NEOLIBERALIZATION, CRIME AND VIOLENCE IN CONTEMPORARY MEXICO:

Assessing the Huachicoleo phenomenon (2000-2019)

Master Thesis

Mike Hemmen

S1908316

Master of Arts

International Studies

(Global Conflict in the Modern Era)

Leiden University

Supervisor: Prof. Dr. P. Silva

Word count: 16.300

TABLE OF CONTENTS

Introduction **3**

Chapter 1 ..... **5**

Neoliberalism, Violence and Crime: A Theoretical Approach **5**

1.1 Neoliberalism and State Withdrawal 7

1.2 Neoliberalism, Poverty and Social inequality 10

1.3 Neoliberal Violence and Resistance 13

1.4 Concluding Remarks 18

Chapter 2 ..... **19**

The Mexican Context: A Historical Perspective **19**

2.1 Pre 1982: State Interventionism and Social Control under the PRI Dominance 19

2.2 1982-2000: Neoliberalization and Democratization of Mexico 21

2.3 Post 2000: The War on Drugs, and the Explosion of Violence and Crime 25

Chapter 3 ..... **27**

Neoliberalism and The Case of Huachicoleros **27**

3.1 The Huachicol Problem: a Historical Exploration 27

3.2 Neoliberalization and Huachicol in Mexico 30

3.2.1. Arguments for and against holding neoliberalization responsible 30

3.2.2. Other explanations for increased fuel theft 32

3.3 Anti-Huachicol Policies Implemented by AMLO 34

Conclusion **36**

References **38**

Online Sources and Government documents **44**

Appendix 1: List of interview respondents **46**

INTRODUCTION

Mexico is one of the most violent and criminal countries in the world. In 2019, its murder rate hit a record high with an average of 95 murders each day. The leftist politician Andrés Manuel López Obrador (AMLO) was inaugurated as president of Mexico in the fall of 2018 after winning the elections with a historical landslide. After four decades of neoliberal administrations, the election of AMLO marks a significant political change for Mexican policies. His policies are focused on both combating poverty (Russell 2019), with the re-establishment of welfare programmes (Morales & Zavala 2019) and reducing crime and violence (Foggin 2019).

Now that AMLO is in power - winning his third attempt to the Mexican presidency - it is clear that he wants to do something about the enormous inequality that is racking Mexico (Perez-Rocha 2018). In terms of his economic doctrine, AMLO is making a 180 degrees turn in comparison to his predecessor Enrique Peña Nieto. Nieto's policy was in line with a longer economic trend of liberalizing markets and opening up to foreign direct investment (FDI) since the eighties and nineties. Peña Nieto intended to draw FDI to Mexico by liberalizing the debt-plagued energy sector. Mexico's energy market has always been largely controlled by the indebted state company Pétroleos Mexicanos (PEMEX).

AMLO has blamed a lot of Mexico's problems on the neoliberal orientation of previous Mexican administrations. He announced to end the four decade long neoliberal economic rule in Mexico and will fight inequality, injustice and violence that are wrecking Mexico (Cattan, Martin & Cancel 2019). After there was a traumatic explosion at a pipeline in Hidalgo, Mexico in January 2019, in which more than a hundred innocent citizens died, AMLO promised to end the explosive expansion of fuel-theft that has been taking place. Throughout the last decade, a billion dollar black market of stolen fuel (huachicol) has allowed to grow in Mexico.

There have been many scholarly contributions on the topic of neoliberalism in Mexico and its effects (Harvey 2005; Molzahn *et al.* 2012; Laurell 2015, Voeten 2018; Watt & Zepeda 2012). There is an interesting disagreement in the literature between on the one side authors that blame neoliberal politics of Mexico for the poverty, inequality and subsequent crime and violence (see for instance Laurrell 2015; Watt & Zepeda 2012), and others that argue that *merely* blaming neoliberalism is too shortsighted (See Voeten 2018). For example, Dutch war journalist and anthropologist Teun Voeten (2018), argues that this might be a factor, but claims that there are other *non-related* factors that also weigh in: "[g]roup pressure, boredom, long for adventure, greed, and psychopathological personality structures or the urgent need to survive also play a role" (2018, 166, own translation). Other scholars blame the democratization of Mexico since 2000 for the declining rule of law, rising crime levels and explosion of violence (Astorga 2001; Astorga & Shirk 2010; Dell 2011; Snyder & Durán-Martínez 2009).

This scholarly disagreement is an interesting starting point for further academic research on this topic. The phenomenon of 'huachicol' seems very suitable to function as a case study to do so. There has been research on the phenomenon of 'huachicol', but it has not yet been analysed in direct relation with neoliberalism and the neoliberalization of Mexico. Assessing the crime and violence in Mexico in relation to the theory of neoliberalism will add to the theoretical and societal knowledge on the socio-economic, political and security problems that such phenomena bring about. The guiding research question of this thesis is as follows:

What does the case of Huachicoleros allow us to understand on the alleged connection between the violence and criminal activity in Mexico and its longstanding neoliberal economic policies (2000-2019)?

The structure of this thesis is threefold. Chapter 1: the theoretical section. By discussing and analysing the most prominent and relevant works on the alleged connection between neoliberalism, crime and violence this study will be placed inside the larger debate on this topic. Chapter 2: the historical section. By outlining the historical developments of Mexico's economy and politics of before neoliberalization, during neoliberalization and after neoliberalization it will clarify how neoliberalism has taking for in the specific geographical location of Mexico. Chapter 3: the case study. Assessing the relevant theory and history of the topic in direct relation to the 'huachicoleros' case allows for a discussion and consideration of the main arguments for and against the alleged connection described above. The analysis in Chapter 3 is supplemented with seven semi-structured in-depth interviews.[1]

[1] During an internship at the Dutch Embassy in Mexico-City (March-August 2019) I conducted a number of semi-structured in-depth interviews with various stakeholders in the Mexican energy sector to get a more all-encompassing and comprehensive idea of the 'huachicoleros' case study. Appendix I provides a list of the interview respondents. Note, one of the interviews wished to stay anonymous due to (job) security reasons.

CHAPTER 1

NEOLIBERALISM, VIOLENCE AND CRIME: A THEORETICAL APPROACH

The objective of this chapter is to discuss some relevant theoretical contributions on the concept of neoliberalism in relation to violence and crime. Before anything sensical can be said about the Mexican case, it is imperative to define, explain and discuss some conceptual issues in relation to neoliberalism. The main idea of this chapter is to give a theoretical overview of what can be understood as neoliberalism and the process of neoliberalization and what the consequences of this political ideology are on the ingredients for violence and crime: poverty, social inequality and resistance. This chapter has three sections: (1) Neoliberalization and state withdrawal, (2) neoliberalism, poverty and social inequality and (3) neoliberal violence and resistance. Before turning to the first section, it is helpful to define and explain the theory of neoliberalism. First of all, it is important to note that neoliberalism is a very heterogeneous concept that cannot be easily grasped or defined (Campbell & Pedersen 2001, Brenner *et al.* 2010). It would be unwise to view neoliberalism as a mere set of economic regulations that governing the economy. It is seen as a slipper concept, with many different meanings (Springer *et al.* 2016).

One general description of neoliberalism comes from David Harvey (2005): "[n]eoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade" (Harvey 2005, 2). Some argue that we should think of neoliberalism in plural terms as being both a political philosophy and political practice (Mirowski & Plehwe 2009). Others argue that it transcend both these terms and should be understood as a historical 'thought collective' with a global reach (Fleck 1980). In its most stripped-down form Springer *et al.* explain neoliberalism as a set of "political, economic and social arrangements within society that emphasize market relations, re-tasking the role of the state and individual responsibility" (Springer *et al.* 2016, 2).

There is a scholarly consensus on one of the main features of neoliberalism, namely that is has the tendency to extend "competitive markets into all areas of life, including the economy, politics and society" (see Amable 2001; Bourdieu 1998, Harvey 2005, Mirowski 2013, Mudge 2008). In other words, it has a rather intrusive and dominant character. This tendency is reflected in a description by one of the founders of the neoliberal school of economics, Milton Friedman. He stated that neoliberalism is based on the "elementary proposition that both parties to an economic transaction benefit from it, provided the transaction is bilaterally voluntary and informed" (Friedman 1962, 55). Although at the time, this might have been about a transaction

in the market only, the criticism on neoliberalism today is that it has changed most of human interaction into economic transactions.

Neoliberalism was first developed in the late 1940s, by an intellectual collective that goes by the name of the Mont Pèlerin Society.[2][3] The ideal of a neoliberal state entails a minimal government, flexible labour markets and would be open to international capital. It favours free markets and prefers low to no tariffs between states. The ideas of neoliberalists are deeply rooted in neoclassical economics, with a strong belief in the invisible hand of the market and the powers of supply and demand (Campbell & Pedersen 2001). The Mont Pèlerin Society represented a number of leading economists that vouched to replace the Keynesian model of economics, which favoured a bigger role for the government and regulation (Clarke 2004, 7). There are various reasons why neoliberalism became the global dominant political economic doctrine, one reason was the financial and oil crises that the world faced in the 1970s – this decade exposed the weaknesses of the Keynesian policies. As the neoliberal doctrine was offered as the only alternative, "[t]he capitalist world stumbled towards neoliberalization" (Harvey 2005, 12). The road to neoliberalization was an ideological fight between the neoliberalists, often conservative right wing elite and a social capitalist alternative. Duménil & Lévy argue that the advance of neoliberalization has been a political project, with the aim of restoring class power (Duménil and Lévy 2004).

As neoliberalism has been so influential, it has been the basis for an enormous amount of studies, by economists, social scientists, political scientists and philosophers. Neoliberalism is often discussed in relation to gender, development, discourse, labour and also in relation to violence and crime (O'Malley 2018; Springer *et al.* 2016). Furthermore, there have been many scholarly contributions that have taken on the task of discussing neoliberalism in the light of specific geographies and regions. These studies take neoliberalism as a dynamic and unfolding process. In a regional context, the concept of neoliberalization is more appropriate, as it "acknowledges the mutated and mongrelized forms of neoliberalism as it travels around our world" (Springer *et al.* 2016, 2). In these regional studies, it is important to acknowledge that there is no pure or perfect form of neoliberalism, but only hybrid versions that have their own

[2] The Mont Pèlerin Society (MPS) was established in 1947 as an exclusive group of intellectuals – academic economists, historians and philosophers. It was composed by influential thinkers, such as Austrian political philosopher Friedrich von Hayek and economists such as Ludvig von Mises and Milton Friedman (Harvey 2005, 20). Today, the MPS is an international neoliberal organization which could be labelled as an Economic Policy Think-tank. Website: https://www.montpelerin.org/

[3] It developed against the backdrop of the Second World War, in his 1944 work *The Road to Serfdom,* Friedrich von Hayek claimed that any government interference with the economy would eventually lead to some form of totalitarianism (Hickel 2016, 144).

particular geopolitical characteristics (Peck 2004, Brenner *et al.* 2010; England and Ward 2007: Springer 2010).[4]

In my study, I use the term neoliberalism to indicate the political economic theory in general and use the term neoliberalization to indicate the process through which a state or a region is subjected to regulatory, institutional, rational and ideological changes of 'neoliberalism'. The term geography is inherently linked to neoliberalization; one should understand it as the assumption that the extension of market forces (through neoliberalization) is constitutively uneven, spatially heterogeneous and temporally discontinuous. Instead of generalizing the geographical particularities out of the equation, the "spatio-temporal coordinates, contours, parameters and consequences of this unevenness" should be taken into account in any investigation of neoliberalization (Brenner *et al.* 2010, 188) In other words, studies on neoliberalism should take into account that space and time "as open and always becoming" (Springer 2011, 530).

1.1 NEOLIBERALISM AND STATE WITHDRAWAL

What is the process of neoliberalization and how should it be understood? It is helpful to distinguish between two different types of changes that it entails: (1) A regulatory and institutional restructuring and (2) a change of ideology and rationality. Both will be explained in turns. First of all, neoliberalization throughout the world happened against the backdrop of existing "Keynesian-Welfarist and social-collectivist institutions" (Peck & Tickell 2002, 384). These economies were guided by a big state apparatus and favoured regulation. One can understand, that the process of neoliberalization would in general terms mean the withdrawal of the state. However, what does that mean exactly, and if the state is removed, does the market take its place completely?

On an institutional level, neoliberalism has caused a breakdown of civil, social and economic institutions. Neoliberalism has been selectively making changes to the economy on an institutional level. Carruthers *et al.* (2001) state that this means "[w]idespread deregulation and globalization of commodity and capital markets, privatization of public industry [and] retrenchment of the welfare state', this can be explained as dismantling the political, legal and economic institutions that formerly regulated markets" (Carruthers *et al.* 2001, 95). State withdrawal can be seen as the political construction of markets. This process entails the

[4] See Brenner *et al.* (2010) for a critical discussion of the three major research traditions dealing with 'neoliberalism': the varieties of capitalism approach; historical materialist international political economy; and governmentality approach (Brenner *et al.* 2010, 182).

extension of competitive logics into spheres of life that had until then not been ruled by market forces.[5]

An insightful analysis from Peck & Tickell (2002) nuances the idea of 'state withdrawal' by explaining that, in general, there are two main phases in the process of neoliberalization. According to Peck & Tickell, it starts with the roll-back of the government, and subsequently, a roll-out of the government follows, which transforms the quality and position of the government *vis-à-vis* the market. In Schumpeterian terms, the former represents the destructive moment of economic process and the latter represents the creative moment of economic process (Schumpeter 2006, 83).

The roll-back of the government and government institutions can be understood as a pattern of deregulating and dismantling the Keynesian-welfarist institutions. Forces which, through neoliberal ideology, are thought to be inherently competitive are "liberated" as the state withdraws from the market. This entails a withdrawal of social entitlements and the assertion of "individual opportunity rights". The "anticompetitive institutions" such as labour unions, welfare programs or interventionist arms – or "the Left Hand" of states are dismantled or cut short (Peck & Tickell 2002, 395-6).[6] Capital is withdrawn from specific sectors and actors that do not have a neoliberal market potential (e.g., small peasant farmers). So, the roll-back does not apply to the full state, it is rather the reestablishment of a minimal state.[7] The roll-back applies to specific characteristics of the state that can be labelled socialist or 'welfarist' (Ó Riain 2000, 206).

The roll-out of the government begins when the system hast started running for mostly on market logics, a new set of institutions arise and a new type of government intervention is licensed (Peck & Tickell 2002, 389). Thus, it should not be understood as seen as a unidirectional process of deregulation and marketization (Peck 2002, 339). Some argue that this deregulation and subsequent reregulation was a correction on the harmful effects that a mere roll-back of government caused. Wacquant states that: "[t]he same parties, politicians, pundits and professors who yesterday mobilized, with readily observable success, in support of "less government" […] are now demanding, with every bit as much fervor, "*more* government" to mask and contain the deleterious social consequences, in the lower regions of social space, of the deregulation of wage labor and the deterioration of social protection" (Wacquant 1999, 323,

[5] See the work of French sociologist Pierre Bourdieu (1998) for an excellent explanation of this phenomenon.

[6] Bourdieu calls the interventionist arm the Left Hand of the state. He describes it as "the sets of agents of the so-called spending ministries which are the trace, within the state, of the social struggles of the past. They are opposed to the right hand of the state, the technocrats of the Ministry of Finance, the public and private banks and the ministerial *cabinets"* (Bourdieu 1998, 2, emphasis in original).

[7] For a Nozickian definition on the minimal state, see Erick Mack in the Plato Stanford Encyclopedia: "[a] minimal state is essentially a state that is limited to the protection of the rights of person, property, and contract" (Mack 2018). Retrieved from:
https://plato.stanford.edu/entries/nozick-political/#MinStaVerIndAna

emphasis in original). Now, this roll-out of institutions should not be seen as a return to old institutions where market logic is pushed back. Rather, neoliberalization in this second phase should be seen as new "ideological software", where the new institutions are its "hardware" (Peck & Tickell 2002, 389).

Thus, neoliberalism should not be seen as mere deinstitutionalization, but rather as replacing old institutions with new ones. Which Carruthers *et al*. (2001) claim to be a fundamentally political process (Carruther *et al.* 2001, 95). These new institutions can be described as neoliberal processes of economic management which are based on "the manipulation of interest rates, the maintenance of noninflationary growth, and the extension of the "rule" of free trade abroad and flexible labor markets at home" (Peck & Tickell 2002, 389). What we should take from this is that indeed, much of the welfare state withdraws in the process of neoliberalization, while new institutions are established that follow a different rationality which is based on an entirely different set of ideas and principles – a different ideology.

The institutional changes should not be understood as an obvious set of principles for market and societal modernization, rather they are rooted in a deeply ideological change that underlies neoliberalism (Harvey 2005). The process of neoliberalization is based on the "liberation of individual entrepreneurial freedoms and skills" (Harvey 2005, 2). It follows logically, that in a process of state withdrawal, there are many aspects of life that used to be under the responsibility of the state that are now being transferred to other actors. In general, one could say that this responsibility is transferred from the state to the individual. Some speak the responsibilization of citizens through economics (Springer 2016, 301). Thus, one should understand neoliberalism as an ethic in itself, Harvey say it can be seen as "a guide to all human action, and substituting for all previously held ethical beliefs" this new ethic emphasizes "the significance of contractual relations in the marketplace" (Harvey 2005, 3). To get a good grasp of neoliberalism's impact, it is crucial to take a closer look at this.

On a fundamental level, neoliberalism has been established around the political ideals of human dignity and individual freedom, which are explained as 'the central values of civilization'. It is argued that this has been a 'smart' move by the early neoliberals as these ideals are highly compelling and seductive. Harvey states that the "[c]oncepts of dignity and individual freedom are powerful and appealing in their own right" (Harvey 2005, 5). What is fundamental to neoliberal theory is that the appeal to individual freedom should be guaranteed by both the freedom of the market and the freedom of trade. As mentioned before, one could describe the 'neoliberal way' as a specific 'rationality' – in scholarly work this is described as the neoliberal (political) rationality (Cornellissen 2018, 134). A political rationality – a Foucauldian notion (Foucault 2008) – is "a specific form of normative political reason organizing the political

sphere, governance, practices, and practices" (Brown 2006a, 693). The point to be made is that through the process of neoliberalization the neoliberal rationality becomes the hegemonic "regime of power-knowledge" which "produces certain truths about the nature of human agency, politics, and the world at large" (Brown 2015, 116). One can understand that the ideological change precedes the institutional –tangible – change that neoliberalism establishes.[8] Now that the concept of neoliberalism, the process of neoliberalization and the neoliberal rationality are outlined, the focus will shift towards the theoretical relation between neoliberalism on poverty and social inequality.

1.2 NEOLIBERALISM, POVERTY AND SOCIAL INEQUALITY

It is the objective of this chapter to explore and discuss the theoretical relation between neoliberalism, violence and crime. In doing so, it is imperative to critically discuss the relation between neoliberalism, poverty and social inequality. The questions of poverty and inequality will inherently lead back to the evaluation of neoliberalism as a political economic theory and system. Clearly, there has been much debate on this question (Wade 2004, Barnett 2004, Springer 2008).

The discourse surrounding the rise of the neoliberal ideology has been very powerful (Harvey 2005, Springer 2015). Neoliberalization has often been explained in terms of modernization or globalization – an inevitable process that countries had to go through to proceed to a next stage of development (Peck & Tickell 2002; Springer *et al.* 2016). One of the major promises of the neoliberal reform was to improve economic growth and reduce poverty. However, many scholars agree that it has done exactly the opposite (Harvey 2005, Springer 2015, 2016, Peck & Tickell 2002). "Per capita income growth rates in developing countries plunged to half their previous levels, falling from 3 per cent to 1.7 per cent" (Hickel 2016, 146). As discussed before, neoliberalization has had different effects in different places, and it is difficult to generalise about its effects. So for instance, in Chile, neoliberal reforms led to high levels of economic growth and a strong reduction of poverty in the country. It is clear that it is a story of winners and losers. Where small peasant farmers have been competed out of the market, multinational corporations have greatly benefited by entering new markets, which held cheap labour and more raw materials.[9] Next to that, many multinationals bought up (parts of) state enterprises for "fire-sale prices" (Hickel 2016,146).

[8] Historically, neoliberalism was developed as a highly intellectual endeavour, before becoming a political rationality and subsequently a source for political economic policies for the modernization of society and economy. See Mirowski & Plehwe (2009) for an extensive elaboration on the making of neoliberal thought.

[9] Not only legal multinationals profited of neoliberalization. As I my discussion on the Mexican case in

As the world as a whole has seen much economic growth in the last decades, Neoliberals claim that absolute poverty has declined under the neoliberal regime, they argue that the economic regime after the Bretton Woods System causes more "mutual benefit" than "conflicting interest" (Wade 2004, 567). However, it is up for the debate whether this is a truthful claim. The neoliberal argument would be that the global economic trend confirms the benefits and logic of the neoliberal economic theory: "more open economies are more prosperous; economies that liberalize more experience a faster rate of progress…" (Wade 2004, 567). This process of globalization would eventually flatten the North-South hierarchy and make core-periphery division erode away. International organizations such as the World Bank and the International Monetary Fund (IMF) have been following this line of thinking since the shutdown of the Bretton Woods system in the 1970s (Wade 2004).

However, there are many scholars that would reject this line of argument, and explain it as part of the powerful discourse of powerful actors in the political and economic elite of the Western world (Harvey 2003, 2005; Springer *et al.* 2016). The hegemonic dominance of the U.S., and Western – U.S. led - institutions such as the World Bank, the IMF and the WTO that have been subtly shaping the global opinion through media (Wade 2004; Harvey 2005; Springer 2012).[10] It is never considered that the "ruling ideas might be those of some "ruling class", where there is ample evidence for continuous interventions by business elites and financial interests "in the production of ideas an ideologies", by means of: investment in think-tanks, training of technocrats and commanding the media (Harvey 2005, 115). With respect to poverty for example, these scholars would argue that it seems crucial to consider the particular local geographies in processes of neoliberalization. While there has been fast economic growth in China and East Asia in general, Latin America stagnated, and the former Soviet Union and Africa regressed (Wade 2004, 567).

Neoliberalization is typically a process of uneven geographical developments (Harvey 2005, 87). Hence, it seems fairer to apply a certain geographical nuance to poverty rates. Along these lines, Rapley (2004) argues that neoliberalism is an inherently unstable system as it "assumes that absolute rather than relative prosperity is the key to contentment" (Springer 2008, 1523). While absolute poverty has indeed declined under neoliberalism, relative inequality has risen (Uvin 2003). In light of my inquiry, focusing on a particular geographical process of neoliberalization and the relation to violence and crime, it seems to make more sense to measure poverty along relative lines instead of absolute. Next to that, and even more important, it is crucial to discuss poverty in relation to the relative rise or fall of inequality as this study

---

Chapter 3 will show, the major drug trafficking organizations expanded their business with ease after the borders between the US en Mexico allowed free trade.

[10] See Springer (2012) for a thorough account on the contemporary theorizations of neoliberalism and the various discourse approaches that undergo the academic debate.

discusses the linkage between poverty, inequality as the roots of subsequent violence and crime. This linkage will be further explained in subsequent paragraphs.

Since global neoliberal reforms have been implemented, inequality has increased under neoliberalism (Gwynne and Kay 2000; Petras and Veltmeyer 1999, Wade 2004). Duménil and Lévy state that "[t]he income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960" (Duménil and Lévy 2004, 41-63). Following Harvey (2005), one can argue that inequality is inherent to neoliberalism. He claims that social inequality and redistributive effects have been a "structural persistent feature" of neoliberalization (Harvey 2005, 16). Neoliberalization has had the *universal tendency* of increasing social inequality says Harvey, "be it in Indonesia, Mexico, or Britain…" (Harvey 2005, 188).

When discussing poverty and social inequality rates it is important to take into account the different methodological approaches to measure economic processes and the accompanying discourses. Drawing major conclusions on whether or not neoliberal discourse was caused by Marxian power relations inherent to capitalism is not the prime focus of this inquiry, however.[11] Nevertheless, in assessing the relation of neoliberalization and the festering poverty and rising inequality it seems that power relations should not be obfuscated. A Marxian political economy approach is helpful to analyse the relation to poverty, inequality and violence in the world. Without, "we run the risk of obfuscating the reality of capitalism's festering poverty, rising inequality, and ongoing geographies of violence as something unknowable and 'out there'" (Springer 2008, 1520). Therefore, to understand poverty, inequality and violence, it is necessary draw on a Marxian account of capitalism that underlies the neoliberal regime. Marxian thought has undergone much damage in recent decades, but following Springer this is unfair – as the Marxian approach to capitalism can be a critical and elucidating approach to modern forms of capitalism (Springer 2010). In other words, Marxist thought is very relevant in the modern context of neoliberalization processes as it posits capitalism as the central social institution of the world (Palan 2000, 10).[12]

According to Harvey (2003, 2005) inequality is inherent to the uneven geography and "originary violences of property that any capitalist system entails" (Springer 2008, 1522). That needs some explanation. An uneven geography – a situation where a national market is opened to the world market – results in "accumulation by dispossession" (Harvey 2003, 137). This can

[11] See Duménil and Lévy for a convincing account on neoliberalism and the restoration of class power.

[12] In section 3.2.1. I assess whether the relation between neoliberalization and poverty, (social) inequality can be seen as the main factor driving Mexico, and the Mexican energy sector in particular into more crime and violence. I show that criminal activity did indeed flourish because of neoliberalization, but that there is no direct link between poverty and social inequality on the one hand, and an explosive expansion of crime and violence on the other. One obvious reason is the fact that the three poorest regions in Mexico are also the ones with the lowest crime and violence ratings.

be understood as the inherent tendency of capitalism to find assets outside of itself, to circumvent pressures of overaccumulation. Overaccumulation happens when a private company cannot identify sufficient opportunities for profitable investments in its own market (Harvey 2003, 139). In that sense, neoliberalism can be compared with imperialism, as capital accumulation forces markets in spatial and geographical expansion. Harvey states, "[i]f assets, such as empty land or new raw material sources, do not lie to hand, then capitalism must somehow produce them" (Harvey 2003, 143). Accumulation by dispossession is exercised through several processes inherent to neoliberalization:

> "the commodification and privatization of land; the forceful expulsion of peasant populations; the conversion of various forms of property rights (common, collective, state, etc.) into exclusive private property rights; the suppression of rights to the commons; the commodification of labour power and the suppression of alternative (indigenous) forms of production and consumption; colonial, neo-colonial, and imperial processes of appropriation of assets (including natural resources); the monetization of exchange and taxation, particularly of land…". (Harvey 2003, 143)[13]

Following Harvey, the proletarianization of the lower classes follows from these processes, leading to higher levels of social inequality in local geographies of neoliberalization. Furthermore, the capitalist system in its neoliberal form will incessantly search for lower cost to maximise its own profits (Dunford 2000), big business will inevitably compete small businesses out of the market. As the maximization of profits will also lead to spatial expansion - and the world is marked by small and vulnerable companies of the one side and big and expansionist companies on the other side - this will inevitably lead to "domination over the periphery" (Duménil and Lévy 2004). This is what can be called the "law of uneven development" (Harvey 2003, 2005). This adherence to pure capitalist market logic in combination with spatial expansion is what drives vulnerable business out of the – now international – market. This can be seen as a market or capitalist factor that leads to increased inequality in local geographies of neoliberalization. Following Harvey (2003, 2005) and other prominent scholars on neoliberalization such as Springer (2008, 2011, 2016) on the assumption that poverty and inequality have indeed increased under the neoliberal regime, the next question is how this relates to crime and violence.

1.3 Neoliberal Violence and Resistance

[13] In section 3.2.1, Harvey's accumulation by dispossession is discussed in relation to the criminal circuits of drugs and fuel in Mexico. It allows explaining the market logic that drives criminal organizations such as Mexican drug cartels.

Now that the major theoretical connections between neoliberalization, poverty and social inequality have been spelled out, the building blocks to explain crime and violence in the same context have been provided. This section will discuss neoliberalization fore mostly from the perspective of individual citizens and citizens' collectives. A threefold setup is helpful here: first, it will discuss the concept of neoliberal violence. Second, it will discuss the illegal activities and survival strategies that poor marginalized individuals resort to due to neoliberal reforms. Third, it will discuss forms of contestation by individuals directly specifically against neoliberalism and its embodiments.

"Why should we be worried about neoliberalization if we are not able to fully appreciate its deleterious effects? Foremost among these is the distinct capacity of neoliberalising processes to result in violence" (Springer 2015, 2). The relation between neoliberalization and violence is not an odd one; rather it is an increasingly relevant one as theorization on neoliberalism widens further (Alvarado & Massey 2010, Green 2011, McLean *et al.* 2019, Springer *et al.* 2016). Springer argues that neoliberalism has a distinct relational connection with violence. "Neoliberalism itself can be considered a form of violence", the promises of market utopias are followed by the dystopian realities. Paradoxically, neoliberal thought can be seen as a reaction to violence, as it was first developed on the backdrop of the Second World War. According to Springer, one can view neoliberalism as a form of anxiety. After the atrocities of Nazi Germany, Fascist Italy and the Soviet Union, any government intervention was deemed to lead to inevitable loss of personal freedom and a totalitarian state (Springer 2015, 3). Following Springer (2015), neoliberalism and violence are directly related to the system that neoliberalism constitutes:

> "Neoliberalism is a context in which the establishment, maintenance, and extension of hierarchical orderings of social relations are recreated, sustained, and intensified. Accordingly, neoliberalization must be considered as an integral part of the moment of violence in its capacity to create social divisions within the constellations of experiences that delineate place and across the stories-so-far of space". (Springer 2015, 11)

Inequality is crucial in this relationship, as it leads to violence. At the same time, violence might result in conditions of inequality – they are mutually constitutive (Springer 2015. 12). Combating one of the two will therefore need an approach in which both are considered together as a resonating system (Springer 2015). Furthermore, violence can be considered as an inherent feature of capitalism, in that capitalism tends to bring about certain agents that are capable of violence. However, this does depend very much on the geohistorical milieu and their situation within the hierarchy (Springer 2015, 12). Bourdieu (1989, 2001) argues that any social engagement – neoliberalism included – will represent some form of violence.

Springer (2016) distinguishes two types of violence: exceptional violence and exemplary violence. What the process of neoliberalization does, "or the construction of a new neoliberal normative frame" is transform the exceptional violence into exemplary violence. In this process, the exceptional violence becomes ingrained in the normative frame – and thereby becoming "routinized, quotidian, ordinary, and banal", causing a decrease in human's emotional response to it (Springer 2016, 187). Along the same lines, Arendt (1963) has extensively written on the "banality of evil" and Bourdieu (2001) refers to a similar phenomenon as "symbolic violence", describing it as a destructive form of unconsciousness.[14] This type of violence is not recognized, enabling it to go on unperceived (Bourdieu and Wacquant 2004). What is striking in relation to neoliberalization is that within the neoliberal discourse, the violence is simply explained as the failure of the individual. As responsibility has been transferred from the state to the individual, this would be explained as "a product of personal irresponsibility or cultural inferiority" (Harrison and Huntington 2005, Harvey 2005). Interesting to note, the neoliberal reliance on individual responsibility is a double-edged sword, which strongly correlated with lower classes resorting to illegal activities and survival strategies. This will be further discussed below.

Following Auyero (2000), multiple forms of material violence can be identified in processes of neoliberalization: (1) Daily interpersonal violence, (2) intermittent state repression and, (3) structural violence of mass unemployment (Auyero 2000, 93). Javier Auyero's study *The hyper-shantytown: Neo-liberal violence(s) in the Argentine slum* is emblematic for the relation between neoliberalization and violence in the lower classes of state's that have undergone neoliberal reforms. All three types of violence are due to broader socio-economic and institutional changes that Argentina after adopting neo-liberal economic policies. There are several concrete effects that these policies have on the more vulnerable communities of a country: "depleted networks of reciprocal help, drained community organizations, and diminished neighborhood collective mobilization" (Auyero 2000, 99). Auyero's study can be regarded as emblematic as it illustrates what market-oriented policies and austerity programs - required by the World Bank and the IMF – has done throughout Latin America, in thousands of "*favelas*, *poblaciones* or *barriadas* it has contributed to "joblessness, violence, and vulnerability" (Auyero 2000, 111).[15] High levels of unemployment exhaust networks of reciprocal help or other forms of social capital that would traditionally soften economic hardship of individuals are being eroded, and thereby transforming the heart of the ghettos (Wacquant 1998). The loss of jobs or decline of wages for the poorest will logically lead to the decline in capacities, opportunities and

[14] See Hannah Arendt's *Eichmann in Jerusalem* (1963) for her much debated account on the banality of evil.

[15] Cambridge definition on austerity measures: "official actions by a government to reduce the amount of money it spends, or the amount of money that people in a country spend." Retrieved from: https://dictionary.cambridge.org/dictionary/english/austerity-measures

strategies to improve their lives and their neighbourhoods (Auyero 2000). It is the social bonds and solidarity that keeps communities together (see Auyero 2000), neoliberalization requires a different relationship intra group members, that is less based on social responsibility, it takes on "dehumanizing, superficial, and exploitative characteristics" (Arxer 2016, 133).[16] According to Habermas (1975, 121), social integration in a community occurs indirectly – humans need a neutral principle to mediate their interactions. In the neoliberal regime, market rationality is the mechanism that links individual behaviour to the collective (Arxer 2016, 133). Following Arxer, this turns social life into fore mostly "an individualistic undertaking wherein persons pursue their own aim in the marketplace" (Arxer 2016, 133).

While this individualization of communities is changing the basic structures of social life, the state is purposefully limited in its welfare support, as austerity programs restrict most forms of state support – leaving poor communities to depend on nothing but themselves. Following Auyero (2000), there are three structural forces that create violence: (1) the sectorial shift from manufacturing to service economy, (2) growing prevalence of unemployment and poverty, (3) the dismantling of the welfare component of the state.

The neoliberal line of argument would observe this process as the transformation towards responsible citizens. 'Cutting loose' individuals from state dependence would give them 'opportunity rights' and allow for self-realization, greater autonomy, equality and democratic participation (Barnett 2005). Although this argument might resonate in developed countries such as Germany or the Netherlands, it does not seem to hold for the global process of neoliberalization in which neoliberal reform was clearly performed through a top down structure where International Financial Institutions were pulling the ropes (Springer 2008). As one can understand, neoliberal violence has resulted in various forms of resistance. In a more 'classical' sense of resistance, there have been many examples of protests and demonstrations since the beginning of the neoliberal era. Dissatisfaction, despair and incomprehension have made people take to the streets. One can think of examples such as the IMF riots, Occupy Movement and the Arab Spring (Hickel 2016, 146). These were demonstrations marked by ideological contestation and commitment towards global change (Della Porta 2005). However, what is crucial to take into account with regard to resistance, is that throughout the global neoliberal project, there are millions of people that do not have the economic or mental capability to organize formal protests, as the nature of their existence is too unstable and precarious (Smith *et al.* 2008, 4).

[16] In Chapter 3, I point out that the loss of 'opportunity rights' have, in the Mexican case' indeed caused for a sense of community to decline, and the chances for people moving into the criminality to increase. This was mostly the case in the mid-1990s in the northern region of Mexico, where the effect of NAFTA was the strongest.

Hence, it is important – and relevant for my thesis – to not only consider resistance in political terms, but also in social and economic terms. Resistance against neoliberalism can be seen as "economic and social strategies of 'getting by'" (Smith *et al.* 2008, 4). This links to the earlier mentioned replacement of social entitlements by individual opportunity rights. Theoretically, market mechanisms would allow for sufficient opportunities for personal and economic development of individuals – that is the neoliberal promise at least. However, this promise is often not fulfilled through formal or legal markets, pushing individuals into economic activity in informal and illicit markets.

What do individuals tend to do when, abruptly and unwillingly, they are regarded as strong responsible individuals that can realize themselves through the workings of the market? As the marketplace does not allow everyone to be employed or start a successful business, people resort to various forms of 'self-help' (Goldstein 2005). As the restructuring of economic and political arrangements according to the neoliberal model, citizens are required "to become more 'flexible' in securing their livelihoods, creating 'self-help' economic activities and informal employment schemes to make ends meet" (Goldstein 2005, 389).[17] Such 'different' economic activities are often referred to as "shadows", that tend to blur the division between illegal/legal and formal/informal (Nordstrom 2000, 2007; Ferguson 2006). Inherent to the global and open character of the neoliberal system, these shadows tend to have an international and cross-border character – which would presumably lead to an internationalization of illegal activities through which "illicit entrepreneurs" start to operate (Galemba 2008). One form of economic organization that fits in here is the "mafia regulatory model" which arises in regions or markets that experience power vacuums that the state is (no longer) willing or able to fill (Skaperdas and Syropoulos 1995, 63). The potential of illegal markets is one of the main reasons for organized crime to be established (Anderson 1995, 35). Filling up that power vacuum, criminal organizations have the tendency of becoming "alternative providers of public services" and "alternative enforcers of property rights" (Grossman 1995, 144).[18] If the state is not able to provide rent-seeking privileges, organized crime is inclined to carry out this role (Smith *et al.* 2008).

Following Goldstein, this principle of 'self-help' does not only apply to the economic sphere of society. It should be taken into account that the top down imposition of neoliberalization has been very challenging and disruptive for countries, especially developing

[17] In section 3.2.1 I discuss how Goldstein's theory of 'self-help' applies to the Mexican case of 'old school' huachicol. The small scale, communal and non-violent forms of huachicol where a way of locals taking matters into their own hands are. However, I will argue that it does not provide for a full explanation of the 'new school' huachicol that took place in more recent times (since 2006).

[18] In section 3.2.1 I apply these insights to the Mexican case, the points made by Skaperdas & Syropoulos and Anderson are indeed applicable to the Mexican case. There are many regions in Mexico, where state activities are executes by major criminal organizations. They are, for example, enforcing property rights, collecting taxes and providing 'public' security.

nations. The shrunken neoliberal state apparatus does not have the mechanisms in place for administering justice and guaranteeing security. Just like in the marketplace, citizens take 'responsibility' and start to take matters into their own hands – turning to 'self-help' justice mechanisms (e.g., private security patrols, vigilant lynchings) (Goldstein 2005, 389). These are citizens' initiatives following from the basal drive for security and combat crime in their communities. As states are wilfully adopting the neoliberal policies, they see rising poverty and unemployment rate. Governments try to follow the political and economic mandates that were designed for them by outside actors. This has often gone accompanied with unrest and violence, both by and against the state: neoliberal violence (Auyero 2000, 93; Goldstein 2005, 390).

As society sees increasing violence, crime and unemployment on the one hand, and an apparent ignorance, unwillingness or inability of states to intervene or to provide for the economic, legal and social justice that communities need, people respond with violence. People resort to violence and crime to safe the right to justice and security that is no longer centrally guaranteed. Ironically, this logic of individualism rhymes perfectly with neoliberal logic. One could call this the 'privatization' and 'flexibilization' of justice (Goldstein 2005, 391). One example of this is the privatization of public functions. Corruption of police offers and the police institution can be seen as making justice a private resource. Through corruption, police offers pursue their own profit, making police investigation "a form of prospecting" (Goldstein 2005, 401-2). Hence, such phenomena can arguably be scaled under neoliberal violence, or at least be understood through applying neoliberal logics.

1.4 Concluding Remarks

The objective of this chapter was to explore and discuss the relevant theory that allows understanding the theoretical connections between neoliberalization, crime and violence. It extensively discussed the theory of neoliberalism, its core ideas and its institutional and rational layers. It pointed out the importance of considering processes of neoliberalization as heterogeneous and geographical and subsequently substantiated on its relation to poverty and social inequality. These theoretical building blocks allowed discussing the main theoretical focus of this study: the alleged connection between neoliberalization, violence and crime. As demonstrated in the previous section, there is much scholarly debate on this topic. The logical linkages between on the one hand, (1) neoliberal institutional reforms and (2) the allegiance to pure market and individualistic logic and, on the other hand, the utterances of neoliberal violence, show that this study has indeed significant theoretical relevance. Hence, this chapter allows for a more concrete and specific investigation of this alleged connection by means of a case study.

CHAPTER 2

THE MEXICAN CONTEXT: A HISTORICAL PERSPECTIVE

The objective of this chapter is to sketch the historical context of my case study. The previous chapter has outlined the theoretical principles on which the processes of neoliberalization are based, and how these bring about fundamental changes in the social, economic, and political structures of society. This chapter builds on that theoretical base and zooms in on the particular geographical process of neoliberalization in Mexico. The structure is as follows: first, the broad lines of the system before neoliberal reforms are described – the seven decade long dominance of the PRI party (1929-2000). Second, the impact of neoliberalization and democratization of Mexico is described, which has had major consequences for the nature and levels of crime and violence in Mexico. Third, the contemporary Mexican situation on the war on drugs, crime and violence will be described – crucial context in which the phenomenon of 'huachicol' is based.

2.1 PRE 1982: STATE INTERVENTIONISM AND SOCIAL CONTROL UNDER THE PRI DOMINANCE

The transition towards contemporary neoliberal Mexico is better understood when taken into account its particular political history throughout the 20th century. Since 1929, the Partido Revolucionario Institucional (PRI) had been the single governing party in Mexico until 2000, when Vicente Fox of the opposition party PAN was elected. The PRI state is described as a corporatist state, which in most general terms means a country in which a large part of the economy is controlled by the state.[19][20] Corporatism is often regarded as a set of observable institutional arrangements, rather than a set of ideas (Gerber 1995). It is seen as pragmatic and non-ideological. As its name suggests, the PRI was established as a result of Mexican Revolution (1910-1920). The self-proclaimed *Jefe Máximo* (Supreme Chief) of the Mexican Revolution Plutarco Elías Calles founded the PRI, to institutionalize the ideas and governing principles of the revolutionaries.

The state and its institutions formed a homogeneous body that stretched throughout the whole of Mexico on all different levels. It proved to be good in "organizing, co-opting, buying off, and if necessary suppressing oppositional movements among the workers, peasants, and middle classes that had formed the basis of the revolution" (Harvey 2005, 98). The economy of the PRI operated along the lines of (1) state-led modernization, (2) import substitution, and (3) export trade with the U.S (Harvey 2005, 98). An important feature of its economic policy was the

[19] Definition from Cambridge Dictionary, retrieved from:
https://dictionary.cambridge.org/dictionary/english/corporate-state
[20] See Gerber (1995) and Schmitter (1979) for extensive accounts on corporatism.

Maquiladora programmes that begun in 1965.[21] This meant close economic ties with the US, through the programme there was a controlled flow of US capital to Mexico's border zone for manufacturing products for the US market. This meant employment for Mexico and cheap labour for the US, and no restrictions or tariffs on the cross-border movement of goods. PRI's politics was marked by paying off resistive groups in society (i.e., peasants, workers and middle classes). The most infamous example of its repressive politics is the Tlatelolco Massacre of 1968, in which the government violently put down student movements protesting social inequality. Although Mexico had solid economic growth rates after the Second World War, the benefits were not trickling down throughout Mexican society.

The seven decade long dominance of the PRI has sometimes been described as the "perfect dictatorship" (Vargas-Llosa 1991, 23-24). Masked under an apparently one-party democratic government, it had a strong authoritarian character – inherently linked to the corporatist institutional setup of the state. Mexico was a nondemocratic country ruled by a single party. What is interesting and relevant to take into account with regards to organized crime, is that the PRI – in the 1980s and 1990s – had agreements with drug traffickers and organized crime. Ample research suggests that the PRI authorities allowed drug trafficking to flourish (Astorga 2001; Astorga & Shirk 2010; Dell 2011; Snyder & Duran-Martinez 2009). There was a so-called "Pax Mafiosa" that allowed criminal organisations to engage in drug trafficking at the US-Mexican border (Ríos 2005, 3). There were to clear rules in the agreement: (1) there should not be any violence, (2) selling drugs in Mexico is prohibited; only trafficking (Andreas 1998, Guerrero 2009b, Patenastro 1995, Valle 1995). Hence, the Mexican authorities tolerated selling drugs to the United States. However, selling drugs in Mexico, or resorting to violence was unacceptable. Ríos states, "[i]nternational drug trafficking was considered a business, and domestic drug selling was viewed as a crime" (Ríos 2005, 4). As long as the PRI stayed in power, these agreements were in place. It was only after the election of Vicente Fox that major and structural violation of these agreements where becoming the new norm (Astorga 2001, Astorga & Shirk 2010, Snyder & Durán-Martínez 2009). In more general terms, this can be explained along the lines of the democratization of Mexican politics, which will be further elaborated on in the next section.

In the 1970s, Mexico was hit hard by the global oil crisis and the PRI had to respond to keep the Mexican economy afloat. It doubled state enterprises and its employees between 1970 and 1980. However, this was far from a profitable endeavour – forcing the Mexican state to search for funds abroad. New York investment banks were happy to help, as oil rich Mexico was seen as a safe bet, and Mexico's debt rose with 1000 per cent within 10 years. What is important

[21] See William Langewiesche, in Gilbert and Henderson's *The Mexico Reader: History, Culture, Politics* for a lively historical account of the life of workers in the maquiladora programme.

to take from this historical path that Mexico entered on in this period, is the increased dependence on the United States, both through the Maquiladora programme and the borrowed money from U.S. banks. As one can expect, this also meant that the health of Mexico's economy was directly linked to that of the U.S. There is a saying that illustrates this relationship well: "if the US sneezes, Mexico catches a cold" (Silver 2002, 3). To combat double-digit inflation in the U.S., Paul Volcker, chair of the Federal Reserve raises fed fund rates to 20 per cent which threw the U.S. in a recession. This meant less demand for Mexican products, lower oil prices and soaring debt costs. In August 1982, Mexico declared bankruptcy (Harvey 2005, 99). Capital fled the country as the peso devaluated and President Portillo had to nationalize the banks to keep them alive. In sum, Mexico's state-led economy had first become dependent, and subsequently come to a full stop.

2.2 1982-2000: NEOLIBERALIZATION AND DEMOCRATIZATION OF MEXICO

The 1982 debt crisis and the subsequent bankruptcy of Mexico can be identified as the defining trigger for Mexico to embrace neoliberal reforms. The banks were nationalized, and the new president Miguel de la Madrid stood at a political cross-roads: back to the corporatist institutions and 'revolutionary' ideas of the PRI, or a neoliberal business minded approach. As de la Madrid had close ties with the capitalist class and foreign interests he chose the latter. In 1984, the World Bank – for the first time in history – granted a major loan to a state in turn for structural neoliberal reforms. Thus, the corporatist state structure was dismantled and Mexico disposed of economic protectionism (Watt & Zepeda 2012, 70). The institutional or regulatory reforms of neoliberalization are often called Structural Adjustment Programmes (SAPs). In general, this meant "privatisation of public services, cuts in government social programmes, the further opening of Mexico to foreign direct investment (FDI) and increasing the quantity of exports in order to generate enough dollar currency to pay back loans and interest to US banks" (Watt & Zepeda 2012, 71; DuRand 2010, 235-6). During the period 1982-1994, Mexico privatised eighty of its state enterprises (MacLeod 2005: 42-5).

Furthermore, Mexico was opened to the global economy, joined the major international trade agreement (i.e., General Agreement on Tariffs and Trade) and started to implement a strict austerity programme as well (Harvey 2005, 99). This change of policy by de la Madrid made Mexico one of first countries that engaged with neoliberalism, together with the –forced – neoliberalization of Chile (Demmers 2001, Haggard & Kaufman 1995). Many countries in Latin America followed this example throughout the 1980s, resulting in stagnating economies and much political turmoil (Harvey 2005, 88).[22]

[22] The 1980s are often called the lost decade for the whole of Latin America, blaming the neoliberal reforms that were then instigated (Harvey 2005; Laurell 2015; Smith *et al.* 2008).

The direct effects of the neoliberal reforms were impetuous. Some numbers to illustrate this: the per capita income fell with 5 per cent per year; worker's real wages fell with 40 to 50 per cent; Mexico went into hyperinflation going from a steady 3 to 4 per cent to over a 100 per cent inflation within a couple of years; food subsidies were restricted; the quality of health care and public education declined drastically (Lomnitz-Adler 2004). It is not difficult to understand that the working class got hit hard, and in many different ways - especially through the lower wages and the stop in social spending (Watt & Zepeda 2012, 77). The neoliberal line of argument was the huge role attributed to the state had been the cause of economic failure, and the neoliberal reforms and retraction of the state out of the economy was the only way forward – hence the considerable 'shock' that neoliberalization created (Klein 2007). Economically, Mexico got much more depended on the United States, and changes its Important Substitution Industrialization (ISI) model to an export based model (Watt & Zepeda 2012, 76).[23]

The process of neoliberalization started in the 1980s under the administration of Miguel de la Madrid and continued on drastic speeds throughout the 1990s under the administrations of Carlos Salinas and Ernesto Zedillo. Salinas was educated in the US and consulted US-trained economists for advice (MacLeod 2004, 90-4). According to Harvey, Salinas' neoliberal development programme can be considered neoliberal orthodoxy. The already existing Maquiladora programme expanded rapidly under his administration and became one of the fundaments of Mexico's economic structure (and fundamental to US dependency) (Harvey 2005, 101). The nationalized banks were privatized again in 1990, and in 1991 Salinas demolished the *ejido* system. *Ejido* was a part of the 1917 Constitution of Mexico that protected the rights of indigenous peoples – one important principle was that these people could collectively keep and use lands, forming a type of collective security for these vulnerable peasant groups. By demolishing the *ejido* system and insisting on opening the agriculture sector to foreign competition and to private property rights, the PRI undermined the support of the peasant and agriculture sector that it had for decades. (Correa-Cabrera 2017).[24] These reforms were part of the conditions to conform to the NAFTA treaty.

The North American Free Trade Agreement can be seen as a showpiece of neoliberal modernization, and it has had an enormous impact on Mexico's economies – both the formal and informal ones. The NAFTA meant a total restoration of power to private interests (Watt and Zepeda 2012). NAFTA was the second biggest free trade agreement in the world after the EU. NAFTA had a big impact on poverty and social inequality – while (foreign) multinational

[23] For an extensive account on the ISI-model, see Nelson Brian's *A Comprehensive Dictionary of Economics* (Brian 2009, 88). Basically, the ISI-model intends to substitute a country's foreign imports by developing domestic and local markets for those products, with the idea of self-sufficiency and dependency.
[24] Recently, the *ejido* landowners (*ejidatarios)* have taken up arms against cartels, self-defence groups and criminal organizations over control of territory, natural resources and trade (Correa-Cabrera 2017, 172).

corporations benefited enormously, the price of corn dropped with 50 per cent, and poverty rose by a third. Tragically, from being a self-sufficient producer of food in the 1960s, following NAFTA Mexico was forced to import 40 per cent of its food (DuRand 2010, 238). As many peasant farmers lost their income and (collective) property rights, individuals had to find new ways of 'getting by'. One solution was the *maquiladora* belt on the border. From 1994 to 2000, two million farmers abandoned their lands and moved to the *maquiladora* belt, hoping to get a job in manufacturing (Gibler 2009a, 95-6). NAFTA increased investment in highways and railroads between the US and Mexican borders which played into the hands of drug cartels, which could "smuggle narcotics across the border with much more ease", the entrepreneurial and market logic that was encouraged by the neoliberal policies were picked up by narcotraffickers, allowing their businesses to flourish (Malkin 2001, 120). From the perspective of the lower classes of Mexico, the NAFTA promised "opportunity rights" and "flexibility", but in reality, they were forced to work manufacturing jobs in poor working conditions and low wages (Watt & Zepeda 2012, 127). Ever more people were pushed into unemployment, poverty, and the informal sector, as unemployment benefits are "virtually non-existent" (Watt & Zepeda 2012, 178).

So, did neoliberalization make true its promise of economic prosperity? For the Mexican lower classes it is safe to say that it did not. The general performance of the Mexican economy was poor from the 1980s into the 2000s with a growth rate of around 3 per cent – which is relatively low for a developing economy. In the 2000s, the average was on 1.4 per cent (UN ECLAC 2010). Next to growth rates, other parameters also indicate that Mexico has not been able to increase living conditions of its working class and rural inhabitants. Foreign investment, export-oriented industries, low inflation rates and austerity programs are the neoliberal tools for growth, but in the case of Mexico these have not paid off. Rather, they have created a labour market with low salaries and minimal social security, becoming a "breeding ground for emergence and development of other dynamics such as crime and drug trafficking" (Watt & Zepeda 2012, 157).

According to Delgado-Wise, neoliberalism caused cheap labour to become its principal export product, describing it as "manpower for foreign capital" (Delgado-Wise 2004, 593). The abundance of (a cheap and flexible) labour supply in the northern region of Mexico was, next to the opening of the border, a second impetus for the expansion of drug cartels and criminal organizations (Watt & Zepeda 2012, 128).

As mentioned before, during the rule of the PRI, Mexico saw a lot of drug trafficking, but not a lot of drug violence, as there were clear agreements between the major drug cartels in

Mexico and high government officials.[25] With the election of Vicent Fox and the Partico Accion Nacional (PAN) in 2000, this all changed. Many analysts believe this election to be the first truly democratic election in Mexican history (Ríos 2015). The democratization of Mexico meant that the PRI did not longer hold power in all different levels and corners of the Mexican government. It also led to a process of decentralization (Correa-Cabrera 2017). A significant change in power relations in the country followed, leading to a "redefinition of the relationship between the government and criminal organizations" (Ríos 2015, 3). Ríos explains that: "[n]ew politicians from opposition parties lacked the experience, networking, and discretionary powers to maintain the conventional pact. As a result, their capacity to control crime diminished and criminal organizations gradually dared to break the pact" (Ríos 2015, 3).[26] There are two main reasons: first, enforcing pacts and rules is much easier when a government operates as a single decision-making body, which was the case under PRI rule. Second, if all operations work harmoniously, it is difficult for criminals to buy information or corrupt officials (Ríos 2015, 4). Important to note, the central coordination of organized crime does not mean that corruption disappears; it rather changes the nature of corruption. Central coordination does not change the degree of corruption, but its functioning (Ríos 2015).

Hence, there is a large body of studies confirming that the violence of contemporary Mexico is largely due to a breakdown of political control, which was caused by the process of democratization initiated by the democratic elections of Vicente Fox (Astorga 2001; Astorga & Shirk 2010; Dell 2011; Osorno 2009; Ríos 2012b; Snyder & Duran-Martinez 2009). It seemed that the cat was out of the bag. To state Ríos once more: "[i]t was if one day Mexican criminal organizations suddenly discovered violence. Despite having trafficked drugs into the United States for decades, it was not until the mid-2000s that criminal organizations began an all-out battle to control drug production and transit-zones, which significantly increased homicide rates in Mexico" (Rios 2015, 1). [27]

[25] According to Hal Brands this is sometimes referred to as "narcocorruption", through which "the cartels provided bribes and kept violence to a minimum. In return, the PRI protected the kingpins and resolved conflicts between them, most notably by allocating access to the plazas, or drug corridors to the United States" (Brands 2009a, par. 5)

[26] See Ríos (2015) for direct statistical evidence of how democratization affected organized crime in Mexico.

[27] In section 3.2.2. I show that the breakdown of political control and democratization of Mexico that Ríos (2015) described seems to be part of the explanation for the increased violence and crime in the Mexican energy sector.

2.3 POST 2000: THE WAR ON DRUGS, AND THE EXPLOSION OF VIOLENCE AND CRIME

The start of the 21st century did not mean peace and prosperity for Mexico; the neoliberal reforms initiated in the 1980s and 1990s did not have the effects that the neoliberal discourse of the World Bank, IMF and the hegemonic U.S. neighbour had promised. And although democratization is a process that should be praised, the direct effects on Mexico's criminal circuits were an enormous increase in violence. In the two most recent decades in Mexican history, the War on Drugs has been a crucial marking point in its historical trajectory. The War on Drugs – *Guerra al narco* - was militarized by, the new President Felipe Calderón, elected in 2006. Calderón's political promise was to take down Mexico's drug cartels once and for all. His strategy was designed according to a classic 'kingpin' strategy, which believes that taking out the heads and bosses of criminal organizations is the most efficient way to deal with such criminal organizations (Corcoran 2017).[28]

Scholars have pointed out that this strategy backfired completely (Aguilar & Castañeda 2010; Astorga & Shirk 2010; Guerrero 2009b; Lessing 2012). Killing the leader of a criminal group leads to the fragmentation and splintering into smaller cells, which then start to compete against one another (Asmann 2019). Calderón deployed a massive military force throughout Mexico, with significant support of the US, with the objective of destroying the power of drug trafficking organisations. The increased military presence intended to increase security, but it rather contributed to increasing violence. There have been accusations that the PAN government was colluding with drug lord *Chapo* Guzmán – to help him restore a monopoly of the drug trade, creating a 'Pax Mafiosa 2.0' such as in the PRI years (Watt & Zepeda 2012). Between 2007 and 2012, organized criminal violence caused 60.000 casualties, tripling the Mexico's homicide rate (Molzahn, Rios, & Shirk, 2012). Calderon's War on Drugs and militarization of Mexico largely failed as the increased government spending on 'security' did not reduce crime and violence but actually increased them (Watt & Zepeda 2012). "Despite the implementation of operations in half of the states of the Mexican Republic, narco-related deaths or executions have intensified and accelerated. Nor did the traffic in narcotics shrink significantly between 2006 and 2010" (Watt & Zepeda 2012, 188). Although top members of drug cartels were caught, the militarization and use of violence did not solve the security problem (Correa-Cabrera 2017, 105).

What is imperative to understanding organized crime of contemporary Mexico, is the transnational character that criminal organizations have acquired. Through the opening of borders and free flow of capital, it is more suitable to speak of Transnational Criminal

[28] In section 3.2.2 I discuss the impact of the Kingpin strategy in relation to the increased crime and violence in the energy sector in Mexico, and argue that it is indeed one of the main factors for its explosive expansion.

Organizations (TCOs) (Correa-Cabrera 2017). Correa-Cabrera (2017) studied one of the major cartels in Mexico – Los Zetas - through a business lens. Los Zetas are an example of how TCOs have taken on a new corporate-military criminal model. Something that was done before in Tom Wainwright's (2016) journalist work *Narconomics: How to Run a Drug Cartel* in which he stated: "predicting the cartels' next steps, and making sure that the money and lives laid down to stop them are not wasted, is easier when we recognize that they are run like other big multinational companies" (Wainwright 2016, *introduction*). There are three factors that underlie the corporate-military model: (1) military expertise, (2) sophisticated organizational apparatus, (3) a large arsenal (Correa-Cabrera 2017, 90).[29] Los Zetas is the main example of this organisational change of Mexican crime, but it applies to other groups as well. In general, Mexico went through a "paramiliterization of criminal organizations" (Correa-Cabrera 2017, 91).[30]

What is important to understand, it that through the paramiliterization of TCOs, the Mexican state has been losing its monopoly of violence throughout the last two decades. Drawing on Max Weber's (1919) work, one knows that it is only the state that can claim "the monopoly of the legitimate use of physical force within a given territory" (Weber 1919, par. 4). Following Correa-Cabrera (2017), one could affirm that in the Mexican case, TCOs have – in the eyes of the population – becoming legitimate entities, "not only by developing the means to compete or take over the state's monopoly of the use of violence but also by assuring protection, through intimidation practices and through close links to law enforcement authorities at all levels" (Correa-Cabrera 2017, 96). In the context of the democratization and decentralization of Mexico, it seems that the presence of drug trafficking organizations this process has proceeded in a very particular and unexpected – violent – manner. The explosion of crime and violence in Mexico has led some to the conclusion that Mexico's is becoming a "failed state" (Friedman 2008; Grayson 2009; Hale 2010). Others call it a "fragile state, one where a parallel government has risen and shares dominance of regional territories and can match the State's means of violence with their own brand of violence and terror" (Nava 2013, 17). Contemporary Mexico is marked by violence and crime, and it is clear that the democratization, neoliberalization and 2006 *Guerra al narco* have contributed to this.

[29] "[F]rom assault rifles to helicopters" (Brands 2009a, par. 16).

[30] Correa-Cabrera nuances her use of paramilitarization by explaining that Mexican paramilitarization is different from Colombian paramiliterization in that Mexico's "criminal paramiliterization" does not necessarily mean that an organization supports the regular state-sponsored armed forces. It rather refers to the TCOs changed enforcement methodologies (i.e. weaponry and execution of opponents) (Correa-Cabrera *et al.* 2015, 83).

CHAPTER 3

NEOLIBERALISM AND THE CASE OF HUACHICOLEROS

The previous chapters have served a preparatory function to the analysis in the final chapter of this thesis. Now that the main theoretical contribution on the nexus between neoliberalization, crime and violence is discussed and the historical context of the case is outlined, this paper turns to the object of analysis itself: the phenomenon of 'huachicol', and the alleged connection with the neoliberalization of Mexico. The structure of this chapter is as follows: first, the phenomenon of huachicol is introduced through a historical exploration.

3.1 THE HUACHICOL PROBLEM: A HISTORICAL EXPLORATION

The main objective of this section is to establish whether the phenomenon of huachicol existed before the start of the neoliberal reforms in Mexico. The Mexican energy sector has been ruled by the state-led energy company PEMEX since 1938. For 80 years PEMEX was a state monopoly until the *Reforma Energética* of 2013, which opened (parts of) the oil and gas market to foreign companies (Gallardo y de la Mora 2014). Currently, PEMEX is the most indebted oil company in the world with over 110 billion dollar of debt, and the liberalization of the energy market of 2013 was an attempt to restructure and sanitize PEMEX. The debt and poor results of PEMEX are mostly due to mismanagement and a decreasing oil production since 2004 (Webber 2020). Nevertheless, it is of great importance to the Mexican government, as it provides in 15 per cent of the state's export earnings and makes up for 20 per cent of the government's budget (Jones & Sullivan, 2019, footnote 17).

One of the major problems of PEMEX is the so-called phenomenon of 'Huachicoleo'. This is the stealing of fuel from PEMEX. Huachicoleo is mostly done by tapping fuel from pipelines, which run through the countryside. Or, criminal gangs rob major PEMEX refineries, although the latter happens less frequently. PEMEX is trying to cope with fuel theft; they have eighteen squads working on it day and night, but in general it is safe to state that PEMEX is incapable of combatting fuel theft (Moya & Pereda 2019).

The phenomenon of 'huachicoleo' (or fuel theft) is not new. As New York Times journalist Ioan Grillo explained: "So, I think the issue of Huachicoleros goes back … I imagine that people have been stealing oil ever since it has become a profitable product" (Grillo, 2019). In Mexico, the first modern instances of Huachicol have allegedly been occurring throughout the 1990s. PEMEX reported the first instance of fuel theft in 2000, when they registered fifteen fuel taps (Martínez Riojas 2017). This is what Mexicans are now referring to as *Huachicoleo de la Vieja Escuela* (Old school fuel theft). Back in the 1990s and early 2000s, fuel theft was a crime

that was mostly done on a local community level.[31] One famous 'huachicolero de la Vieja Escuela' was Alejandro Guizar Pavón, who was known as *el Rey de la Gasolina* (the King of Gasoline) (Infobae 2019). Pavón gained the reputation of a Robin Hood-like figure, which offered the inhabitants of the regions portions of free or cheap fuel. At this time, fuel theft was a small scale non-violent criminal practice. These local criminals such as Pavón preferred to gain the sympathy of communities by giving away gasoline or supporting local festivities. In these times, the huachicoleros were so beloved that they were appointed a catholic saint: El Santo Niño Huachicol.[32] There are two important things take from here: first, old school fuel theft was not a criminal activity exercised by drug trafficking organisations. (2) Old School fuel theft had a local community character and was mostly a *non-violent* criminal activity.

In more recent times, the nature of fuel theft in Mexico has changed dramatically, and is no longer characterized by local Robin Hood-like Huachicoleros. From the start of the 21st century, Mexico has experienced enormous spikes of violence and criminality. Since 2006, some 275.000 people have been killed (AlJazeera 2020). Since 2017, the homicide rates of Mexico have going up every year. One of the alleged reasons for the increase in violence in Mexico is the phenomenon of 'New School' fuel theft – which is now often seen as a criminal activity exercised by large, well-organized criminal groups. "Black-market gasoline is now a billion-dollar economy, and free-standing gasoline mafias are gaining power in their own right…" (Harp 2018). A passage of *Rolling Stone* journalist Seth Harp illustrates this 'New School' fuel theft well:

> He's the field boss of a gasoline-stealing mafia, one of perhaps half a dozen based here in the lawless Eastern Sierra Madre. His gang of 25 fuel thieves rides around in five pickup trucks with 1,000-liter pallet tanks and a pile of tools, drilling illegal taps in underground pipelines. They sell the stolen product to taxi drivers, bus companies and long-haul truckers at a significant discount to the price at gas stations run by Petróleos Mexicanos, better known as Pemex, the national company. On a good day, he says, he can gross more than $10,000. "The way I look at it, this is my town," he says. "The gasoline flowing through here is mine." (Seth Harp 2019, par. 2)

This explosive expansion of fuel theft and the accompanied violence is the main focus of this study, and the remainder of this chapter will seek to confront different arguments for and against the alleged connection with the neoliberalization of the Mexican society that it has experienced over the last four decades. What is most important to take from this section, is that the phenomenon of huachicol has been around for about twenty years, which is within the timeframe of the neoliberal regime in Mexico. However, there do not seem to any direct links

[31] There are historical accounts that link the phenomenon of fuel theft to even earlier times, but this does not relate to the phenomenon of Huachicol as we know it today.
[32] "A kind of Christ child depicted holding a siphon and a jerrycan" (Harp 2018, par. 3).

that fuel theft increased directly after the neoliberal reforms of Mexico, this is important to take into account.

Before moving to the next section, there are some facts relating to fuel theft that are helpful to understand how it has developed in recent years.. Firstly, to get a better idea of what the huachicol phenomenon is it is helpful to consider some numbers. In 2018, fuel theft cost PEMEX about 3 billion dollar of fuel, there were 58.200 barrels of oil stolen per day, with an average of 600 fuel taps per day (Murakami 2019). To indicate the steep rise, in 2019 it has been 150.000 barrels per day (Alire García & Parraga 2019).

Secondly, it is important to note that criminality in the Mexican energy sector does not restrict to busting holes in PEMEX pipelines. Rather, fuel theft is only part of the full width of criminal activity that is happening in the Mexican energy sector. There is also gas, coal, copper, iron ore, over which criminal organizations are fighting and transnational companies are also involved (see Correa-Cabrera 2017). Although this is important to note, my focus is on the phenomenon of fuel theft specifically.

Thirdly, fuel theft has a strong geographical focus. As one can understand, the infrastructure of PEMEX has certain 'hotspots' where there is more kilometre of pipeline to be found, and thus to be tapped. The current hotspots of fuel theft are the states (in order of most fuel taps in 2017): Guanajuato, Puebla, Veracruz, Tabasco, Hidalgo and Mexico State. Furthermore, there is a strong concentration of taps close to the six refineries in the country (Respondent 7). Although Guanajuato has seen most taps in recent years, there is a zone in the state of Puebla which holds many pipelines and has been named the *Tríangulo Rojo* (red triangle), as it has been the main area of fuel taps over the last years and seen major accompanying violence.

Fourthly, it is worth mentioning that there have been three historical triggers for the expansion of fuel theft in the last two decades. The first trigger coincided with the wave of violence started with the war against drugs in 2006, and reached a peak around 2011 (Ensor 2019). Fuel theft rose together with the war against drugs, as criminal organisations sought to strengthen their positions with new lines of income (Montero Vieira 2016). In the years after the partial liberalization of the oil sector, theft escalated as well, as retail prices rose; criminal gangs had more incentive to undercut high prices with stolen fuel (Respondent 7; Alire García & Parraga 2019). There was a third trigger for fuel theft in 2017, when the government increased the prices of petrol with 20 per cent. In January of that year there were riots on the street due to "Gasolinazo" – an artificial price hike put into force by the Mexican Ministry of Finance. The official explanation for the price hike was that the tax was needed to cover the shortfalls of the federal budget (Agren 2017).

3.2 NEOLIBERALIZATION AND HUACHICOL IN MEXICO

This is the core section of this thesis - where the main arguments in favour and against the alleged connection between neoliberalization and the explosive expansion of fuel theft in Mexico are discussed. The basis for this discussion are the theoretical framework and historical context described above, academic literature, newspaper articles, government statements and government data and seven semi-structured in-depth interviews conducted in the field. The structure of this section is as follows, first the main arguments for and against holding neoliberalism as the main responsible factor for fuel theft in Mexico will be outlined and weighed. Subsequently, alternative explanations for fuel theft will be added to the analysis to get a more comprehensive and all-encompassing perspective.

3.2.1. ARGUMENTS FOR AND AGAINST HOLDING NEOLIBERALIZATION RESPONSIBLE

In chapter one, I have discussed a number of theoretical contributions that explain what neoliberal violence is, and how this type of violence is based on the neoliberal market logic. The main theoretical connection between neoliberalism and violence is that neoliberalism leads to poverty, unemployment and inequality, which results in crime and violence. According to Watt & Zepeda (2012) and Laurell (2015), the neoliberal reforms in Mexico should be held accountable for the high rates of crime and violence.

Does this argument apply to fuel theft? Neoliberalism leads to increased inequality and poverty (Harvey 2005, Auyero 2000). Indeed, there are clear statistical indicators showing that the economic policies since the neoliberal reforms have caused more poverty, regional unemployment and inequality in Mexico (Laurell 2015). Especially, around the US-Mexico border region there has been a lot of unemployment of peasant farmers that became uncompetitive due to neoliberal reforms. As there was insufficient work in the formal sector there have been many lower class citizens moving into the informal and illegal markets. It is safe to say that this economic environment resulting from neoliberal reforms has allowed drug trafficking organizations to expand. Because of the open borders and the increased economic activity there was more opportunity for the black market to expand, so the cartels flourished after the NAFTA treaty. It has to be noted that they also flourished because of the changing trafficking routes that used to run through the Caribbean and were now being moved to Mexico (Grillo 2019). Furthermore, an excessive labour market made it easy for cartels to expand their workforce, making them more powerful and transnational.

However, there are two reasons why this expansion of drug cartels due to the neoliberal reforms does not account for the increased fuel theft in Mexico. First of all, there is a clear difference in timeline. The expansion of the major cartels in Mexico happened throughout the 1990s into the 2000s, whereas the increase in fuel theft only happened after the War on Drugs

started in 2006. Second, the poorest states of Mexico are Chiapas, Oaxaca and Guerrero, all in the south. The main states where fuel theft is taking place are Guanajuato and Puebla. For Mexican standards, these states are fairly rich and have sufficient opportunities for lower classes to develop and contribute to society (Ensor 2019). Hence, this line of argument does not seem to lead to sufficient proof that poverty and inequality have directly caused the phenomenon of huachicol.

A second argument that is interesting to consider is based on Harvey's concept of 'accumulation by dispossession' (Harvey 2005). He explains that: "[i]f assets, such as empty land or new raw material sources, do not lie to hand, then capitalism must somehow produce them" (Harvey 2003, 143). The historical record of criminal gangs and drug cartels shows that they have been diversifying their revenue streams, and that they have – like capitalist businesses – been keen to expand into different markets (Grillo 2019; Ensor 2019; Wilkinson 2019). Harvey explains this as the 'motor' behind expansion of markets and businesses, which often go at the costs of others. Applying this to the fuel theft case, it could be argued that these criminal gangs saw a new profitable commodity and thought to diversify or fully shift their revenue streams from drugs to fuel. There are two points to make here, first, historically, the shift from drug trafficking to fuel theft has been largely due to external circumstances instead of driven by pure market logic (Ensor 2019, Wilkinson 2019). Due to the fragmentation or splintering of drug cartels into smaller groups, there was a recalibration of economic activity, where some groups did still hold power over old assets such as drug trafficking, other groups were forced to look for different revenue streams. Fuel theft was a relatively simple but very profitable alternative. I will elaborate on this below. Secondly, one could argue that the accumulation by dispossession is not necessarily neoliberal, but rather a market logic that applies to all capitalist systems, especially to black markets where there is zero oversight from regulatory institutions or governments.

The third argument that can be formulated considering the theory of neoliberal violence, is was Goldstein referred to as 'self-help'. According to Goldstein (2005) and Galemba (2005), one form of resistance to neoliberalism is through social, legal and economic self-help. As responsibility is transferred to citizens, they start to act for themselves. Illicit activities are no exception to this. If we consider fuel theft, it seems like the concept of 'self-help' explains the small scale, communal and non-violent form of huachicol that took place in the 1990s and early 2000s (Respondent 7). Members of local communities took it upon themselves to create economic benefits for them and their communities – as they felt that the state did not take its responsibility nor did it fulfil its promises. However, if we consider this self-help argument and we take the more recent form of huachicol it does not seem to apply in the same way. The large scale, organized and violent form of huachicol is a phenomenon that goes beyond 'self-help'. Fuel theft today is for 90 per cent done by powerful and organized criminal organizations. Only 10

per cent is done in the small-scale 'self-help' way (Arroyo-Macías 2017). This is mostly due to the technical knowledge and corruption that is required to do fuel theft in a 'proper' and large-scale manner (Grillo 2019, Respondent 7).

A fourth point regarding neoliberal violence that is interesting to the discuss was voiced by Skaperdas and Syropoulos (1995), they argue that a power vacuum in a state that is experiencing a lot of criminal activity will be automatically 'filled' by non-state actors that will take over 'state activities' to a certain extent. In the context of fuel theft in Mexico, this definitely applies – even though smaller criminal groups might be executing the fuel taps, they are mostly cooperating or working for the big criminal organizations. In such a way, big criminal organizations are 'enforcing property rights' so to speak, by allowing other criminal groups to operate on their territory and to rob pipelines for example. Although this might be the case, it is doubtful whether this only happens in and after processes of neoliberalization. There are many examples in geopolitics and war in which a power vacuum will always lead to a new actor that will take the place of the former 'ruler'.

Outlining and weighing these four points that relate to neoliberal violence, it seems clear that neoliberalization cannot be appointed as the main responsible variable for the explosive expansion of fuel theft in Mexico. Although it has definitely contributed to the expansion of drug cartels after the initial neoliberalization of Mexico, and small-scale fuel theft might be explained according to Goldstein's concept of self-help – ascribing the phenomenon of huachicol to neoliberalization alone does not seem to hold.

3.2.2. OTHER EXPLANATIONS FOR INCREASED FUEL THEFT

Then, to answer the research question in a more open manner: what other explanations are there for the explosive expansion of fuel theft of the last two decades? If neoliberalism is not to blame, what is? There are three major variables to be distinguished that have played a considerable role in the increase of fuel theft in Mexico: (1) the breakdown of political control and democratization of Mexico; and (2) the kingpin strategy of the Mexican government in the war on drugs.

First of all, there is a strong argument to be made that links the breakdown of political control due to the democratization of Mexico has had a huge impact on increasing crime and violence. As mentioned in chapter 2, the election of Vicente Fox in 2000 marked a huge change for the governmental structure of Mexico. To reiterate the argument, according to Ríos (2015), there were to main reasons: (1) The Mexico of pre-2000 can be seen as an authoritarian system, in which government structures are very hierarchical. The lower levels would always act according to the higher levels, so the government worked like a single-decision making body. (2) Partial corruption of the government was more difficult, when it operates harmoniously. A large

body of scholars agree that the breakdown of political control has brought about more violence (Astorga 2001; Astorga & Shirk 2010; Dell 2011; Osorno 2009; Ríos 2012b; Snyder & Durán-Martínez 2009). The question that is important to raise here is whether the redefinition of the relationship between the government and criminal organizations in the years after 2000 has direct links with the increase in fuel theft. As Ríos (2015) explains, there was indeed a spike in violence after this. Drug cartels had to compete more as there was no longer a central point of coordination of 'Pax Mafiosa' as seen in the 1990s. However, what is important to note here, is that in the years after 2000, fuel theft was still a minor issue in Mexico and had not yet been picked up by major criminal organizations. In conclusion, there seems to be a link with the breakdown of political control and the increased violence in Mexico, but this does not seem to explain the increased fuel theft.

Second, the kingpin strategy that was implemented by president Calderón and continued by Peña Nieto can also be pointed out as one of the main reasons for the expansion of fuel theft and accompanying violence. Arguably, one could say that this strategy has been successful in pursuing its objective, as in 2017, 107 of the 122 'kingpins' had been caught by the Mexican government (Muedano 2017). However, the question that needs to be asked is whether it had the right objective. According to Ensor and Wilkinson, the kingpin strategy had a dramatic effect on the intra-gang violence and crime as it caused internal conflicts. To quote Ensor: "These cartels went from big – el Chapo style – empires that were stable (like Iraq under Hussein, a bad thing but a stable bad thing). Cut the head of the snake and there are five lieutenants who suddenly want the throne and start to kill each other. The fighting inside of cartels got really strong. And this was bad news for everybody" (Ensor 2019, *interview*). Wilkinson adds an interesting economical component to this explanation, he states that the assets of the 'old' cartel were fought and scrabbled over. When the dust settled, splintered groups had to find new resources to sustain themselves and survive. Owning the trade routes for drugs or local 'plazas' for selling drugs were not divided equally. With all borders of violence already crossed since the early 2000s, a diversification of criminal activities followed: extortion, kidnapping, cargo theft and also fuel theft. It turned out that fuel theft was one of the most lucrative crimes around, and more important, it was relatively easy and relatively cheap (Grillo 2019; Webber 2017; Wilkinson 2019).

3.3 ANTI-HUACHICOL POLICIES IMPLEMENTED BY AMLO

The final test of this thesis in weighing the impact of the explosive expansion of fuel theft in Mexico throughout recent years is to assess the impact of the anti-huachicol policies implemented by the – proclaimed – post-neoliberal new president of Mexico, Andrés Manuel López Obrador (AMLO). In early 2019 AMLO stated: "[t]he nightmare that was the neoliberal policy (is) finished. We formally declare, from the National palace, the end of the neoliberal policy" (Telesureenglish 2019). Since his inauguration in late 2018, AMLO has been taking on the fuel theft problem as one of the fundaments of his fight against poverty, crime and violence in Mexico.

There have been four major features of AMLO's strategy against huachicoleros: (1) the shutdown of pipelines. Directly after taking office AMLO ordered to close down between six and thirteen of the major pipelines running through the country. Instead of transporting the fuel to the pipes, it has been transported by means of tanker trucks (Angulo & Schrank 2019). This radical policy met a lot of resistance, as fuel shortages throughout the country followed shortly after (Sieff 2019).

(2) Mobile armed squads moving around to close illegal taps. There are (at least) 18 armed squads of 12 men that work around the clock to keep fuel theft under control. PEMEX monitoring system detects most taps by means of a "Sort of GPS". These teams move into the area, secure the leak and place steel hoods over the tap to prevent further drillings (Moya & Pereda 2019).

(3) Rooting out corruption at PEMEX. The state energy enterprise has been marked by corruption for decades. IT is crucial to understand that a fuel tap is a highly technical practice. It requires information from inside PEMEX about the technical details of pipelines (e.g., pressure, location, type of product going through). Hence corruption at PEMEX can almost be seen as inherent to fuel theft (Grillo 2019, respondent 7). There have been many reported incidents of corruption in PEMEX that had to do with fuel theft. Military personal inside PEMEX have opened up about their appointed role to cover up trails of huachicol by higher officers (La Silla Rota 2019), and recently the former head of PEMEX has been arrested for tax fraud and bribery (Semple & Minder 2020).

(4) The launch of welfare programmes for the poor in fuel-theft areas. AMLO launched the 'Development and Welfare Plan'; with the general idea of combating poverty, so that people have less incentive to steal fuel. Such a welfare strategy is a stark indication that AMLO is indeed a Leftish president and breaks with the neoliberal tradition of a minimalist state. He wants to provide the Mexican people with a certain level of social entitlements to push them out of poverty, and illegality. In the beginning of 2019, AMLO announced the implementation of 8 social programs for 91 municipalities. AMLO stated: "There will be no excuses now. The Mexican

government will work to provide welfare and ensure that everyone has a job" (Morales & Zavala 2019). At the same time, he called upon the Mexican citizens to stop participating in huachicol activities (Ortiz 2020). If fuel theft is to stop, the government will have to break the cooperation and the support between local communities and organized crime (Semple 2019)

The focus of my study poses two questions: (1) Have these policies been effective? (2) Can they be understood as anti-neoliberal? After six months in office, AMLO claimed that the policies that were directly implemented when he took office already generated 12 billion pesos (635 million dollars). After eight months in office he admitted that the government had not completely wiped out the huachicoleros, but had reduced the daily fuel taps from 800 back to 40 (Sosa 2019). There are voices saying that the numbers have only gone down for a period of time. Organized crime is reorganizing on the basis of AMLO's policies, "[they are] just waiting it out" (Semple 2019). Others state that the success of AMLO's anti-fuel theft policies are so important to his administration that they have been rigged (respondent 7). AMLO's administration has been accused of playing around with the numbers on homicide (Linkser 2019). As his strategies have only been active for one and a half years it is hard to say if they have really 'eradicated' fuel theft. It is hard to believe that the wide range of criminal organizations depended on fuel theft have now moved to other commodities or have disbanded just like that (Ensor 2019, respondent 7). But, if one would trust the numbers provided by PEMEX and the Mexican government, there has indeed been a sharp decline in fuel theft in Mexico since AMLO has taken office, which could be labelled as a massive economic and political success for the post-neoliberal administration.

Then, on the second question, it can be argued that two of his four main policies against fuel theft have indeed been anti-neoliberal. First, the shutdown of pipelines would by many economists be seen as an unwise move as it causes major economic problems. Stopping the transport of fuel shows that AMLO is not afraid to intervene in the Mexican economy if other factors are weighing in more heavily (i.e., eradicating crime, violence and improving security and (long term) economic stability). Second, the direct implementation of a Welfarist programme for the poor – reintroduction of social entitlements – is a clear break with his neoliberal predecessors. Following Laurrell (2015), the link between neoliberal policies, poverty and crime is crystal clear in Mexico, thus this policy of AMLO can definitely be categorized as anti-neoliberal. Alas, it is too soon to evaluate the workings of these social welfare programmes, as they are merely in the process of implementation. But, as Springer (2015) stated that one has to consider inequality and violence as a resonating system. Hence, if you want to combat neoliberal violence, you will have to combat inequality as well.

CONCLUSION

The objective of this study was to assess the alleged connection between the neoliberalization of Mexico and the explosive expansion of fuel theft in Mexico. To answer the research question: the process of neoliberalization has brought enormous change to Mexican society since the 1980s and into the 2000s. Neoliberalization has allowed criminal organizations in Mexico to expand, and it is safe to say that the initial poverty and unemployment caused by neoliberalization has favoured criminal organizations. However, the explosive expansion of fuel theft in Mexico only started after the War on Drugs in 2006. This war has only diminished the power of very big criminal organizations as the kingpin strategy of the Mexican government caused a splintering or gangs into smaller factions. The War on Drugs has no clear connection with neoliberalization, nor has the presence of drug trafficking organizations in Mexico. They exist because of Mexico's geographical location between Latin American producers and the illegal demand for drugs in the United States. There are two other ways in which fuel theft can be explained through the concept of neoliberalization. (1) The hard-core market logic through which criminal gangs have been operated could be seen as Harvey's accumulation through dispossession (2003). A feature of capitalism that pushes markets and business for material and spatial expansion and has thus pushed drug traffickers into the fuel theft market. It shows that the Mexican case is of high relevance to the debate on neoliberalism, and that it allows to be explained by means of the theoretical contributions that where discussed in chapter 1. The phenomenon of fuel theft in Mexico could be seen as a particular geography of neoliberalization – one that is clearly developing with clear violent characteristics. (2) Furthermore, the individualization of Mexico's poorest has led to practices of 'self-help', in which people take it up on themselves to organize their lives through informal and illicit activities. Fuel theft can be seen as an example of 'self-help', which according to Goldstein (2005) can be categorized as a form of neoliberal violence. This also proves how the Mexican case of fuel theft can be explained along the lines of neoliberalization.

Nevertheless, neoliberalization has not been able to provide all the answers in the case of fuel theft in Mexico. There are other explanations for fuel theft, such as the breakdown of political control, democratization and the kingpin strategy of Calderón and Peña Nieto are arguments that seem to hold water, and which can be directly linked to the explosive expansion of fuel theft in Mexico. Therefore, this study concludes that neoliberalization is not the prime factor responsible for the explosive expansion of fuel theft in Mexico; however, neoliberalization can indeed be pointed out as one of the underlying factors for crime and violence in Mexico and also allows understanding fuel theft as a form of neoliberal violence. It is important to stress the relevance of the Mexican case for the larger academic debate on neoliberalism. Studying the political and socio-economic changes in connection to crime and violence in Mexico from a

neoliberal theoretical perspective allows for new theoretical insights and interesting case studies. Hence, it proves the relevance of this particular case study to the larger debate and theoretical knowledge on neoliberalism and its connection to violence and crime.

The future of fuel theft in Mexico is unclear, as the section on AMLO's strategies demonstrated, his policies can be labelled as anti-neoliberal and have been effective so far. However, the passing of time is needed to conclude whether his policies have indeed worked. Another factor that is extremely interesting at the moment is the global drop in oil prices due to the corona crisis; this has brought the prices of Mexican oil down with 25%. It will be interesting to investigate what impact this price drop will have on fuel theft, as it largely disincentives people to resort to illegality. Both AMLO's anti-neoliberal policies and the price decline are interesting venues for future studies on fuel theft in Mexico.

REFERENCES

Alvarado, S. E., and Massey, D.S. 2010. 'In Search of Peace: Structural Adjustment, violence, and International Migration.' T*he ANNALS of the American Academy of Political and Social Sciences* 630 (1): 137–61.

Amable, B. 2011. 'Morals and Politics in the Ideology of Neo-Liberalism.' *Socio-economic Review* 9 (1): 3-30.

Anderson, A. 1995. 'Organized Crime, Mafia and Governments.' In *The Economics of Organized Crime,* ed. G. Fiorentini and S. Peltzman, 33-60. Cambridge: Cambridge University Press.

Andreas, P. 1998. 'The Political Economy of narco-corruption in Mexico.' *Current History* 97: 160-165.

Arendt, H. 1963. *Eichmann in Jerusalem: A Report on the Banality of Evil*. New York: Viking Press.

Arroyo-Macías, Elda, M. 2017. 'Huachicoleros, la naturalización del marcado de la ilegalidad". *En análisis Plural* 1: 65-78.

Astorga, L. 2001. 'The limits of anti-drug policy in Mexico.' *International Social Science Journal* 53 (169): 427-434.

Astorga, L., & Shirk, D. 2010. 'Drug trafficking organizations and counter-drug strategies in the us-mexican context. In A. Olson E. Shirk D. Selee (Eds), *Shared responsibility: U.S.-Mexico policy options for confronting organized crime.* Washington, DC: Mexico Institute and Trans-Border Institute.

Arxer, S. L. 2016. 'Economics, the Network Society, and the Ontology of Violence.' In Berdayes, V and Murphy J.W. *Neoliberalism, Economic Radicalism, and the Normalization of Violence.* Switzerland: Springer International Publishing, pp. 127-138.

Auyero, J. 2000. 'The hyper-shantytown: Neo-liberal violence(s) in the Argentine slum.' *Ethnography* 1 (1): 93-116.

Barnett, C. 2005. 'The Consolations of 'Neoliberalism'.' *Geoforum* 36(1): 7-12.

Bourdieu, P. 1989. 'Social Space and Symbolic Power.' *Sociological Theory* 7: 14-25.

Bourdieu, P. 1998. 'The Essence of Neoliberalism.' *Le Monde Diplomatique* 3.

Bourdieu P. 2001. *Masculine Domination*. Stanford, CA: Stanford University Press.

Bourdieu, P. and Wacquant, L. 2001. 'NewLiberalSpeak: Notes on the New Planetary Vulgate.' *Radical Philosophy* 105. January/February: 2-5.

Bourdieu, P. and Wacquant, L. 2004. 'Symbolic Violence.' In: Scheper-Hughes, N., Bourgois. *Violence in War and Peace.* Malden, MA: Blackwell, pp. 272-274.

Brands, H. 2009a. 'Los Zetas: Inside Mexico's Most dangerous Gang.' *Air and Space Power Journal.* October 1. Retrieved from: http://www.airpower.maxwell.af.mil/apjinternational/apj-s/2009/3tri09/brandseng.htm.

Brenner, N., Peck, J., and Theodore, N. 2010. 'Variegated Neolibelarization: Geographies, Modalities, Pathways. *Global Networks* 10: 182-222.

Brian, Nelson. 2009. *A Comprehensive Dictionary of Economics.* Changidarh , India: Abishek Publications.

Brown, W. 2006a. 'American nightmare: Neoliberalism, neoconservatism and de-democratization.' *Political Theory* 34: 690-714.

Brown, W. 2015. *Undoing the demos: Neoliberalism's stealth revolution.* New York: Zone Books.

Campbell, J.L., & Pedersen, O.K. *The Rise of Neoliberalism and Institutional Analysis.* Princeton: Princeton University Press.

Carruthers, G., Babb, S. L., & Halliday, T.C. 2001. 'Historical Institutionalism' in Campbell, J. L., & Pedersen, O. K. 69-126. *The Rise of Neoliberalism and Institutional Analysis.* Princeton: Princeton University Press.

Clarke, J. 2004. 'Dissolving the Public Realm? The Logics and Limits of Neo-Liberalism.' *Journal of Social Policy.* 33 (1): 27-48.

Cornellissen, L. 2018. 'On the subject of neoliberalism: Rethinking resistance in the critique of neoliberal rationality.' *Constellations* 25: 133-146.

Correa-Cabrera, G., Keck, M., & Nava, J. 2015. 'Losing the Monopoly of Violence: The State, A Drug War, and the Paramilitarization of Organized Crime in Mexico (2007-2010).' *State Crime Journal* 4 (1): 77-95.

Correa-Cabrera, G. 2017. *Los Zetas Inc.* Austin: University of Texas Press.

Delgado-Wise, R. 2004. 'Critical dimensions of Mexico-US migration under the aegis of neoliberalism and NAFTA.' *Canadian Journal of Development studies* 25 (4): pages?.

Dell, M. 2011. 'Trafficking networks and the Mexican drug war.' *American Economic Review* 105 (6): 1738-1779.

Della Porta, D. 2005. 'Multiple belongings, tolerant identities, and the construction of "another politics": Between the European social forum and the local social fora. In D. della Porta & S. Tarrow (Eds.), *Transnational protest and global activism*: 175–202. Lanham, UK: Rowman & Littlefield.

Demmers, J. 2001. Neoliberal reform and populist politics: The PRI in Mexico. In J. Demmers, A. E. Fernández Jilberto, & B. Hogenboom (Eds.), *Miraculous metamorphosis: The neoliberalization of Latin American populism:* 150–181. London: Zed Books.

Duménil, G., and Lévy, D. 2004. *Capital Resurgent: Roots of the Neoliberal Revolution*. Cambridge, Mass.: Harvard University Press.

Dunford, M., 2000. 'Globalization and theories of regulation'. In: Palan, R. (Ed.), *Global Political Economy: Contemporary Theories*. Routledge, New York, pp. 143–167.

DuRand, C. 2010. *Confronting Global neoliberalism.* Atalanta, GA: Clarity Press.

England, K., and Ward, K. eds. 2007. *Neoliberalization: States, Networks, Peoples.* Malden: Blackwell.

Ferguson, J. 2006. *Global Shadows: Essays on Africa on a Neoliberal World Order.* Durham, NC: Duke University Press.

Foucault, Michel. *The Birth of Biopolitics: Lectures at the Collège de France, 1978-1979.* New York: Palgrave Macmillan.

Fleck, L. 1980. *Entstehung und Entwicklung einer wissenschafltichen Tatsache. Einführung in die Lehre vom Denkstil und Denkkollektiv.* Frankfurt am Main: SuhrkampVerlag.

Friedman, M. 1962. *Capitalism and Freedom.* Chicago: University of Chicago Press.

Friedman, G. 2008. 'Mexico: On the Road to a Failed State?' *Stratfor,* May 13. http://stratfor.com/weekly/mexico_road_failed_state.

Galemba, R. B. 2008. 'Informal and Illicit Entrepreneurs: Fighting for a Place in the Neoliberal Economic Order.' *Anthropol Work Rev*. 29 (2)..

Gallardo, A., & de la Mora, L.M. 2014. *Reforma Energética: motor de crecimiento económico y bienestar.* Mexico: Fundación Colosio.

Gilbert M., & Henderson, Timothy J. (2002). *The Mexico reader: History, culture, politics*. Durham, NC: Duke University Press.

Goldstein, D. 2005. Flexible Justice: Neoliberal Violence and 'Self-Help' Security in Bolivia. *Critique of Anthropology* 25(4): 389-411.

Gerber, L.G. 1995. 'Corporatism and State Theory: A Review Essay for Historians.' *Social Science History* 19 (3): 313-332.

Gibler, J. 2009a. *Mexico Unconquered: Chronicles of empire and revolt.* San Francisco, CA: City Heights.

Grayson, G. 2009. *Mexico: Narco-Violence and a Failed State?* New Brunswick, NJ: Transaction Publishers.

Green, Linda. 2011. "The Nobodies: neoliberalism, violence, and Migration." *Medical Anthropology* 30 (4): 366–85.

Grossman, H. 1995. 'Organized Crime and State Intervention in the Economy.' In: Fiorentini, G. * Peltzman, S. (eds.): 143-160. *The Economics of Organized Crime.* Cambridge: Cambridge University Press.

Guerrero, E. 2009b. *Narcotráfico.* Revista Nexos.

Gwynne, R. & Kay, C. (Eds.) 1999. *Latin America transformed: Globalization and modernity.* London: Arnold.

Habermas, J. 1975. *Legitimation crisis.* Boston: Beacon Press.

Haggard, S., & Kaufman, R. 1995. *The political economy of democratic transitions.* Princeton, NJ: Princeton University Press.

Hale, G. 2010. 'A 'Failed State' in Mexico: Tamaulipas Declares Itself Ungovernable.' James A. Baker III Institute for Public Policy, Working Paper Series, July 26. Houston: James Baker Institute, Rice University.

Harrison, L.E., & Huntington, S.P. 2005. *Culture Matters: How Values Shape Human Progress.* New York: Basic Books.

Harvey, D. 2003. *The New Imperialism.* New York: Oxford University Press.

Harvey, D. 2005. *A Brief History of Neoliberalism.* New York: Oxford University Press.

Hickel, J. 2016. 'Neoliberalism and the End of Democracy. In: Springer, S., Birch, K., and MacLeavy, J. 2016. *The Handbook of Neoliberalism.* London and New York: Routledge.

Jones, N.P., & Sullivan, J.P. 2019. 'Huachicoleros: Criminal Cartels, Fuel Theft, and Violence in Mexico. *Journal of Strategic Security* 12 (4): 1-24.

Klein, N. 2007. *The shock doctrine : The rise of disaster capitalism* (1st ed.). New York: Metropolitan Books, Henry Holt.

Laurell, A. C. 2015. 'Three Decades of Neoliberalism in Mexico: The Destruction of Society.' *International Journal of Health Services* 45 (2): 246-264.

Lawson, C. H. 2002. *Building the Fourth Estate: Democratization and the Rise of a Free Press in Mexico.* Berkeley: University of California.

Lessing, B. 2012. The logic of violence in criminal war: Cartel-State Conflict in Mexico, Colombia, and Brazil. University of California, eScholarship.

Lomnitz-Adler, C. 2004. 'The Depreciation of Life During Mexico City's Transition into "The Crisis" ', in J. Schneider and I. Susser (eds.), *Wounded Cities.* New York: Berg, pp. 47-70.

Petras, J., & Veltmeyer, H. 1999. 'Latin America at the End of the Millenium.' *Monthly Review* 51 (3): 31-52.

MacLeod, D. 2004. *Downsizing the State: Privatization and the Limits of Neoliberal Reform in Mexico*. University Park: Pennsylvania University Press.

Mack, E. 2018. 'Robert Nozick's Political Philosophy.' *Plato Stanford Encyclopedia.* Retrieved from: https://plato.stanford.edu/entries/nozick-political/#MinStaVerIndAna

Malkin, E. 2001. 'Narcotrafficking, migration, and modernity in rural Mexico.' *Latin American Perspectives:* 28 (4).

McLean, C., Long, M. A., Stretesky, P. B., Lynch, M. J. & Steve Hall. 2019. 'Exploring the Relationship between Neoliberalism and Homicide: A Cross-National Perspective.' *International Journal of Sociology* 49 (1): 53-76.

Mirowski, P., & Plehwe, D. 2009. *The road from Mont Pelerin: The Making of the Neoliberal Thought Collective.* Cambridge, MA: Harvard University Press.

Mirowski, P. 2013. *Never Let a Serious Crisis go to Waste: How Neoliberalism Survived the Financial Meltdown.* London: Verso Books.

Molzahn, C., Ríos, V., & Shirk, A. 2012. *Drug Violence in Mexico: Data and analysis through 2012.* San Diego: University of San Diego, Trans-Border Institute

Mudge, S. L. 2008. 'What is Neo-Liberalism?' *Socio-Economic Review* 6(4): 703-731.

Nava, J. 2013. 'Trickling Policies: Mexico's 'New' Paramilitarism.' *MPMM Professional Report.* Brownsville: University of Texas Press.

Nordstrom, C. 2000. 'Shadows and Sovereigns.' *Theory, Culture & Society* 17 (4): 35-54.

Nordstrom, C. 2007. *Global Outlaws: Crime, Money, and Power in the Contemporary World.* Berkeley: University of California Press.

O'Malley, P. 2018. 'Neoliberalism, Crime and Criminal Justice.' In: 'Cahill, D., Cooper, M., Konings, M., & Primrose, D. (Eds.):1-14. *Sage Handbook of Neoliberalism*. Thousand Oaks, CA: SAGE Publications.

O'Riain, S. 2000. 'States and markets in an era of globalization'. *Annual Review of Sociology* 26: 187-213.

Osorno, D. 2009. *El cartel de Sinaloa.* Mexico City: Random House.

Patenostro, S. 1995. 'Mexico as a narco-democracy.' *World Policy Journal* 12(1): 41-47.

Peck, J. 2002. 'Political Economies of Scale: Fast Policy, Interscalar Relations, and Neoliberal Workfare.' *Economic Geography* 78(3): 331-360.

Peck, J. 2004. 'Geography and Public Policy: Constructions of Neoliberalism.' *Progress in Human Geography* 28: 392-405.

Peck, J., and Tickell, A. 2002. 'Neoliberalizing Space.' *Antipode* 34: 380-404.

Rapley, J., 2004. Globalization and Inequality: Neoliberalism's Downward Spiral. Boulder: Lynne Rienner.

Ríos, V. 2012b. 'Why did Mexico become so violent? A self-reinforcing violent equilibrium caused by competition and enforcement.' *Trends in Organized Crime*: 1-18.

Ríos, V. 2015. 'How Government coordination controlled organized crime: The Case of Mexico's Cocaine Markets.' *Journal of Conflict Resolution* 59 (8): 1-22.

Schumpeter, J. 2006. *Capitalism, Socialism & Democracy.* London and New York: Routledge

Skaperdas, S., & Syropoulos, C. 1995. 'Gangs as Primitive States.' In *The Economics of Organized Crime,* ed. G. Fiorentini and S. Peltzman: 61-86. Cambridge: Cambridge University Press.

Smith, A., Stenning, A., & Willis, K. 2008. *Social justice and Neoliberalism: Global perspectives.* New York: ZedBooks.

Snyder, R., & Duran-Martinez, A. 2009. 'Does illegality breed violence? Drug trafficking and state-sponsored protection rackets.' *Crime, law and social change* 53 (3): 253-273.

Springer, S. 2008. 'The nonillusory effects of neoliberalization: Linking geographies of poverty, inequality, and violence. *Geoforum* 39(4): 1520-1525.

Springer, S. 2010. 'Neoliberalism and Geography: Expansions, Variegations, Formations.' *Geography Compass* 4(8): 1025-1038.

Springer, S. 2011. 'Public Space as Emancipation: Meditations on Anarchism, Radical Democracy, Neoliberalism and Violence.' *Antipode* 43(2): 525-562.

Springer, S. 2012. 'Neoliberalism as Discourse: Between Foucauldian Political Economy and Marxian Poststructuralism. *Critical Discourse Studies* 9(2): 133-147.

Springer, S. 2015. *Violent Neoliberalism: Development, Discourse and Dispossession in Cambodia.* New York: Palgrave MacMillan.

Springer, S., Birch, K., and MacLeavy, J. 2016. *The Handbook of Neoliberalism.* London and New York: Routledge.

Uvin, P. 2003. 'Global dreams and local anger: from structural to acute violence in a globalizing world.' in: Tetreault, M.A., Denemark, R.A., Thomas, K.P., Burch, K. (Eds.): 147–161, *Rethinking Global Political Economy: Emerging Issues, Unfolding Odysseys*. New York: Routledge.

Valle, E. 1995. *El Segundo disparo: la narcodemocracia mexicana.* Mexico City: Océano.

Vargas-Llosa,Mario. 1991. "Mexico: The Perfect Dictatorship," *New Perspectives Quarterly*, Winter 8 (1):23–24.

Voeten, T. 2018. *Het Mexicaanse Drugsgeweld: Een nieuw type oorlog, roofkapitalisme en de logica van wreedheid.* Groningen: De Blauwe Tijger.

Wacquant, L. 1998. 'Negative social capital: State breakdown and social destitution in America's urban core. *Netherlands Journal of Housing and the Built Environment* 13(1): 25-40.

Wacquant, L. 1999. 'Urban Marginality in the Coming Millennium. *Urban Studies* 36(10): 1639-1647.

Wade, R. H. 2004. 'Is Globalization Reducing Poverty and Inequality?' *World Development* 32 (4): 567-589.

Watt, P. & Zepeda Martínez, R. 2012. *Drug War Mexico: Politics, neoliberalism and violence in the new narcoeconomy.* New York: Zed books.

Weber, M. 1919. *Politics as a Vocation.* Retrieved from:

http://anthropos-lab.net/wp/wp-content/uploads/2011/12/Weber-Politics-as-a-Vocation.pdf.

ONLINE SOURCES AND GOVERNMENT DOCUMENTS

'AMLO 'Ends Neoliberalism', Ushers in Post-Neoliberal Plan.' *Telesurtv.net.* Retrieved from: https://www.telesurenglish.net/news/AMLO-Ends-Neoliberalism-Ushers-In-Post-Neoliberal-Plan-20190318-0004.html

Angulo S., & Schrank, D. 2019. 'Mexico president says plan to counter fuel theft saves 12 billion pesos.'*REUTERS.* Retrieved from: https://www.reuters.com/article/us-mexico-fuel/mexico-president-says-plan-to-counter-fuel-theft-saves-12-billion-pesos-idUSKCN1RZ1Y1

'Auge y caída del "Rey de la Gasolina", el ultimo líder "huachicolero" de la vieja escuela.' *Infobae.* Retrieved from: https://www.infobae.com/america/mexico/2020/03/17/auge-y-caida-del-rey-de-la-gasolina-el-ultimo-lider-huachicolero-de-la-vieja-escuela/

Agren, D. 2017. 'Angry protests erupt across Mexico after 20% hike in gasoline prices.' *The Guardian.* Retrieved from: https://www.theguardian.com/world/2017/jan/04/gasolinazo-mexico-gasoline-price-hike-protests-petrol

Alire Garcia, D., & Parraga, M. 2019. 'Explainer: Mexico's uel woes rooted in chronic theft troubled refineries.' *REUTERS.* Retrieved from: https://www.reuters.com/article/us-mexico-fuel-explainer/explainer-mexicos-fuel-woes-rooted-in-chronic-theft-troubled-refineries-idUSKCN1PE0UH.

Cattan, N., Martin, E., and Cancel, D. 2019. 'AMLO Plows Forward in Mexico, Brushing Off Neoliberal Scorn.' *Bloomberg*. Retrieved from: https://www.bloomberg.com/news/articles/2019-07-30/amlo-plows-forward-in-mexico-brushing-off-neoliberal-scorn

Corcoran, P. 2017. 'Mexico President Reprises Controversial Kingpin Strategy.' *InsightCrime.org.* Retrieved from: https://www.insightcrime.org/news/analysis/mexico-president-reprises-controversial-kingpin-strategy/

Foggin, S. 2019. 'Is AMLO's approach to crime working after one year?' *Latinamericareports.* Retrieved from: https://latinamericareports.com/is-amlos-approach-to-crime-working-after-one-year/3968/

Harp, S. 2018. *Blood and Oil: Mexico's Drug Cartels and the Gasoline Industry. Rolling Stone,* retrieved from: https://www.rollingstone.com/culture/culture-features/drug-war-mexico-gas-oil-cartel-717563/

'La red de "huachicol" dentro de Pemex orquestrada por militares.' *La Silla Rota.* Retrieved from: https://lasillarota.com/nacion/la-red-de-huachicol-dentro-de-pemex-orquestada-por-militares-pemex-huachicol-huachicolero-huachicoleo/300804

Martínez Riojas, C. '9 datos para entender el problema del robo de gasolina en México.' *Expansion.mx.* Retrieved from: https://expansion.mx/economia/2017/05/09/9-datos-para-entender-el-problema-de-robo-de-gasolina-en-mexico

'Mexico murder rate hits records high in 2019.' *AlJazeera.* Retrieved from: https://www.aljazeera.com/news/2020/01/mexico-murder-rate-hits-record-high-2019-200121053841365.html

Montero, Vieira, J. I. 2016. 'El robo de combustible en México en el contexto del narcotráfico.'*Instituto Español de Estudios Estratégicos* 55: 711-725.

Morales, A. & Zavala, M. 2019. 'AMLO presents Development and Welfare Plan to stop fuel theft.' *El Universal.* Retrieved from: https://www.eluniversal.com.mx/english/amlo-presents-development-and-welfare-plan-stop-fuel-theft

Moya, R., & Pereda, A. 2019. 'How Mexico's anti-fuel theft squads are closing illegal taps.' *El Universal.* Retrieved from: https://www.eluniversal.com.mx/english/how-mexicos-anti-fuel-theft-squads-are-closing-illegal-taps

Muedano, M. 2017. 'Con detención de 'La Hamburguesa', faltan 15 objectivos: Renato Sales'. *Excelsior.com.* Retrieved from: https://www.excelsior.com.mx/nacional/2017/05/24/1165272

Murakami, I. 2019. 'Las cifras del robo de combustible en México.' *Informador.mx.* Retrieved from: https://www.informador.mx/mexico/Las-cifras-del-robo-de-combustible-en-Mexico-20190110-0112.html

Ortiz, A. 2020. 'Pide AMLO a ciudadanos que no participen en el delito de huachicol.' *El Universal.* Retrieved from: https://www.eluniversal.com.mx/nacion/pide-amlo-ciudadanos-que-no-participen-en-huachicol

Perez-Rocha, Ml. 2018. 'AMLO Goes Full Throttle Against Neoliberalism – But What About NAFTA?" *Foreign Policy In Focus.* Retrieved from: https://fpif.org/amlo-goes-full-throttle-against-neoliberalism-but-what-about-nafta/

Russell, B. 2019. 'What AMLO's Anti-Poverty Overhaul Says About His Government.' *Americas Quarterly.* Retrieved from: https://www.americasquarterly.org/article/what-amlos-anti-poverty-overhaul-says-about-his-government/

Semple, K., & Minder, R. 2020. 'Arrest of Former Oil Chief Is a Win for Mexico's Anti-Corruption Drive.' *The New York Times.* Retrieved from: https://www.nytimes.com/2020/02/12/world/americas/mexico-lozoya-pemex-odebrecht.html

Silver, S. 2002. 'US sneezes, Mexico catches cold: Maquiladora export-processing zones are suffering.' *Financial Times* Februari 11, 2002: 3.

Sosa, A. 2019. 'Admite AMLO que no ha logrado eliminar el huachicol. *El Sol de México.* Retrieved from: https://www.elsoldemexico.com.mx/mexico/admite-amlo-que-no-ha-logrado-eliminar-el-huachicol-4151857.html

Wainwright, T. 2016. *Narconomics: How to Run a Drug Cartel.* Unites States: PublicAffairs.

Webber, J. 2017. 'Petrol theft offers Mexico's drug gangs a new revenue stream.' *Financial Times.* Retrieved from: https://www.ft.com/content/914bc246-3362-11e7-bce4-9023f8c0fd2e

Webber, J. 2020. 'Mexico's Pemex in deep water as debt outlook worsens.' *Financial Times.* Retrieved from: https://www.ft.com/content/5d45694e-221f-11ea-b8a1-584213ee7b2b

APPENDIX 1: LIST OF INTERVIEW RESPONDENTS

Respondent #	Name	Organization	Position
1	**Ioan Grillo**	New York Times	Journalist
2	**Richard Ensor**	The Economist	Journalist
3	**José Carlos**	PEMEX	Ex-PEMEX employee
4	**Daniel Linkser**	Control Risks	Partner and head of the Mexico City Office
5	**Cassius Wilkinson**	EMPRA: Emerging Markets Political Risk Analysis	Politics and Public Security Analyst
6	**Laura Pérez Gonzalez**	Universidad Iberoamerica	Professor of Mexican History
7	**Anonymous***	PEMEX	PEMEX-EMPLOYEE

*Name is not mentioned on request of the interviewee due to security reasons. Voicing your critical opinion while working at PEMEX can cause serious security issues for employees.