

1. The evolution of crime and violence in Latin America and the Caribbean

Steven Dudley

Criminal organisations have proliferated in recent years in Latin America and the Caribbean (LAC). Although their manifestations vary from street gangs to insurgencies and drug trafficking organisations (DTOs) to paramilitary mafias, they share some common characteristics: 1) they take advantage of weak government institutions to control physical territory; 2) they seem to thrive when new criminal economies emerge and when they can diversify their own portfolios; and 3) they use violence and the threat of violence in order to achieve their aims, regardless of whether they are political, criminal or have a different nature.

The impact of this criminal activity in the region is profound: the LAC area is the most violent region in the world today. In its most recent report on homicides at a global level, the United Nations Office on Drugs and Crime (UNODC) stated that the top five most homicidal nations on the planet per 100,000 inhabitants are in the region, four of those being Central American nations.¹

According to a recent United Nations Development Programme (UNDP) report, the LLAC area saw homicides increase by 12 per cent in the last decade and it was also the only region in the world where homicide rates rose.² Eleven LAC countries had homicide rates that would qualify as ‘epidemic’.³ It’s not just homicides that are rising, however.⁴ Throughout the region, extortion is increasing, and in 2012 Mexico registered the single highest number of complaints of kidnapping in its history.⁵ The UNDP report also stated that 460 people a day suffer from sexual violence in Latin America. And of course,

1 UNODC, ‘Global study on homicide 2013: trends, context, data’ (2014).

2 UNDP, ‘Citizen security with a human face: evidence and proposals for Latin America’ (2013).

3 ‘Epidemic’ in this instance means rates that were above 10 homicides per 100,000 residents.

4 I focus on homicides for two reasons: 1) in terms of statistics, they are among the most reliable; and 2) it is an excellent barometer of government efforts to combat crime.

5 M. Cawley, ‘Mexico kidnappings highest in 16 years’, *InSight Crime* (2013), available at www.insightcrime.org/news-briefs/mexico-kidnappings-highest-in-16-years (accessed 14 March 2016).

there is forced displacement, which can be a result of violence and the cause of further brutality in areas where displaced populations settle.⁶

Among the most violent nations in the region is Honduras, where homicides have tripled since 2003, reaching an astounding rate of 79 ‘intentional’ homicides per 100,000 inhabitants, according to the National University’s Violence Observatory’s last annual report.⁷ However, alarming spikes in homicides have also been registered in Venezuela, Mexico, the Dominican Republic, Argentina, El Salvador, Guatemala, Bolivia and Brazil, to name a few. Even Colombia – often touted as a model for how to defeat organised crime and insurgencies alike – still has a homicide rate above 30 per 100,000 inhabitants.⁸

The role of organised crime in this spike in violence is understudied and often misunderstood. In cities such as Ciudad Juarez, where homicides went up an astounding 1,000 per cent in five years between 2006 and 2010, the generally accepted story was that the violence was the result of a ‘war’ between the Juarez Cartel and the Sinaloa Cartel, two powerful international DTOs. However, the violence was happening on numerous levels, which of course included the battle between these large criminal groups, but also included the fights among the smaller criminal organisations, squabbles between government officials and the increased sense of impunity that pervaded following the rise in murders.⁹

What has caught my attention during this time period is that this surge in homicides comes at a time when the LAC region is experiencing a renaissance. It has emerged from several civil wars and is negotiating an end to its longest running conflict in Colombia. Military dictatorships, once the norm, have been vilified, the armed forces largely sidelined from politics and, in some instances, its former leaders prosecuted for crimes committed while in power.¹⁰ The region has never had more democratic governments.

What’s more, as a whole, the region is performing better economically than most of the rest of world. Its cumulative GDP has risen by four per cent in

6 ‘Global study on homicide 2013’, pp. 88–9.

7 Instituto Universitario en Democracia Paz y Seguridad (IUDPAS), Universidad Nacional de Honduras, Observatorio de la Violencia, ‘Mortalidad y otros’, Edición no. 32, Feb. 2014.

8 A. Tickner, ‘Colombia, the United States, and security cooperation by proxy’, *InSight Crime* (2014), available at www.insightcrime.org/news-analysis/colombia-the-united-states-and-security-cooperation-by-proxy (accessed 14 March 2016).

9 S. Dudley, ‘Juarez: after the war’, *InSight Crime* (2013), available at www.insightcrime.org/special-series/juarez-war-stability-and-the-future (accessed 14 March 2016).

10 See the ongoing cases in Guatemala, in particular that of Efraín Ríos Montt, a former military dictator who was convicted for crimes of genocide, only to have a high court overturn the conviction. See also S. Dudley, ‘The War of Paz y Paz: the victims’, *InSight Crime* (2014), available at www.insightcrime.org/investigations/the-war-of-paz-y-paz-the-victims (accessed 14 March 2016).

the last decade, according to the International Monetary Fund.¹¹ The middle class has grown by 50 per cent during the same period, the World Bank said in a recent report.¹² The United Nations says that since 2002, poverty in Latin America has dropped by nearly 16 per cent.¹³

Mexico offers a good illustration of this dichotomy. After nearly a century, the country's Institutional Revolutionary Party Partido Revolucionario Institucional – PRI) lost its grip on power in the year 2000. The country has grown steadily in the time since, albeit with a slight dip due to the financial crisis in the US.¹⁴ New economic opportunities, particularly in the oil sector where the government is also opening up space, have emerged.

This newfound political and economic space, however, has coincided with a dramatic threefold rise in homicides. To be clear, this is not a war in any sense of the word. The vast majority of the country functions normally. The violence is concentrated in certain pockets and overall homicide rates have dropped in recent months. But the trouble spots remain stubbornly consistent and, in some cases, criminal groups are the principal powerbrokers in these territories.

In sum, the economic indicators and macropolitical trends point towards more development and citizen participation in government in the region, but they have not translated into more citizen security. In many ways, this dichotomy flies in the face of the idea of conventional wisdom that more democracy, less conventional war and economic growth equals less crime.

Criminal evolution

Part of the explanation of this rising violence and criminal activity is the changing criminal dynamic in the region. In its report on homicides, the UNODC says there are three major homicide typologies: homicides 'related to other criminal activities', interpersonal homicides and sociopolitical homicides.¹⁵ The UNODC says the first typology – criminal activities – accounts for 30 per cent of homicides in the Americas; it fluctuates wildly leading UN researchers

11 'A bumpy road ahead', International Monetary Fund, 13 Sep. 2013.

12 World Bank, 'New World Bank report finds 50 percent increase in middle class in Latin America and the Caribbean over last decade' (2012), available at www.worldbank.org/en/news/press-release/2012/11/13/new-world-bank-report-finds-fifty-percent-increase-middle-class-latin-america-over-last-decade (accessed 14 March 2016).

13 L.A. Henao, 'Poverty reduction in Latin American is slowing, UN says' (Associated Press, 2013), available at www.huffingtonpost.com/2013/12/05/poverty-latin-america_n_4393600.html (accessed 14 March 2016).

14 World Bank, 'GNI per capita, Atlas method (current US\$)' (2014), available at <http://data.worldbank.org/indicator/NY.GNP.PCAP.CD/countries/MX-XJ-XT?display=graph> (accessed 14 March 2016).

15 'Global study on homicide 2013', UNODC, pp. 38–40.

to believe that an increase in criminal activities can lead to sudden changes in homicide levels.¹⁶

For its part, the UNDP takes a much more sociological look at the violence. It identifies four motors of violence. First, it says there are ‘aspirational crimes’ connected to questions of inequality and social mobility. Second, it explores the ‘social fabric’ theory, which focuses on indicators such as the number of single-parent households, rapid urbanisation and economic upheavals that come with trade liberalisation and other macroeconomic shifts. Third, it identifies what it calls ‘crime-drivers’: weapons, alcohol and drugs. Finally, it notes that ‘the lack of capacity of the State’ engenders crime in all of its manifestations.¹⁷

At *InSight Crime*, we draw from both approaches. To begin with, there are a number of dynamics and trends in the underworld that we believe are influencing the levels of violence. The first is the emergence of new drug markets. Transnational criminal organisations (TCOs) – what I will call Tier 1 criminal groups – are, at their heart, economic groups. Some have very flat, horizontal networks. Others are hierarchical. They all mostly obey market forces.

In this respect, several new markets are changing the way these criminal organisations are operating and moving illicit drugs, particularly cocaine, which is still one of the world’s largest money-makers. The first is the European market, which now accounts for nearly a quarter of all cocaine consumed in the world, just below the US market, according to the UNODC’s *World Drug Report 2013*.¹⁸ A particularly troubling spike can be seen in eastern and south-eastern Europe, where consumption rates have more than doubled since 2004–5, the UNODC says.¹⁹

Secondly, the Asian, Oceania, African and Latin American markets are growing rapidly. According to the UNODC Asia’s market has tripled in size since 2004–5, whereas Latin America’s, Africa’s and Oceania’s have more than doubled.²⁰ Africa has about half as many cocaine users as western and central Europe, the UNODC says; the LAC region, meanwhile, has nearly the same number of consumers as western and central Europe.²¹ At the same time, US consumption rates have dropped considerably (see UNODC graphic referenced below).²² These shifts have profound implications for the criminal

16 Ibid., p. 40.

17 ‘Citizen security with a human face’, UNDP, p. 7.

18 See pp. 38–9, available at www.unodc.org/unodc/secured/wdr/wdr2013/World_Drug_Report_2013.pdf. (accessed 14 March 2016).

19 Ibid.

20 Ibid.

21 Ibid.

22 Ibid., fig. 48, p. 39.

underworld. To begin with, they change the routes through which these drugs flow. Although coca is cultivated in a relatively reduced area of the Andes of South America – and most of that coca, which is processed into cocaine, is processed in that general vicinity – the routes by which the cocaine reaches its final market are shifting. Brazil and Argentina have become particularly popular embarkation points for cocaine headed to Europe. But countries in the Caribbean and those doing increasing business with Asia are also important bridges to the new markets. The result is what the UNODC calls a ‘spillover effect, whereby the ready availability of the drug, relatively low prices and proximity to the source in production and transit countries may play a role in driving up its use’.²³

However, availability in and of itself is not the only motor for increased consumption. It is *InSight Crime’s* belief that spillover effect is aided by two other major factors: 1) increased international and, in some cases, local vigilance on money flows; and 2) a fragmentation of the criminal groups themselves.

Over the last several years, many governments have implemented anti-money laundering statutes and imposed stricter penalties on banks for not adhering to basic protocol in accepting clients and reporting suspicious activity. As governments have become more adept at monitoring money flows, Tier 1 groups have sought to decrease their risk of losing these proceeds by simply completing their transactions with local contractors – or what I will call Tier 2 organisations – with in-kind contributions instead of cash. This has increased availability of cocaine throughout the transportation routes, as these Tier 2 organisations, which include street gangs as well as home-grown criminal groups, transform their product into more consumable forms for the local market.

This has also changed the Tier 2 criminal groups, their relationship with their Tier 1 contractors and their relationships with each other. With a new, criminal economy coming online, these Tier 2 criminal organisations suddenly have access to unprecedented financial resources. And with more at stake, there is an increasing need for a better-organised group. One of that group’s principal tools to keep other organisations at bay is the threat of force. Recruiting therefore inevitably increases, as does the procurement of weapons. The Tier 2 organisations have also added infrastructure, training and new allies in important government institutions.

This process of maturation is not linear. Some groups, mostly street gangs, veer towards control of territory as a principal means of controlling the new market. Other groups use their increased wealth to penetrate the State. Both groups find that more resources also mean more friction within their own organisations and often with their contractors. The result is a multilayered

23 Ibid, p. 39.

violent dynamic: fights between Tier 2 groups for control of the local criminal economy; fights within Tier 2 criminal organisations; fights between Tier 2 and Tier 1 organisations.

This fragmentation of the criminal underworld has accelerated in recent years. Mexico's seven major criminal organisations have now become 'between 60 and 80', according to the latest count by the attorney general's office of that country.²⁴ Colombia's four major paramilitary factions became dozens. They have since gone back to one major faction, however, this works on a model that relies on contract labour at the Tier 2 level, where the violence continues at historic levels.²⁵ In Argentina, local criminal groups are proliferating as they seek to control the burgeoning local consumption market. Rosario, the largest city of the central province of Santa Fe and a known transit route, has become the country's most violent urban area.²⁶

Three more factors accelerating this process are worth mentioning. The first one is more effective law enforcement. Colombia and Mexico are, in some ways, victims of their own success. Both countries have been highly effective at removing the heads of Tier 1 criminal groups. In Mexico, for instance, President Calderón may have failed in some respects, but between 2009 and 2012, his administration captured 25 of 37 individuals on the country's most wanted list.

The so-called 'kingpin' approach requires better intelligence, coordination and tactics. It also leads to atomisation of these larger criminal organisations whose local infrastructure is often already participating in these new local criminal economies. The battle then becomes twofold over control of both the local and the international markets and takes on a multilayered approach similar to what was described earlier. This appears to be what is happening to the larger criminal groups in Mexico, particularly the Gulf Cartel and the Zetas.²⁷

Increased law enforcement and infighting leads to a second perverse impact on the region: criminal migration. Tier 1 organisations from places such as Colombia and Mexico have moved their operations to areas where they

24 P. Corcoran, 'Mexico has 80 drug cartels: Attorney General', *InSight Crime* (2014), available at www.insightcrime.org/news-analysis/mexico-has-80-drug-cartels-attorney-general (accessed 14 March 2016)

25 Cali, Colombia, continues to be the most representative major urban area of this trend. See J. Bargent, 'Cali violence "criminal chaos" as territorial battles escalate', *InSight Crime* (2014), available at www.insightcrime.org/news-briefs/cali-violence-out-of-control-as-territorial-battles-escalate (accessed 14 March 2016); see also J. McDermott, 'The "victory" of the Urabeños: the new face of organized crime', *InSight Crime* (2014), available at www.insightcrime.org/investigations/the-evolution-of-the-urabenos (accessed 14 March 2016),

26 M. Cawley, 'Concern grows over Argentina microtrafficking, drug violence', *InSight Crime* (2014), available at www.insightcrime.org/news-briefs/concern-grows-over-argentina-microtrafficking-and-drug-violence (accessed 14 March 2016).

27 S. Dudley, 'The Zetas in Nuevo Laredo', *InSight Crime* (2014), available at www.insightcrime.org/special-series/nuevo-laredo-mexico-zetas (accessed 14 March 2016).

can operate with relative security from both the State and rivals. Honduras represents an important example in this respect. There, elements of the Sinaloa Cartel and other international criminal organisations appear to have established a primary base of operations for the movement of cocaine to primary markets. Along with powerful local criminal organisations, they have corrupted the police and military, and coopted the political and economic elite.

Finally, the emergence of a new class of consumers has fostered some of these battles. Economic growth does not happen in a vacuum, and, as the US and Europe know very well, drug consumption grows when disposable income increases. Thus the rise of the middle class in the LAC region, while an important indicator for development, is also an important driver of recreational drug use. As noted, that spike in drug use has fostered new criminal economies and helped Tier 2 organisations gain traction and provoke more conflict amongst themselves, with rivals and, in some cases, with Tier 1 organisations.

Violence, crime, displacement and migration

The uptick in violence and criminal activity has led to a surge in displacement in the region. In Mexico, one of the few countries where there is data, the Office of the United Nations High Commissioner for Refugees said, in 2012, that an estimated 160,000 people were displaced in 2011 alone.²⁸ When *InSight Crime* researched the situation in Sinaloa in 2012, where fighting between criminal organisations was fierce, it found thousands of people displaced in the Sierra Madre mountain range.²⁹

In Central America, there is more effort to track immigration patterns related to violence and crime than internal displacement due to the same factors. During a project *InSight Crime* coordinated with local media in El Salvador and Guatemala, we found that neither government was tracking internal displacement. On the immigration front, however, universities and non-governmental groups have been polling migrants over the years to find what motivates their departures. To cite just one example, a recent report by the Vanderbilt University's Latin American Public Opinion Project (LAPOP) determined that being a victim of crime or the existence of higher perceptions of crime both contribute to higher rates of migration, with the former having a far stronger impact than the latter.³⁰

28 C. Looft, '160,000 Mexicans displaced in 2011, most by drug violence: UN', *InSight Crime* (2013), available at www.insightcrime.org/news-briefs/160000-mexicans-displaced-in-2011-most-by-drug-violence-un (accessed 14 March 2016).

29 F. Sandoval, 'The displaced of Sinaloa', *InSight Crime* (2014), available at www.insightcrime.org/categories/the-displaced (accessed 14 March 2016).

30 J. Hiskey, M. Malone and D. Orcés, 'Violence and migration in Central America', *Americas Barometer InSights*, 101 (2014), available at www.vanderbilt.edu/lapop/insights/IO901en.pdf (accessed 14 March 2016).

Still, the relationship between violence and migration is not always clear. As the Vanderbilt researchers point out, the question of rising criminality can be mitigated by other factors such as positive perceptions of government and law enforcement efforts. The lack of data, especially regarding internal displacement, is also troubling. There are population shifts, even within cities, that are significant but that still go unregistered. What's more, in situations where there is no declared 'emergency' or 'war', it is particularly difficult for international monitors to establish a presence and regular reporting mechanisms.

Conclusion

The LAC region has gone through a tremendous upheaval in the last two decades. Although it has moved away from civil wars towards representative democracies, and experienced a growth in the size of its middle class as well as significant economic growth – even amidst a world downturn – it has also become the most violent place on the planet. The top five most homicidal nations in the world are in the Americas, four of them in Central America.

Part of the explanation for this dichotomy is derived from the criminal markets themselves. New drug markets, particularly for cocaine in Europe, Asia and Africa, have led criminal groups to change their routes, partners and means of transport. The resulting shifts have coincided with better law enforcement and stricter laws regulating, for example, the movement of money. Larger criminal organisations have responded by changing their locations and modus operandi, thus empowering lower-level criminal groups in countries around the Americas.

These lower-level criminal groups have increased in size and sophistication and helped develop local criminal markets, particularly around the drug trade. The result is a criminal landscape in the LAC region that has become more fragmented, violent and diversified in recent years.

The chaos in the underworld has created the circumstances by which large populations have sought refuge within their boundaries and outside. Determining the impact of this increased criminal activity, however, is difficult since it is hard to directly attribute migration to any one factor. In addition, there are challenges in obtaining reliable data regarding the movement of people, especially within borders in situations where war has not been declared and international organisations lack mandates that allow them to explore these politically contentious points.