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Ryan C. Berg

Narcostates: Civil War, Crime, and the War on Drugs in Mexico and Central America

William L. Marcy. Boulder, CO: Lynne Rienner Publishers, 2023.
\$115.00. 359 pp.

William L. Marcy's *Narcostates* is an exciting read that manages to capture some of the most important history of cartels, violence and US counter-narcotics operations in Mexico and Central America. The historian asks how Central America and Mexico became such lawless and violent corridors of drug trafficking, and why significant efforts to reorganise and aid police and military organisations failed to rein in the cartels. Beginning with the Nixon administration's *Operation Intercept* in the 1960s, Marcy tells the story mostly through primary-source documents and recently declassified materials housed in national-security archives. Deviating from the prose of a typical academic historian, Marcy writes with a narrative flair that captures the intrigue of the backroom dealings of the region's capos, informants and agents, accounts that form the bulk of his story.

Many deeply researched histories have been written on the astronomical rise of the Colombian cartels and their eventual fall at the hands of their erstwhile partners, the Mexican cartels. Figures such as Joaquín 'El Chapo' Guzmán and Pablo Escobar have captivated many writers, but Marcy's original contribution may lie in recounting the number of oft-overlooked Central American figures connected to major players in both the Mexican and Colombian cartels. In Marcy's words, Mexico was the 'trampoline for Colombian cocaine' entering via Central America (p. 101). That region, engulfed in bloody civil wars that destroyed states' capacity to resist and provided financial incentives to participate in drug trafficking as a means of financing and exporting revolutions, emerged as the key air bridge between the Colombian and Mexican cartels. This explains the persistence of a Mexican cartel presence in the region many years later, and the splintering of groups over personal rivalries and the massive sums of illicit revenue at stake.

Marcy also unpacks decades of US security assistance. After a thorough analysis of the Mérida Initiative's failure to bring greater security to Mexico, as well as the lack of improvement under the Central America Regional Security Initiative, Marcy repeats a common criticism of US security assistance, writing that it over-militarised assistance and contributed to a surge in violence. Marcy calls this the 'Colombianisation' of Mexico and Central America (p. 204), drawing on Plan Colombia, the multi-decade security-assistance programme intended to help Colombia beat back guerrilla groups. This critique, however,

ignores a recent body of work by scholars such as Paul Angelo, who has detailed the differences between Plan Colombia and the Mérida Initiative, and the many reasons for their divergent outcomes (see his 2024 book *From Peril to Partnership*).

Narcostates is especially relevant considering renewed efforts by the United States to combat criminal cartels in Mexico. Both sides have determined that the Mérida Initiative is dead, but what will follow in its wake is unclear. Readers of Marcy's book will be poised to understand the history of various past efforts, and to detect whether the Trump administration is pushing for a new paradigm in security cooperation or treading old paths.

Autocracy Rising: How Venezuela Transitioned to Authoritarianism

Javier Corrales. Washington DC: Brookings Institution Press, 2023. \$32.00. 256 pp.

According to the International Monetary Fund, Venezuela has experienced the largest peacetime economic collapse in world history, losing about 70% of its gross domestic product. Yet the country's dictatorship, now led by Nicolás Maduro, has managed to retain its power, stealing election after election. In *Autocracy Rising*, Javier Corrales wrestles with this paradox.

Corrales documents the rise of *Chavismo* as a political movement (named after former president Hugo Chávez) and the dominance of the associated United Socialist Party of Venezuela (PSUV). The PSUV's initial electoral success under Chávez gave it large parliamentary majorities, which in turn lent it the clout to capture more of the state and severely fragment the opposition. Under Chávez, the Venezuelan government started to co-opt state institutions such as electoral authorities, media outlets, the courts and the armed forces – a process that was supercharged under Maduro. Corrales's book documents these developments in considerable historical depth.

Autocracy Rising makes an original contribution in analysing the institutional sources of Venezuela's slide into authoritarianism. Corrales spends time unpacking the state's capture of courts to alter rules, norms and laws in a process he describes as 'autocratic legalism'. Up to this point, Venezuela's path resembled that of other states as it wielded an inventory of conventional authoritarian tools to fend off challenges from the domestic opposition and the international community alike. However, as the Maduro regime became electorally uncompetitive and the opposition more competitive, it invented and repurposed some of these tools. Institutional graft and capture lent themselves to the hollowing out of the state. Public-sector innovation under Maduro came to mean a kind of institutional multitasking. The Venezuelan armed forces took critical slices of the economy, parallel assemblies acquired the patina of legitimacy to erase

the opposition's congressional victories, local authorities became intelligence-gathering and food-distribution networks, and criminal organisations became partners in governing vast swathes of territory. Corrales terms this dynamic 'function fusion', denoting a new mode of governance that assigns multiple functions to state bureaucracies and public institutions. Similar concepts have been developed by other scholars, such as Erica de Bruin's theory of 'coup proofing', but function fusion appears critical to explaining Maduro's survival. In Corrales's telling, some aspects of the Maduro regime's behaviour that appeared improvisational were instead calculated and intentional. Simply put, to survive, Maduro felt compelled to share power – often with sinister partners – even as he simultaneously concentrated it.

Students of democracy and democratic backsliding should familiarise themselves with the dramatic example of Venezuela, a case with which few are as familiar as Corrales. Other books on Venezuela's unprecedented economic collapse and descent into authoritarianism have been written: many of these, such as William Neuman's *Things Are Never So Bad That They Can't Get Worse*, grapple with the country's meltdown from a more journalistic perspective. *Autocracy Rising* gives the subject a deep academic treatment. Given that, since its publication, yet another election has been stolen in Venezuela, the tome has become required reading for those wondering how the Maduro regime manages to hang on despite its obvious lack of legitimacy.

The Chile Project: The Story of the Chicago Boys and the Downfall of Neoliberalism

Sebastian Edwards. Princeton, NJ: Princeton University Press, 2023. £28.00/\$32.00. 376 pp.

Few schools of thought from the twentieth and twenty-first centuries have been as maligned as neo-liberalism. Sebastian Edwards sets out to tell the story of neo-liberalism in Chile, where it was implemented in some of its purest forms, especially under Augusto Pinochet. In the mid-1950s, the US State Department sponsored a programme dubbed the 'Chile Project' for economists from the Pontifical Catholic University of Chile to train at the University of Chicago. At the time, the school was known for its eponymous school of economic thought that prized free-market thinking and rational expectations, and boasted future Nobel-prize-winning economists such as Milton Friedman. The 'Chicago Boys', as the school's Chilean students came to be known, achieved prominence during Pinochet's dictatorship, with many serving as his economic advisers.

Edwards traces the influence of these advisers through distinct periods of Pinochet's rule and into the democratic era. An incipient phase of neo-liberalism

(1973–82) was followed by a pragmatic phase (1983 through to the founding of democracy in 1990) and then an inclusive phase (1990–present). All three periods featured a market approach to bettering social conditions and the privatisation of many state companies.

By 2019, notwithstanding Chile's attainment of the highest health, education and life-expectancy outcomes in the region, Chilean society was experiencing a growing malaise. Mass protests broke out over a four-cent hike in Santiago's metro fare. The protests quickly grew to symbolise general societal discontent. Edwards's work demonstrates the reorientation of Chile's horizons away from Latin America. No longer content to be the wealthiest country in the region, many Chileans professed a desire for a Scandinavian-style system. Despite its successes, Chile's neo-liberal system has contributed to what Edwards calls 'horizontal inequality', which is less about income distribution and more about social interactions and the distance between commoners and elites. Yet effecting change has proven difficult.

Edwards shows that neo-liberal thought achieved widespread acceptance in Chilean society, even after Chile had transitioned to democracy. This finding differs drastically from Juan Gabriel Valdes's interpretation in his well-known book *Pinochet's Economists*. Valdes posited that neo-liberalism was a foreign imposition that trampled on Chile's unique cultural heritage. He predicted that neo-liberalism would be reversed once the country returned to democracy. While many books on neo-liberalism debate the merits of the theory on its outcomes, Edwards suggests another factor, which he calls the 'persuasion approach'. Neo-liberal thought found fertile soil not because Chile was a dictatorship, à la Valdes, but because it managed to persuade many Chileans. This explains the widespread acceptance of neo-liberal logic and programmes even well after the fall of Pinochet's dictatorship. Defying expectations, presidents in the country's democratic age, many of whom were persecuted by the murderous Pinochet regime for being socialists, left in place many of the economic policies that can be traced to his government. To be sure, social programmes expanded, but almost always through market mechanisms, as was the case under Pinochet.

Edwards published his book in 2023, in the wake of the failure of the country's first attempt to rewrite its constitution through a constituent assembly. In the book's introduction, Edwards declares confidently that

Chile will replace the old constitution with a new one that will enshrine and guarantee many social rights that will be provided for free by the state. It is unlikely that there will be as many as in the rejected draft, but the number will be substantial ... The neoliberal era will not be revived; most of the economic system built by the Chicago Boys will be replaced

by a social democratic system like the one that prevails in European and, especially, Nordic nations. (p. 8)

Unfortunately for Edwards, nothing could be further from the truth. Although a second plebiscite held after the book's publication failed less decisively than the country's first constitutional rewrite, it was still rejected by 56% of voters. Thus, the book's subtitle could be interpreted as offering a kind of false premise: there has been no downfall of Chile's neo-liberal model, but rather a new equilibrium. The book does succeed in unearthing the roots of the so-called neo-liberal project in Chile, assessing its impact and describing its declining support among the Chilean people. This analysis has enduring value precisely because current Chilean president Gabriel Boric has not managed to extricate Chile from a neo-liberal model, despite his pledge to 'bury neo-liberalism'. With a presidential election in 2025 likely to see a centre-right candidate win, any rejection by Chile of its neo-liberal legacy may be significantly delayed.

Brazilian Politics on Trial: Corruption and Reform Under Democracy

Luciano Da Ros and Matthew M. Taylor. Boulder, CO: Lynne Rienner Publishers, 2022. \$35.00. 281 pp.

When a money-laundering investigation at a petrol station in Brasilia ballooned into a sprawling, countrywide graft probe in Brazil, many thought they were witnessing a new type of anti-corruption model. The so-called Lava Jato (Car Wash) investigation held promise because it enjoyed a deep wellspring of support in society, and no politician – no matter how senior, including speakers of the house and presidents – appeared beyond its reach.

Luciano Da Ros and Matthew M. Taylor's book *Brazilian Politics on Trial* recounts the successes and explains the failures of the Lava Jato investigation. Importantly, it explores why an anti-Lava Jato political coalition arose to offer substantial pushback to the investigation. Indeed, present-day Brazil appears to have returned not to the status quo ante, but something worse. By tracing the history of Brazil's corruption scandals from the return of democracy in 1985 to the present day – many of them caused by what the authors deem a 'perilous combination' of a coalitional president and a highly fragmented party system dependent upon political favours to maintain congressional unity – Da Ros and Taylor demonstrate the uneven nature of the country's anti-corruption measures. The authors also identify the 'developmental state' (the state's considerable intervention in the economy) and weak campaign-finance laws as major sources of corruption.

Anti-corruption advocates fall into two camps: incrementalists, and 'big push' or 'big bang' theorists. Da Ros and Taylor's detailed cataloguing of anti-corruption legislation and bureaucratic rule-making shows that many of the country's anti-corruption measures have been incremental. Lava Jato, however, was unprecedented in size, scope and duration, and held the promise of forever changing the anti-corruption paradigm. It was only possible, according to the authors, precisely because of Brazil's incremental progress between 1985 and 2013. The country's political elites did not envisage that incremental changes would one day result in a spectacular graft probe targeting them.

According to Da Ros and Taylor, the early days of Lava Jato (2014–16) featured so many revelations, and so much chaos and shock, that political elites ensnared in the investigation found it difficult to fight back or forestall their own downfall. Beginning after the impeachment of former president Dilma Rousseff, however, an anti-Lava Jato coalition appeared. In 2018, Jair Bolsonaro was elected to the presidency. Slowly, political elites took aim at the accountability mechanisms that had laid the groundwork for Lava Jato, aided by bombshell revelations that, in several cases, judges and prosecutors colluded through text messages to achieve convictions against elite politicians.

The book concludes by ruminating on the difficulties of anti-corruption reform in large democracies. Few case studies exist of large countries like Brazil successfully rooting out corruption. In fact, some of the best examples are small states, and not all of them democracies. Lava Jato was an extraordinary example of a 'big push' anti-corruption effort that eventually flamed out. It failed to establish a new accountability equilibrium.

Even though the key events of the book occurred over a decade ago, the work feels relevant to present-day Brazil. Some of the main political protagonists are still with us, especially Bolsonaro and Luiz Inácio Lula da Silva. The book is worth a read by those who want to understand why anti-corruption reform is so often halting, and why Brazil appears to be hurtling toward yet another presidential election with an anti-corruption regime that appears weaker than ever.

Default: The Landmark Court Battle over Argentina's \$100 Billion Debt Restructuring

Gregory Makoff. Washington DC: Georgetown University Press, 2024. \$29.95. 424 pp.

Few institutions are as reviled in Argentina as the International Monetary Fund (IMF). The global lender of last resort, the IMF has established 23 programmes with Argentina, a serial defaulter. On the streets of Buenos Aires, mere mention of the IMF is usually sufficient to elicit negative comments and verbal tirades.

Gregory Makoff's *Default* is thus unusual in departing from the traditional focus on the IMF in explaining Argentina's financial woes. While the IMF still plays a prominent role in the story, the focus is on international investors and so-called 'distressed debt'.

Default traces the shift in sovereign lending from private-sector banks in the 1980s to international bond markets in the 1990s and 2000s. This shift created coordination challenges when countries such as Argentina flirted with default. Without a central point of contact – or several large, institutional banks, as in the 1980s – renegotiating bond-repayment conditions proved challenging for Argentina. It was even harder when the IMF proved reluctant to endorse Argentina's restructuring process. When the country defaulted on about \$100 billion in bonds at the end of 2001, many bondholders refused to accept a 'haircut'. Instead, some firms hit the country with a wave of litigation. They tried to seize state assets, including a presidential plane, diplomatic properties, bank accounts and even satellites. The torrent of court cases was mostly unsuccessful, but holdout bondholders scored their biggest victory in 2012, when US District Judge Thomas B. Griesa issued an unprecedented injunction on Argentina's ability to pay the bondholders who had accepted a haircut until holdout creditors were paid in full. Griesa intended this ruling to be a positive step, but politicians in Argentina quickly began referring to these funds as *fondos buitres* (vulture funds). Since then, many bond papers have included 'collective action clauses', augmenting the issuer's ability to force a minority of bond holdouts to accept any restructuring that the majority of bondholders accept.

Makoff's book is well researched, relying mostly on primary sources for citations and insider knowledge of IMF meetings and strategy. As a result, it sometimes veers into highly technical matters that the economic neophyte may not fully comprehend. It also contains legal analysis bolstered by an impressive array of citations. The book can thus be enjoyed by historians, economists and lawyers, as well as by casual readers, though few will be able to match Makoff's knowledge in all these fields.

While many of the events recounted in *Default* occurred ten years ago, their consequences remain relevant to the presidency of Javier Milei, who has endeavoured to completely remake Argentina's fiscal outlook through austerity measures and government trimming approved by the IMF (and, it should be noted, by many Argentines). Notably, the country is still repairing its tense relationships with creditors.