



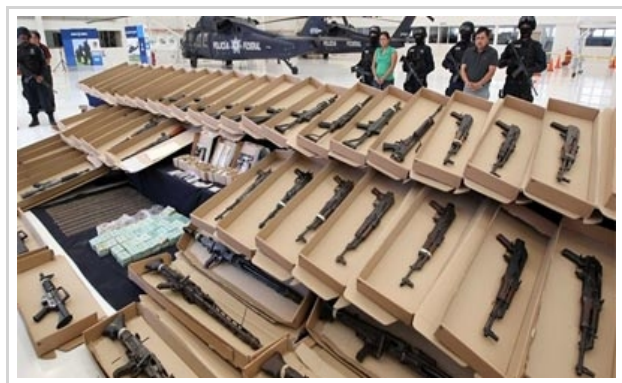
Criminal Evolution and Violence in Latin America and the Caribbean



Written by Steven Dudley Thursday, 26 June 2014

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Latin America and the Caribbean is world's most violent region

Why is Latin America and the Caribbean so violent? InSight Crime Co-director Steven Dudley gave his answer at a recent conference on organized crime and displacement in the region.

Criminal organizations have proliferated in recent years in Latin America and the Caribbean. While they vary from street gangs to insurgencies, from drug trafficking organizations (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 where new criminal economies have emerged and where they can diversify their own portfolios; 3) they employ violence and the threat of violence in order to achieve their aims, be they political, criminal or other goals.

The impact of this criminal activity in the region is profound. Latin America and the Caribbean is the most violent region in the world today. In its most recent report on homicides worldwide, the United Nations Office on Drugs and Crime (UNODC) ([pdf](#))

(http://www.unodc.org/documents/gsh/pdfs/2014_GLOBAL_HOMICIDE_BOOK_web.pdf)) said the top five most homicidal nations on the planet are in the region; four of those are Central American nations.

According to a recent United Nations Development Programme report (pdf (<http://www.undp.org/content/dam/rblac/docs/Research%20and%20Publications/IDH/IDH-AL-ExecutiveSummary.pdf>)), Latin America and the Caribbean saw homicides increase by 12 percent in the last decade; it was the only region in the world where homicide rates rose. Eleven countries in the region had homicide rates that would qualify as "epidemic," (classed as over 10 per 100,000 people) the UNDP report said. It's not just homicides that are rising. Throughout the region, extortion (<http://www.insightcrime.org/component/tags/tag/45-extortion>) is increasing, and in 2012 Mexico registered the single highest number (/news-briefs/mexico-kidnappings-highest-in-16-years) of complaints for kidnapping (<http://www.insightcrime.org/component/tags/tag/4-kidnapping>) in its history. On typical day, the UNDP also said that 460 people a day suffer from sexual violence in Latin America. And of course, there is forced displacement, which can be a result of violence and cause of further violence in areas where displaced populations settle.

This paper was presented to participants of a conference organized by London University's School of Advanced Study and the Universidad Centroamericana 'José Simeón Canas' (UCA) entitled, "Los Grupos Criminales Organizados y la Nueva Ola de Desplazamiento Forzado en América Latina," held in San Salvador, May 22 – 23, 2014.

Among the most violent nations in the region is Honduras (<http://www.insightcrime.org/component/tags/tag/66-honduras>) where homicides have tripled since 2003, reaching an astounding rate of 79 "intentional" murders per 100,000 inhabitants by the National University's Violence Observatory's last annual count (pdf (<http://iudpas.org/pdf/Boletines/Nacional/NEd32EneDic2013.pdf>)). However, alarming spikes in homicides have also been registered in Venezuela, Mexico (<http://www.insightcrime.org/component/tags/tag/9-mexico>), the Dominican Republic, Argentina, El Salvador (<http://www.insightcrime.org/component/tags/tag/32-el-salvador>), Guatemala (<http://www.insightcrime.org/component/tags/tag/52-guatemala>), Bolivia (<http://www.insightcrime.org/component/tags/tag/68-bolivia>) and Brazil (<http://www.insightcrime.org/component/tags/tag/10-brazil>), to name a few. Even Colombia (<http://www.insightcrime.org/component/tags/tag/8-colombia>) – often touted as a model (/news-analysis/colombia-the-united-states-and-security-cooperation-by-proxy) for how to defeat organized crime and insurgencies alike – still has a homicide rate above 30 per 100,000.

The role of organized crime in this spike in violence is understudied and often misunderstood. In cities such Ciudad Juarez, where homicides went up an astounding 1,000 percent 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 (<http://www.insightcrime.org/component/tags/tag/56-juarez-cartel>) and the Sinaloa Cartel (<http://www.insightcrime.org/component/tags/tag/63-sinaloa-cartel>), two powerful

international DTOs. However, the violence was happening on numerous levels (/special-series/juarez-war-stability-and-the-future), which of course included the battle between these large criminal groups, but also included the fights amongst the smaller criminal organizations, squabbles between government officials and the increased sense of impunity that pervaded following the rise in murders.

What has caught my attention during this time period is that this surge in homicides comes at a time when Latin America and the Caribbean are experiencing a renaissance. The region has emerged from several civil wars and is negotiating an end to its longest running conflict in Colombia (<http://www.insightcrime.org/component/tags/tag/8-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 (/investigations/the-war-of-paz-y-paz-the-victims) committed while in power. 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. The region's cumulative GDP has risen by four percent in the last decade, according to the International Monetary Fund (<http://www.imf.org/external/pubs/ft/fandd/2013/09/sosa.htm>). The middle class has grown by 50 percent during the same period, the World Bank said (<http://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>) in a recent report. The United Nations says that since 2002, poverty in Latin America has dropped by nearly 16 percent (http://www.huffingtonpost.com/2013/12/05/poverty-latin-america_n_4393600.html).

Mexico offers a good illustration of this dichotomy. After nearly a century, the country's Institutional Revolutionary Party (PRI) lost its grip on power in the year 2000. The country has grown steadily in the time since (<http://data.worldbank.org/indicator/NY.GNP.PCAP.CD/countries/MX-XJ-XT?display=graph>), albeit with a slight dip due to the financial crisis in the US. 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 three-fold 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 macro-political 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

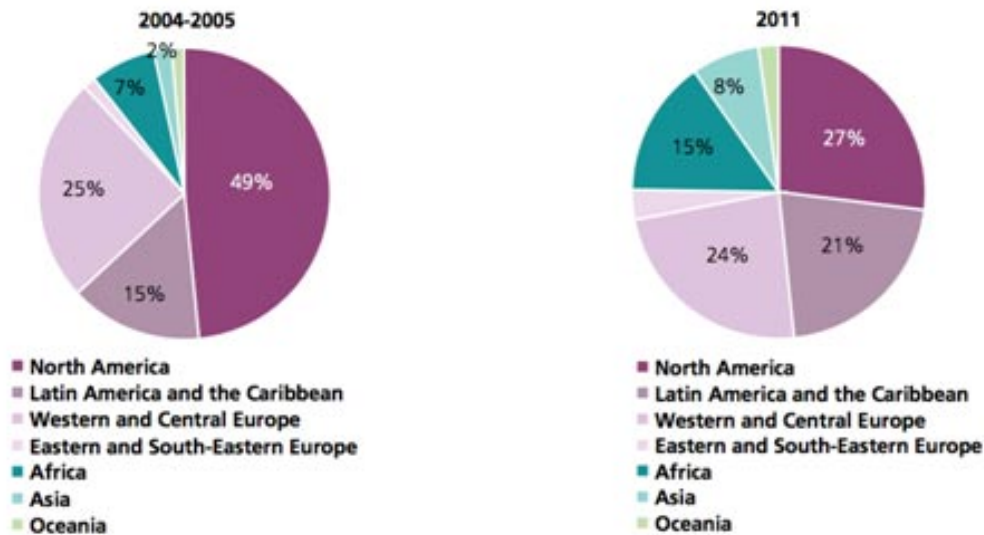
Part of the explanation of this rising violence and criminal activity is the changing criminal dynamic in the region. In its report on homicides, the UNODC says there are three major homicide typologies: homicides "related to other criminal activities"; interpersonal homicides; socio-political homicides. The UNODC says the first typology -- criminal activities -- accounts for 30 percent of homicides in the Americas; it fluctuates wildly leading UN researchers to believe that an increase in criminal activities can lead to sudden changes in homicide levels.

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 urbanization and economic upheavals that come with trade liberalization 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.

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 organizations (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 organizations 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" (pdf (http://www.unodc.org/unodc/secured/wdr/wdr2013/World_Drug_Report_2013.pdf)). A particularly troubling spike can be seen in Eastern and South-eastern Europe, where consumption rates have more than doubled since 2004 – 2005, the UNODC says. (See UNODC graphic below)

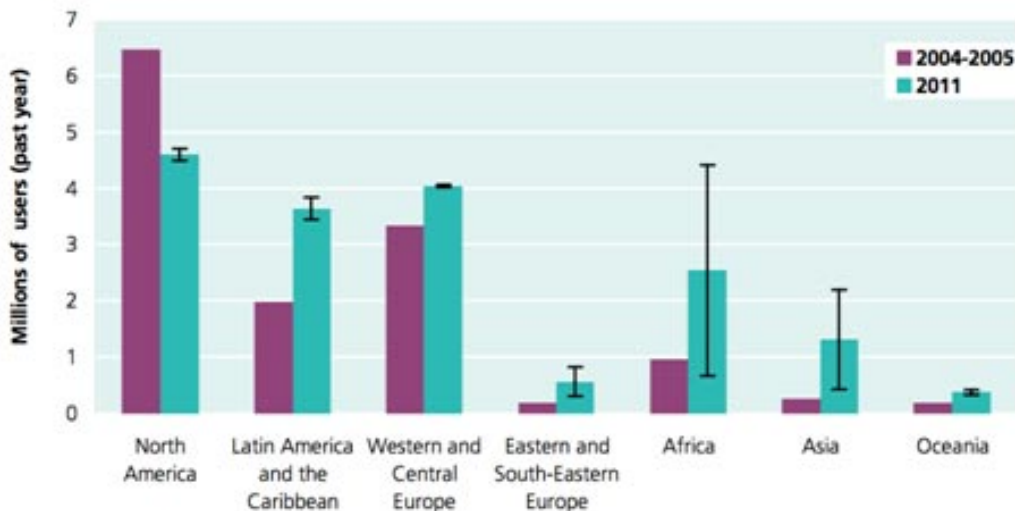
Fig. 47. Distribution of cocaine users (annual prevalence), figures for 2011 compared with figures for the period 2004-2005



Source: UNODC estimates.

Secondly, the Asian, Oceania, African and Latin American markets are growing very quickly. The UNODC says Asia's market has tripled in size since 2004 – 2005, while Latin America's, Africa's and Oceania's have more than doubled. Africa has about half the number of cocaine users as Western and Central Europe, the UNODC says; Latin America and the Caribbean, meanwhile, has nearly the same number of consumers as Western and Central Europe. At the same time, US consumption rates have dropped considerably. (See UNODC graphic below)

Fig. 48. Number of people who have used cocaine in the past year, figures for 2011 compared with figures for the period 2004-2005



Source: UNODC estimates.

These shifts have profound implications for the criminal underworld. To begin with, they change the routes through which these drugs flow. While 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 is shifting. Brazil (<http://www.insightcrime.org/component/tags/tag/10-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."

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

Over the last several years, many governments have implemented anti-money laundering (<http://www.insightcrime.org/component/tags/tag/22-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 organizations – with in-kind contributions instead of in cash. This has increased availability of cocaine throughout the transportation routes, as these Tier 2 organizations, which include street gangs as well as homegrown 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 organizations suddenly have access to unprecedented financial resources. And with more at stake, there is an increasing need for a better-organized group. One of that group's principal tools to keep other organizations at bay is the threat of force. Recruiting therefore inevitably increases, as does the procurement of weapons. The Tier 2 organizations 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 organizations and often with their contractors. The result is a multi-layered violent dynamic: fights between Tier 2 groups for control of the local criminal economy; fights within Tier 2 criminal organizations; fights between Tier 2 and Tier 1 organizations.

This fragmentation of the criminal underworld has accelerated in recent years. Mexico (<http://www.insightcrime.org/component/tags/tag/9-mexico>)'s seven major criminal organizations have now become "between 60 and 80," according to the latest count by the attorney general's office (</news-analysis/mexico-has-80-drug-cartels-attorney-general>) of that country. Colombia (<http://www.insightcrime.org/component/tags/tag/8-colombia>)'s four major paramilitary factions became dozens. They have since gone back to one major faction, however, this faction works on a model that relies on contract labor at the Tier 2 level, where the violence continues at historic levels (</news-briefs/cali-violence-out-of-control-as-territorial-battles-escalate>). 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 (</news-briefs/concern-grows-over-argentina-microtrafficking-and-drug-violence>).

There are three more factors accelerating this process that are worth mentioning. The first one is more effective law enforcement. Colombia (<http://www.insightcrime.org/component/tags/tag/8-colombia>) and Mexico (<http://www.insightcrime.org/component/tags/tag/9-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 (<http://www.insightcrime.org/component/tags/tag/9-mexico>), for instance, President Calderon may have failed in some respects, but between 2009 and 2012, his administration captured 25 of 37 on the country's most wanted list.

The so-called "kingpin" approach requires better intelligence, coordination and tactics. It also leads to atomization of these larger criminal organizations 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 (<http://www.insightcrime.org/component/tags/tag/9-mexico>), particularly the Gulf Cartel and the Zetas (</special-series/nuevo-laredo-mexico-zetas>).

Increased law enforcement and in-fighting leads to a second perverse impact on the region: criminal migration. Tier 1 organizations from places such as Colombia (<http://www.insightcrime.org/component/tags/tag/8-colombia>) and Mexico (<http://www.insightcrime.org/component/tags/tag/9-mexico>) have moved their operations to areas where they can operate with relative security from both the State and rivals. Honduras (<http://www.insightcrime.org/component/tags/tag/66-honduras>) represents an important example in this respect. There, elements of the Sinaloa Cartel (<http://www.insightcrime.org/component/tags/tag/63-sinaloa-cartel>) and others, appear to have established a primary base of operations for the movement of cocaine to primary markets. Along with powerful local criminal organizations, 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 increases when disposable income increases. Thus the rise of the middle class in Latin America and the Caribbean, 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 organizations gain traction and provoke more conflict amongst themselves, with rivals and, in some cases, with Tier 1 organizations.

Violence, Crime, Displacement and Migration

The uptick in violence and criminal activity has led to a surge in displacement in the region. In Mexico (<http://www.insightcrime.org/component/tags/tag/9-mexico>), one of the few countries where there is data, the United Nations High Commission on Refugees said in 2012 that an estimated 160,000 people were displaced (</news-briefs/160000-mexicans-displaced-in-2011-most-by-drug-violence-un>) in 2011 alone. When InSight Crime researched the situation in Sinaloa in 2012, where fighting between criminal organizations was fierce, it found thousands of people displaced in the Sierra Madre mountain range (</displacement-in-latin-america/the-displaced>).

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 (<http://www.insightcrime.org/component/tags/tag/32-el-salvador>) and Guatemala (<http://www.insightcrime.org/component/tags/tag/52-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 LAPOP (pdf (<http://www.vanderbilt.edu/lapop/insights/IO901en.pdf>)) determined that being a victim of crime or perceptions of higher crime both contribute to higher rates of migration, with the former having a far stronger impact than the latter.

Still, the relationship between violence and migration is not always clear. As the Vanderbilt researchers point out, the question of rising criminality can be mitigating 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 go unregistered. What's more, in situations where there is no declared "emergency" or "war," it makes it very hard for international monitors to establish a presence and regular reporting mechanisms.

Conclusion

Latin America and the Caribbean have gone through a tremendous upheaval in the last two decades. While the region 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 to look at 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 organizations 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 developed local criminal markets, particularly around the drug trade. The result is a criminal landscape in Latin America and the Caribbean 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 organizations lack mandates that allow them to explore these politically contentious points.

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