create corrupted communication with legal officials. The interaction with center powers will help the gang to expand its operations into a higher level. The last stage, symbiotic is the final step in which the gang has managed to spread its operations notably and its functioning becomes part of the state. The state and the criminality combines and the system becomes dependent of the illegal activity. (Ibid, 39) Mexico is a decent example of a state where the cartels and the political system function together as a "Narco-state". The times of the dominant PRI party ruling gave the platform for the cartels to become a part of the state. Once the gangs has been able to reach out the symbiotic level, the criminality is almost impossible to root out since the political and economical environment of the state would hurt significantly. The goal for the criminals in this model is to gain power in political and economical level so that they could ensure their impunity and financial profits. The gang eventually submerges itself into the state system. *Figure 2*. Demonstrates Lupsha's stage evolutionary model.

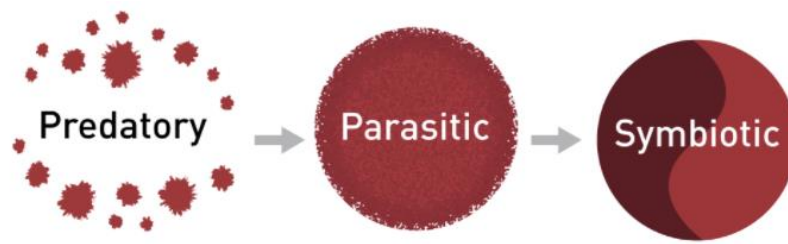


Figure 2. Peter Lupsha's theory about Criminal-State relationship

Source: InSight Crime 2016, 24

The elite exploitation model can also be seen in Mexico's system. The model describes that the politicians see the criminals as a lurking money source which can be exploited in order to gain profits. Back in Mexican history, it can be recognized that the political officials and lower-level officials such as police forces were using the biggest and most profitable drug traffickers as their money bank. The traffickers paid bribes to social officials who in turn gave the money to a higher-level officials (Ibid, 40-41). The traffickers were under the control of the twisted system and violating the rules would not have been beneficial for the traffickers. So in the beginning, the drug traffickers functioned in favour of the state officials but little it was known back then that these drug traffickers would expand enormously and gain significant amount of power and eventually could not be controlled by the state like previously. The rules of the narco game changed and the old agreements between the criminals and state were gone.

Today, it can be said that Mexican drug cartels and the political elite has at the same time very special and highly complex relationship. The cartels are not only cooperating with the political figures but also killing them if the politicians does not agree to their conditions. Especially when it comes to Sinaloa cartel. The relationship between the Sinaloa cartel and Mexico's political elite has its roots back in the time when the state system was centralized and PRI dominated the country. PRI covered its eyes from illegal activities that drug traffickers were constantly committing. They saw drug trafficking as as problem of Americans since the drug use in Mexico was relatively low at the time and violence was kept under control (Beith 2011, 790).

There have been even arguments that under Vicente Fox's presidency, the Sinaloa cartel was enjoying privileged protection straight from the Fox administration. Anabel Hernández (2014) argues in her book *Narcoland* that several different sources have linked Fox administration and

Sinaloa cartel relations. She points out that the Drug Enforcement Administration (DEA) got valuable information in their hands about the cartels when they managed to infiltrate into Sinaloa cartel's partner cell that was lead by El Chapo's close friend, Ignacio Coronel Villareal. According to their sources the Sinaloa cartel and of course the key figure of it, El Chapo, were protected by Fox administration the full 6 years that Fox served in the office (Hernández 2013, 18). Hernández also believes that Vicente Fox received 40 million dollars worth bribe so that he would let El Chapo to escape from the high-security prison back in 2001 (Ibid).

3.2.3. Impunity of committed crimes

In Mexico severe crimes are part of everyday life and yet majority of the criminals does not get punished. The cartels have close relationship with the country's law enforcement (Rose-Ackerman and Palifka 2016, 300). According to Rexton Kan (2016) only five percent of the crimes that are committed inside Mexico are being punished. This in turn means that 95 percent of the total crimes remain to be unpunished. From the five percent that portrays the punishment, approximately one to two percent will have further consequences such as imprisonment or judgement. (Kan 2016, 68) Yet, it is significant to point out that these are only the numbers of reported crimes. Only by looking these numbers, it is obvious that the law enforcement system in Mexico is very weak and doesn't function in a way that it should.

Another organization which proves the ineffectiveness of Mexican law enforcement system is The World Justice Project (WJP). WJP publishes annually the Rule of Law Indexes which include all in all statistics of 113 countries. Mexico has been ranked to the place 92 out of 113 countries with the score of 0.45 from maximum 1.0. The overall scores are given based on the absence of the rule of law. (World Justice Project 2018, 106) One part measures the criminal justice system and its functionality in which Mexico has been placed to 105 out of 113 countries with the score of 0.30. The criminal justice measurement takes into account the whole framework of the system which contain both, low and high level officials such as judges and police officers. (Ibid, 39) These results demonstrate the great challenges that Mexico's criminal justice system is facing and creating itself. Approximately 32,000 people has gone missing in Mexico since 2006 and yet the cases remain open without an answer what has happened (Human Rights Watch 2018). Majority of people are afraid to report crimes since they would not be considered as victims, the case would most likely make a twist and turn straight against the person who have tried to bring out the justice in the first place by becoming the defendant itself.

There are several cases which support the fragile numbers that Mexico has received. One of the most well-known case that illustrates the impunity and corruption in Mexico is the case of 43 students from Ayotzinapa school who were reported missing back in 2014. These students were travelling with buses and were on their way to the Mexico City for manifestation. On late January 2015, Jesús Murillo Karam who back then was the Attorney General, informed that the case had been resolved with the conclusion that the missing students had been attacked in Iguala, Guerrero by local police and after that given to criminal organisation named Guerreros Unidos by the same municipal police forces. The criminals killed the students and burned their bodies and threw the remaining parts into San Juan River (Double injustice... 2018, 2). However, the evidence has not been able to support these claims fully since only one of the students has been able to identify as one of the missing students and the rest remain unknown (Human Rights Watch 2018). United Nations High Commissioner for Human Rights report "double injustice" have stated that during the investigation of 43 missing students, several human rights were violated so that the Mexican government would be able to close the case and find the "guilty" ones (Amnesty International 2018). All in all, 34 people were chosen haphazardly and tortured brutally so that the real actors behind the case would have their impunity. The evidence was manipulated and hidden by the Mexican authorities.

Another decent example of impunity is journalists. Mexico has been classified as one of the most dangerous places for journalists to operate. Majority of the country's journalists are afraid to speak up and write about the things that are connected to organised crime or the government. One of the reasons is the fact that journalists are well aware that if they publish detailed information about either of them, their lives and family members are put immediately in danger. Javier Valdez, who lived in the heart of the Sinaloa in a place called Culiacán, was recently murdered in the middle of the daylight by silenced gun with 12 bullets found in his body (Macqueen 2017).

It is significant to point out that Valdez was not an ordinary Mexican journalist, he was internationally respected and in 2011 he was given the International Press Freedom Award from the Committee to Protect Journalists (Bendix 2017). He was also the original founder of the newspaper called the *Ríodoce* which was an unique newspaper compared to other newspapers in the area of Sinaloa, since his newspaper did not embellish the ongoing challenges that the country was facing (Ibid). Valdez was known from his bravery to publish delicate information about the

government and the drug cartels. Valdez's murder illustrates that even the most well-known and respected journalists on international level are not safe in Mexico.

3.2.4. Control of the Media

The alternative for the Mexican journalists is either self-censorship or ending up in the black-list by reporting delicate information concerning the cartels or the government. Reporters Without Borders (RSF) establishes annually World Press Freedom Indexes (WPF) from 180 countries in order to demonstrate the freedom of expression in different countries (Reporters Without Borders a. 26.3.2018). In 2017, RSF WPF has ranked Mexico to the place 147 out of 180 countries in which the lowest ranking portrays the highest freedom of the media (Reporters Without Borders c. 26.3.2018). Mexico's fragile ranking illustrates the challenges for the state to provide free media. The TV channels are highly controlled and approximately all the channels that are broadcasted in the Mexican TV are owned by two different media groups: Televisa and TV Azteca (Reporters Without Borders b. 26.3.2018; Rada 2015). Mexico's constitution articles 6 and 7 have been made for the protection of freedom of expression yet these laws are constantly violated by the government itself (Rada 2015).

As it can be seen, the information availability is limited in Mexico since the newspapers and the TV channels are notably censored. In order to democracy to be able to function properly, it is essential that the media has its freedom to publish information of all kind. The information that media can provide to society is crucial because without transparent media, the citizens does not have requisite information about different issues that are concerning their country. This in turn creates lack of knowledge and ability to participate in political life. In Mexico, the violence against journalists is a severe act which violates not only the journalists and their important work but the whole environment inside the country. It creates notable fear and insults the basic rights of citizens for not having the possibility for freedom of expression. (Holland and Rios 2015, 2) However, the development of technology including increased use of the social media has raised the awareness about the illegal activities that the government is practising among the society.

3.3. Influence on society

3.3.2. Economical Aspect

When measuring the impacts of high-level corruption towards society it is crucial to look the case from several different angles since corruption is a multifaceted phenomenon. The costs of high-level corruption are significant for the society since the phenomenon restricts the freedom of citizens, affects to their security and in worst case scenarios it may cost lives (What are the... 2018). From economic point of view, it is obvious that high-level corruption costs greatly for any given country and hurts the country's economy significantly. When the politicians of the state system are corrupted they will act in the manner of which investment will benefit them the most and not according to what would benefit the public rather they invest on projects that are beneficial for them, not for the projects that should be the prior targets so that the overall welfare of the country would be improved (Ibid).

There are several estimations about how much corruption costs to Mexican state annually, the estimations vary between two to nine percent of gross domestic product (GDP). According to Agren (2016) The World Economic Forum has assessed that the number is approximately around two percent whereas Franco (2015) has stated that the World Bank has estimated the number to be around nine percent. When the government institutions are fragile and are not able to function properly also the economic growth of the country stagnates (Rose-Ackerman and Palifka 2016, 51). The World Economic Forum Global Competitiveness Index 2017-2018 has recognized that the most fragile part of the Mexican state are its institutions and that corruption can be seen as the main challenge for doing business inside the country (World Economic Forum 2017). In northern Mexico, nominally in Ciudad Juárez, many businesses were forced to pay for criminal organizations in order to get protection in the area, otherwise their lives would have been automatically in danger (Felbab-Brown 2011, 9).

Economically, money laundering is one of the most challenging forms of corruption. It sets significant amount of profits for the criminal groups. Mexican banks often take prominent amount of deposits in cash in exchange for three to seven percent commission without requiring any special information about where the money actually came from. The companies that are getting their revenues through money laundering are often those who are also participating to the campaign funding in elections. (Hernández 2013, 572) Consequently, the illegal money which

originates from drug cartels drug trafficking operations ends up into legal economy when corrupted politicians are accepting large bribes from these organizations. This is also the point when illegal and legal economy merges. For one's part, this reflects negatively to the competitiveness of a country's economy. Businesses that try to compete with respectful manners are the ones who will suffer because they are not able to compete with the businesses who are constantly "funded" by the organized crime.

3.3.3. Political Aspect

On political aspect, corruption is a notable obstacle to the rule of law which is by far one of the most important elements for democratic state. If the rule of law is not respected, the vital institutions of the state cannot be trusted by the citizens and it creates significant abyss between the citizens and the state. (What are the... 2018) In Mexico, the political campaigns are often financed by the criminal gangs who invest their illicit money to candidates in order to be able to control the politics. In other words, the criminal organizations own some of the politicians in Mexico. Ana Davila (2016) points out in her article that local authorities and mayors who are not willing to accept criminals' conditions are being murdered (Davila 2016). During the timeframe between 1995 to 2015, approximately 100 political candidates has ended up as criminal organizations targets. These candidates have faced violence in different forms including assassinations, severe threats and kidnappings. Criminal gangs often choose their targets by selecting those who are necessary for their operations (Briscoe and Goff 2016, 45).

Davila states that the cartels are indeed interested to effect on Mexican politics by highlighting that the cartels know what is beneficial for their business. The criminal gangs recognize the notable advantages of their cooperation with the corrupted high-level officials such as politicians and other law enforcement branches. The complicity takes place in three different levels as follows: local-, state- and federal level. The key for drug cartels' powerful position lays down in the widespread corruption which has been able to reach the state institutions. (Davila 2016) Sinaloa Cartel is a decent example of a criminal organization that exploits their relationship with the politicians. They receive protection from the politicians in specific districts where national authorities have feeble control or they are just neglect towards the criminals. Sinaloa Cartel also favours to contribute to the political campaigns by investing their illicit money for the politicians. This can be seen in the fact that the candidates and the parties are spending bigger amounts of money than they actually get from the state support. (Briscoe and Goff 2016, 46)

Corruption in political level reduces citizens' interests to participate in politics and hurts the democracy significantly. The political system takes a twisted form in the eyes of the citizens and creates the impression that participation is not worth it since they see the situation in a way that their opinions does not matter when the state itself is involved in illegal activities. The line between legal and illegal becomes blurred and there is no clear division between what is right and what is wrong. The state is not able to function in the interests of its citizens rather it works through the interests of the key leaders own advantage. Corruption is beneficial for those who hold powerful position in the country but consequently the regular citizens will suffer notably.

3.3.4. Security Issues

Corruption in governmental level also deteriorates the general security level of the state. It increases the amount of criminal violence. In 2017, Mexico reached its highest peak in homicides with the total amount of 29,000 victims. It has been estimated that due to the scattered cartels, the violence has managed to break its former records and the security is declining. Also the fragile law enforcement is a notable influencer to the current security challenges. Most of the crimes that are reported have straight links to organized crime and often these crimes have a background in which the organizations have been encountered violently.

The cartels create the most brutal forms of violence and this affects notably to the country's general security level. The impunity of the crimes is a significant influencer of the continued violence. The criminals know that most likely they will get away without punishment and majority of the crimes are left without an investigation. This trend is encouraged by the state institutions ineffectiveness. (Institute for Economics and Peace 2018, 2-23) It is also significant to point out that Mexican state contribution to national security is relatively low. It is using only one percent of its GDP to the justice system and national security, this in turn means that the justice is not able to take place if the financial investment is too low (Vision of Humanity 2018). Whereas it has been estimated that in 2017, the violence alone ate 21 percent of the country's GDP (Institute for Economics and Peace 2018, 5). These numbers justify the weakness of the state to invest on most crucial branches of its system.

It is significant to point out that when the political system is highly corrupted it will also affect negatively to the lower-level authorities and their activities such as police officers. If the society

cannot trust its police officers, it is a major issue since then it will be impossible to trust the government because the state is not able to provide security and protection to its own citizens. Therefore, the state cannot ensure that the criminals will get punished for their illegal activities. This in turn creates enormous opportunities for the criminals to create a system where criminality takes over the society. The criminals will be able to continue their illegal operations since the probabilities of getting caught are relatively lower than in regular circumstances where the rule of law is respected. The criminal gangs are getting protection straight from the heart of the government and therefore the criminal organisations are able to function similarly as large enterprises. The cartels are using "plata o' plomo" tactics to get politicians attention whereas the politicians does not have any other alternative than to agree to cooperate with the cartels. However, sometimes the high profits may also encourage state officials to get involved in criminal activities because their own salary might be very low and the amount of money that the cartels are ready to pay as a return service is tempting.

4. HOW TO REDUCE CORRUPTION

This chapter will examine what has been done in efforts of reducing corruption and criminality as well as what could be done so that corruption and crime would be mitigated effectively in Mexico. Several different international organizations such as: United Nations Office on Drugs and Crime (UNODC), the International Criminal Police Organization (INTERPOL) and Transparency International (TI) will be taken into account by analyzing their contribution to the combat against corruption.

4.1. International Organizations

To reduce corruption and criminality from Mexico is a challenging and long process but not impossible. There are several different anti-corruption reform initiatives that has been designed to combat against corruption nationally and internationally. However, the implementation of these reforms has turned out to be more challenging in practise than expected. UNODC has created global framework called "United Nations Convention against corruption" which purpose is to bring member countries together and combat against corruption and organized crime. It is designed to fight against various patterns of corruption and it is legally the only global anti-corruption instrument. It focuses on five different areas including: criminalization and law enforcement, asset recovery, information exchange, preventive measures and technical assistance (UNODC's Action against...2018). Mexico has verified its contribution to UN convention by signing the convention in 2003 (Conference of the... 2015, 2). However, even though UN convention has crucial and decent points in its convention, it is very challenging to execute these rules in practise when the country's law enforcement system itself is controlled by corruption. For example article 11. highlights the importance of judiciary and requires that each State party is obligated to ensure that the judiciary will stay 'untouchable' from bribery and other violations that feeds corruption (United Nations Convention... 2004, 13).

Another international organisation that has contributed to the combat against corruption and organized crime is *INTERPOL*, the organization cooperates closely with the UNODC. Interpol is the world's largest international police organization with its 192 member countries. It strengthens the intelligence sharing between the member states and launches different operations to curb crime

globally. UNODC provides legal framework to Interpol in efforts of combating against corruption and crime. Interpol strengthens the police forces in each country. In 2008, Ricardo Gutierrez who was the head of Mexico's Interpol office was arrested due to his detected links to drug cartels. It was found out that Vargas had been accepting significant amount of bribes from the cartels as a return service from providing classified information about Interpol and its strategies to the cartels (Head of Interpol... 2008) Gutierrez case is a decent example of why Mexican citizens have great trust issues towards the police forces. It also affects to the intelligence sharing. If other countries are not able to trust that Mexico will ensure that the program is not abused, they might be hesitant to share crucial information because of fearing that the information will leak to criminals hands.

4.2. Steps Towards Mitigating Corruption

The most crucial factor in reducing corruption from Mexico, is the fact that the initiative must come from the state itself. If the state is not willing to change its functioning, it will be impossible to make a difference. However, it is important to point out that the situation is not fully hopeless since in 2016, Peña Nieto signed the National Anti-Corruption System (NACS). This is by far the biggest anti-corruption reform that Mexico has established. NACS is a notable step for Mexico in the combat against corruption since NACS obligated the change of 14 constitutional articles as well as two new general laws and five more reforms (Rios 2016). NACS can be defined as a coordinating organ between the local and federal authorities which responsibility is to ensure that all the necessary measures are taken against corruption. Its purpose is to prevent and observe corruption as well as make sure that punishment will take place if necessary. (Network for Integrity 2017)

Besides NACS, it is essential to point out other important factors which will help the country to combat against corruption and crime. Transparency International (TI) has listed crucial factors that are helpful in reducing corruption. First, one of the most vital branches in the combat against corruption is the law enforcement system. Its mission is to provide justice and to ensure that impunity is not able to take place. It is also the main pillar of the system which is responsible for the punishment of the criminals. TI states that strong enforcement requires powerful legal framework, law enforcement branches as well as strong and independent court system (How to stop... 2016). It is essential that the rule of law would be respected and the line between legal and

illegal actions would be clear. In Mexico, the line between ethical and unethical practises is blended and the criminal activities can be said to be supported by the state.

The second factor that is important to take into account is ensuring that financial management is working according to legal manners and it is supported by trustworthy auditing agency (Ibid). It would be vital that information concerning the public finances would be available and not discussed behind closed doors. Third, the importance of clear transparency cannot be enhanced too much. The availability for information is crucial factor which strengthens the trust between the citizens and the government. The freedom of press to publish delicate information about criminal organizations and the government operations should not be restricted in Mexico. If the citizens do not have open access to information it creates an impression that the state is practising shady operations and it needs to hide something. If journalists would be able to publish about the ongoing challenges that the country is facing without having to fear that they will get killed, it would be beneficial for not only the journalists but the whole society since the citizens would more likely participate actively in politics. Currently, the information is very limited in Mexico and consequently the whole state suffers. Fourth, it would be important that businesses would be able to compete based on honest matters. This would mean that the money flows should be monitored effectively in order to avoid illicit money for mixing into legal economy.

In order that corruption would be reduced it is essential that the drug cartels would be taken strictly under control and their power would be reduced. When the high-level criminality would be reduced also the level of corruption would decrease. The effort for making difference must begin from the heart of the government. The biggest backbone and the most challenging part of corruption in Mexico is the impunity of committed crimes. The impunity ensures that the criminals are able to continue their operations constantly. The country should invest more on its national security and the justice system since its currently investing only one percent of its GDP which is not enough. By investing more, it would be possible to create law enforcement system which would effectively provide justice and enhance transparency. The criminals would face punishment and this in turn would reduce their motivation to commit a crime since they would understand that the benefits of respecting the law are bigger than breaking the law. If the state would invest more on security, it would also reduce the number of officials who would accept bribes since currently some of the people are forced to accept bribes from the criminals since they are afraid on behalf of their own security. The fact that the state cannot provide protection to its citizens reflects negatively to their behaviour since they are not able to trust their own government.

Additionally, drug cartels and their powerful position should be mitigated by crushing the drug trade and the profits which come along with it because without thriving profits, the cartels would not be as powerful as they are currently. This would be possible only if the international community would legalize drugs in a way that hospitals would be able to provide drug treatment for those who are highly addict and cannot stop the usage on their own. This way the tax evasion would also decrease and the economy of the state would benefit. However, this is still a distant sentiment because majority of the countries has very strict policies towards drugs but it should be taken into account that the current situation creates thriving markets for the criminals since the product is not available in any other way. Nonetheless, there will always be demand in case of drugs but it is a different matter where the profits will be gathered, to the state or to the hands of high-level criminals.

CONCLUSION

This thesis has investigated the widespread effects of high-level corruption in Mexico as well as the relationship between the criminals and the state. It has explained how the current high-level corruption broadens the scope of opportunities of the criminals and how the state is not able to control its own system because of the high-level corruption which reaches to its most vital law-enforcement branches. The paper's value added to the general debate about corruption is that this paper has contributed to the debate by firstly, identifying that the patterns of corruption in Mexico has changed notably after Mexico's system shifted from centralized into decentralized direction. Secondly, the paper has taken into account that the war on drugs has negatively affected to the country's security level as well as the level of corruption. The gangs have been able to multiply due to the war on drugs and their operations have become even more brutal than previously. Mexico's justice system is not able to function properly and consequently, it is not able to provide justice to its citizens because the drug cartels have managed to invade into the system by bribing high-level officials. Thirdly, the paper has recognized that it would be essential that Mexico would invest more on its national security and justice system. Through higher investment, it would be possible to tackle corruption more effectively and after that, implement an international framework which is designed to combat corruption.

The challenging part in the case of Mexico is that its system has been very fragile right from the beginning. The historical shadow of the PRI dominant ruling time is still reflecting to the country's current situation. It is very challenging to get rid off corruption and crime when these two phenomenons has been submerging for decades into the state system. The system functioning has been based on fragile institutions which are not able to provide the basic rights for the citizens. The drug cartels have managed to gain significant amount of power in their hands by proceeding step by step and corrupting first the lower-level officials and later corrupting also the high-level officials along with the expansion of their operations that have created significant amounts of profits.

Currently the state is working in a way that cartels are committing severe crimes but the majority of them does not face punishment. Consequently, the illegal operations are able to continue and the cartels keep getting profits from their drug trade. The government officials are accepting bribes from these organizations and the money gets mixed up into legal economy. As a consequence,

corruption is able to flourish and the system faces twisted functioning which is not effective. The number of victims keeps coming and the overall welfare is reducing.

It should be recognized that the criminals has become part of state system functioning by submerging into the state system. Political leaders who have agreed to cooperate with the criminals by accepting significant amount of bribes and giving their protection to the most dangerous criminals, are contributing and supporting criminal activity since the money has come from illicit sources such as drug trafficking. The crimes and their impunity have been encouraged by the state and consequently, the insecurity is able to thrive among the society.

It is also crucial to point out that in the beginning, the drug cartels and their violence were under control because of Pax Mafiosa. Back then, it was not foreseeable that these criminals would be able to gain significant amounts of profits and that they would eventually become part of the state functioning. The cooperation with the criminals was seen harmless back in the history since political leaders were able to keep authority over the criminals. However, it should have been taken into account that by gaining the notable profits from the drug trafficking operations, also the power of these organizations would increase notably since money is undeniable, power.

The state has immersed itself into vicious circle where corruption feeds crime and crime feeds corruption. The more crime has been able to increase, the more corruption has been able to thrive. It can be said that the the war on drugs has increased corruption since it has created multiple new criminal organizations that are even more violent than the previous ones. The new criminals are not interested to limit their violence which creates even more difficulties to the state. The criminal gangs have managed to spread effectively throughout the country and they are controlling the state in different levels. The most powerful criminal organization, Sinaloa Cartel, has been able to expand its operations notably and keep the organization strong despite of El Chapo's arrest. The cartels are getting profits constantly from their widespread and unpunished operations. The criminals get also political protection since some of the political campaigns are funded by the criminals.

As long as corruption is able to take place in political level and it can be found inside the state's system, it is impossible to fight against the phenomenon and also the criminals will able to thrive. The country is not able to guarantee security for its citizens because the institutions of the state system are weak and ineffective, and for this reason the rule of law is constantly insulted not only

by the cartels but the political leaders as well. The national security of the society is on a fragile base since the citizens are constantly threatened and the crimes are thriving with an impunity. When the law enforcement officials such as police officers are demanding money as a return service for doing their job it devours citizens trust from law enforcement and the whole credibility of the state suffers.

The situation is beyond complex and it should be taken as a severe threat towards the whole state. When corruption and crime are able to gain as much control over the state as in Mexico, it will eat the whole society from inside out. The situation is beneficial only for those who hold powerful position inside the state, including the criminals. The honest persons are killed and their freedom of expression is taken away while the criminals are enjoying their privileged position. When the level of corruption has been allowed to expand remarkably far, it is very challenging to take over since corruption has managed to emerge itself deep into the system. When the citizens of the state cannot trust to their own government, they might favour the cartels instead because they have an perception that the cartels are better option for their own safety than the government. Evidently, before global and legal anti-corruption framework can work in Mexico, it is essential that the state would first improve its own system's most vital pillars. After that, the implementation of a wider framework could be applied.

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APPENDICES

Appendix 1. Map of Mexico



Source: Beittel (2017, 5)