



UNITED NATIONS  
*Office on Drugs and Crime*

# CRIME AND DEVELOPMENT IN CENTRAL AMERICA



**Caught in the Crossfire**

**May 2007**

For the purposes of this Report, Central America comprises the seven nations of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama - excluding Mexico. This study was undertaken by the Research and Analysis Section of the United Nations Office on Drugs and Crime in the framework of the project "Illicit Market Studies" (GLO/H93). The lead researcher and author is Theodore Leggett. Funding for this study was provided by the Government of France.

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# Map





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# List of Abbreviations

<b>ARQ</b>	United Nations Annual Reports Questionnaire
<b>CARICOM</b>	Caribbean Community and Common Market
<b>CEJA</b>	Centro de Estudios de Justicia de las Americas
<b>CPI</b>	Transparency International Corruption Perceptions Index
<b>CTS</b>	United Nations Survey of Crime Trends and Operations of Criminal Justice Systems
<b>ECLAC</b>	Economic Commission for Latin America and Caribbean
<b>GDP</b>	Gross Domestic Product
<b>HDR</b>	UNDP Human Development Report
<b>ICVS</b>	International Crime Victims Survey
<b>ILO</b>	International Labour Organisation
<b>LAPOP</b>	Latin American Public Opinion Project
<b>PPP</b>	Purchasing Power Parity
<b>TI</b>	Transparency International
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>UNDP</b>	United Nations Development Programme
<b>WDR</b>	World Bank World Development Report
<b>WHO</b>	World Health Organization





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# Preface

The countries of Central America are diverse. But they have one thing in common. They are all affected - to varying degrees - by drugs, crime and poverty.

Many countries of the region are vulnerable because of socio-economic conditions like income inequality, chaotic urbanization, mass poverty, a high proportion of youth, easy access to a large supply of guns, and an unstable post-conflict environment.

They are also at risk because of their geographic position, trapped between the world's biggest suppliers and consumers of cocaine.

Trafficking routes have carved paths of destruction through the region. Crime and corruption flourish while development lags.

This deepens social cleavages, scares away investors, and encourages the flight of domestic capital and brain drain. While many tourists dream about visiting Central America, the dream of many people in the region is to leave.

Where crime and corruption reign and drug money perverts the economy, the State no longer has a monopoly on the use of force and citizens no longer trust their leaders and public institutions. As a result, the social contract is in tatters, and people take the law into their own hands either to defend themselves or commit offences.

The warning signs are evident in this report - gun-related crime, gang violence, kidnapping, the proliferation of private security companies. But these problems are in no way inherent to the region. They can be overcome.

To break the vicious circle, countries need development, justice, good governance, and security. Strengthening their justice systems should be a priority in order to root out corruption and restore public confidence in the rule of law. This would create a fertile environment for economic growth and attract foreign investment, thereby promoting development.

Heavy handed crackdowns on gangs alone will not resolve the underlying problems. Gang culture is a symptom of a deeper malaise that can not be solved by putting all disaffected street kids behind bars. The

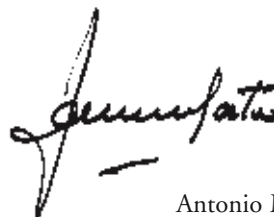
future of Central America depends on seeing youth as an asset rather than a liability.

Many of the region's problems can best be solved from outside, particularly in reducing the supply and demand for drugs. Others require strong domestic political leadership. Cooperation and funding are vital. The problems are too big, too costly, too dangerous and too inter-linked with the problems of others to be left to individual States.

In order to reverse the trends highlighted in this report, it is time for a concrete, realistic and manageable programme of action to reduce the impact of drugs and crime on development in Central America. I urge all States of the region, as well as all those with a stake in its stability and prosperity, to agree on a strategic and operational framework and on its underlying resource mobilization.

For example, national governments should implement holistic crime prevention strategies. Development agencies, funding partners and multi-lateral donors should incorporate the emerging justice and security issues into their operational assistance platforms. Criminal justice reform, crime prevention and democratic community policing are essential and require international technical assistance. It is necessary to address the roots of the problem through long-term socio-economic development and the rule of law rather than just confronting the symptoms through short-term law enforcement.

We have a shared responsibility and common interest in helping the countries of Central America to withstand external pressures and to strengthen their internal resistance to the damaging effects of drugs and crime. Let us work together to unlock the potential of this region.



Antonio Maria Costa

Executive Director

United Nations Office on Drugs and Crime





# Executive summary

*...we will not enjoy development without security, we will not enjoy security without development, and we will not enjoy either without respect for human rights. Unless all these causes are advanced, none will succeed.*

United Nations Secretary General Kofi Annan (2005) *In Larger Freedom*

The world is coming to recognise the interdependence of security and development issues. Moral imperatives aside, poverty is no longer acceptable for reasons of simple common safety. Technology and globalisation have made it possible for even the most marginalized groups to pose a threat to the most powerful. Areas allowed to descend into social disarray generate, and provide refuge for, organised criminals and political militants. Global security requires global development.

The problem is that the opposite is also true: development requires security. Investors do not put their money in places where the rule of law does not prevail. Skilled labour does not reside in countries where personal safety is at risk. Crime and corruption are derailing attempts to address the global polarisation of wealth, as people choose not to invest their lives or their money where they are insecure. For the poor that remain, the threat of crime retards their efforts to better themselves, as they structure their activities around avoiding victimisation. Trust among countrymen is lost, and with it goes social cohesion. Cynicism about the ability to succeed within the law breeds further insecurity, and whole regions can find themselves locked into a downward spiral of victimisation and social disinvestment.

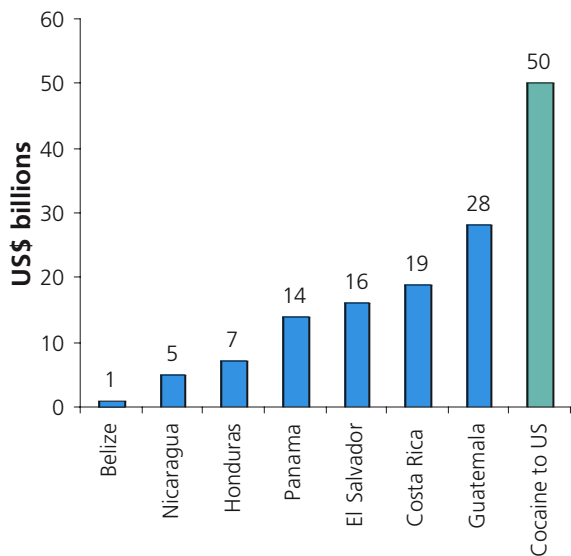
Further, crime and corruption undermine democracy itself. The primary responsibility of the state is to ensure citizen security, and when it fails to establish basic internal order, it loses the confidence of the people. When civil servants and elected officials come to be viewed as part of the crime problem, citizens effectively disown their government. They become subjects rather than citizens. Whatever role the state might play in development is seriously challenged by the loss of popular support.

It is therefore imperative that crime be addressed as a key development issue. Until threats to life and property can be brought to acceptable levels, developing countries with serious crime problems will struggle to gain the public confidence needed for forward progress. A foundational level of order must be established before development objectives can be realised.

The United Nations Office on Drugs and Crime has considered these issues in a previous publication, *Crime and Development in Africa* (2005). It now turns its attention to another region that has not developed as quickly as had been hoped: Central America. While this region is better off than Africa for a variety of reasons, it also suffers from high levels of crime and violence. And, as the World Bank noted in 1997, "...crime and violence have emerged in recent years as major obstacles to the realization of development objectives in Latin America and the Caribbean." Since that time, the crime situation appears to have worsened in many respects.

Due to its geographic location between the world's cocaine suppliers and its main consumers, Central America has been exposed to exogenous organised crime pressures that would be challenging for countries many times as large. Unfortunately, the region is particularly vulnerable to incursion by organised crime due to a range of domestic factors, and this report opens by considering several of these, including social and economic pressures, lack of law enforcement capacity, and a history of conflict or authoritarian rule. It then looks at the nature of organised crime and violence in the region in some detail. Finally, it considers how the crime problem is undermining development efforts.

**Central American GDPs (in US\$ billions) versus retail value of cocaine flow to US in 2004**



Source: UNDP HDR 2006, UNODC WDR 2006

**Point of vulnerability: Geography**

Central America’s geographic position has left it literally “caught in the crossfire” of the drug trade. The civil wars exposed the region to deep penetration by drug trafficking organisations, as drugs were a source of revenue for the conflict. Central America is currently believed to be the transit zone through which 88% of the cocaine headed for the United States passes. While more research is required to understand the ways this flow affects local societies, its value far exceeds the resources of the states through which it passes.

**Point of vulnerability: Underdevelopment**

Underdevelopment does not cause crime, and the poorest nations and individuals are not always the most crime prone. In Central America, the safest countries are arguably the richest (Costa Rica) and the poorest (Nicaragua). But there are several aspects of underdevelopment which, in the absence of countervailing points of resilience, make it more likely that a country will experience high crime rates. Unfortunately, many of these vulnerabilities are present in Central America.

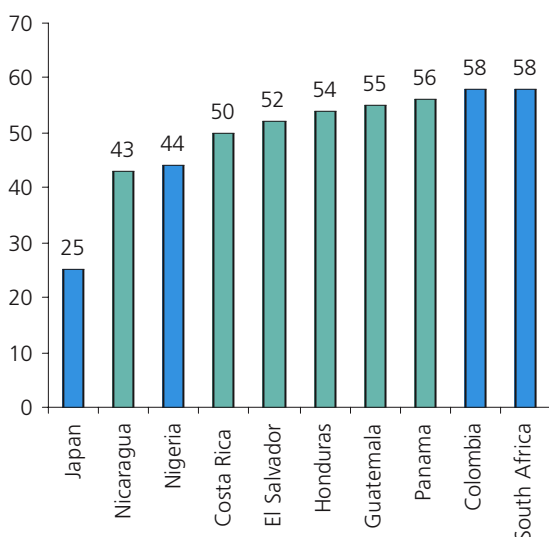
While the countries of this region are not wealthy, studies of the correlates of crime have found that the distribution of wealth in a society is actually more significant than raw poverty in predicting violence levels. It has been argued that stark wealth disparities provide criminals with both a justification (addressing social injustice) and an opportunity (wealth to steal) for their activities, as well as generating “expressive violence.” Central America is one of the most unequal regions in the world, alongside South America and Southern Africa. Four of the seven Central American countries rank among the world’s most unequal in terms of income distribution.

Feelings of resentment around inequality are often exacerbated when class divisions fall along ethnic lines, as they often do: European-descended people are far less likely to experience poverty than indigenous or African-descended people in many countries in this region.

Unemployment, especially among urban young men who have left school, has also been associated with crime levels. Several nations in this region show high levels of idle youth, as secondary enrolment rates are less than 50% and the urban economies are not growing fast enough to absorb population growth. These young men may be subject to cooption by street gangs and other forms of organised crime.

In fact, the share of young men in the general population can itself be seen as a possible source of vulnerability to crime. Universally, most street crime is committed by young men between the ages of 15 and 24, often against their peers. The higher the share this demographic group comprises of the population, the greater the number of potential perpetrators and victims in the society, all other things being equal. Like many developing regions, the population of Central America is very young, comparable to some sub-Saharan African countries.

**Gini index of income inequality (0 equals perfect equality, 100 perfect inequality)**

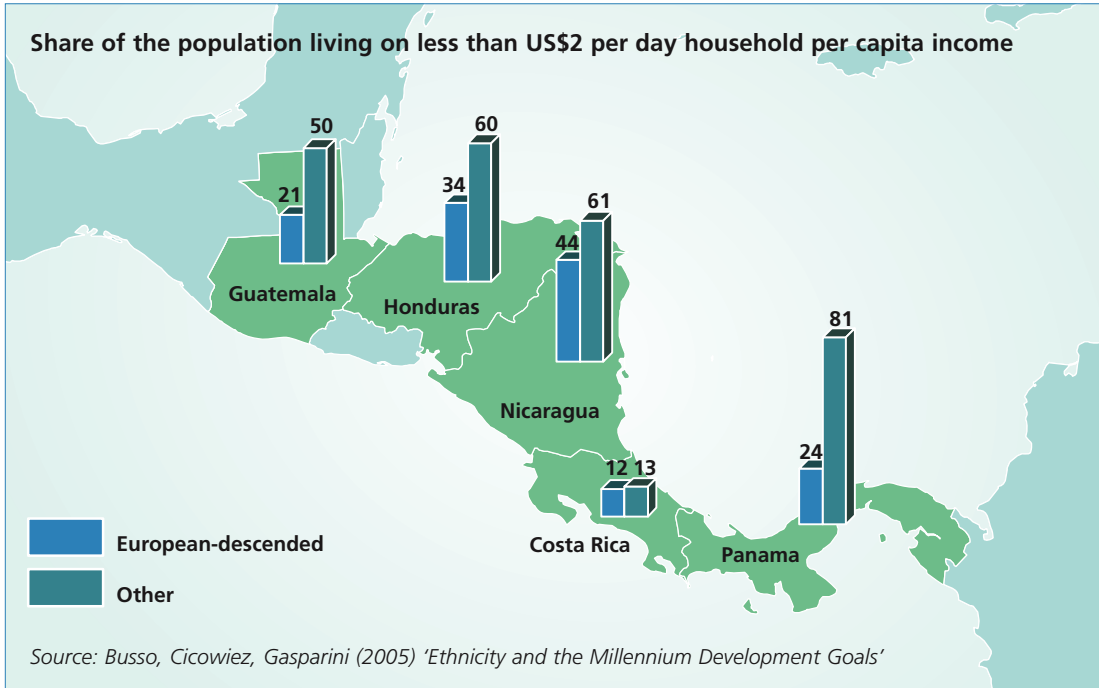


Source: Human Development Report 2006

**Point of vulnerability: Low criminal justice capacity**

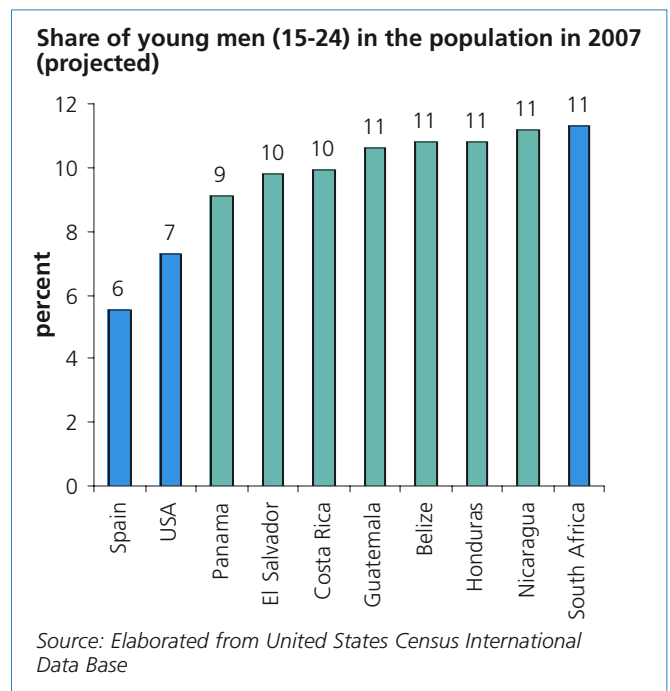
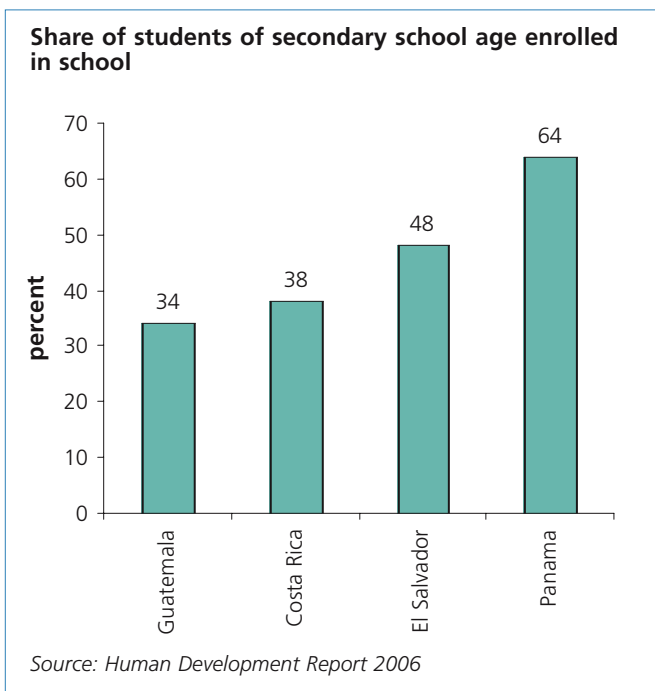
The small economies of Central America also suffer from serious challenges to law enforcement capacity, particularly when the resources commanded by state agencies are compared to





the massive profits of the drug trade. Developing countries cannot afford to spend as much per capita as rich ones on the police, justice, and corrections. Insofar as the criminal justice system fulfils its primary functions – deterring, incapacitating, and rehabilitating offenders – developing countries may be relatively unprotected.

With regard to policing levels, several countries in Central America show poor police to public ratios, including Honduras, Guatemala, and Nicaragua. Other sectors of the justice system are also challenged by resource and management issues. Judges in many countries in the region are popularly believed to be subject to financial or political influence. Lack of police and prosecutorial capacity results in very low conviction rates in some instances. For example, 2005 figures suggest that murderers in Guatemala had about a 2% chance of being convicted. In such a climate of impunity, the deterrent effect of the law is minimal. With regard to corrections, some countries in this region boast large prison populations relative to their capacity to care for them. Large shares of these prison populations have not been convicted of anything –



they are incarcerated awaiting trial. Aside from being very expensive, large prisoner populations are difficult to manage without vast resources, and compromise the prospects of real rehabilitative work.

### **Point of vulnerability: A history of conflict**

All of the countries of the region have been affected by conflict, including full-scale civil wars in Guatemala (1960-1996), El Salvador (1980-1992), and Nicaragua (1972-1991), and the authoritarian response to insurgent uprisings. The impact of this violence is profound, and the repercussions are manifest today. Terror tactics were used in a number of conflicts in the region, including public massacres of civilians, use of 'disappearances' and death squads, torture, and mass rape. A large share of the population witnessed, experienced, or participated in these atrocities, and this has produced widespread psychosocial trauma. Violence can become 'normalised' in communities where many people were exposed to brutality, and may be tacitly accepted as a legitimate way of settling disputes, particularly where the conflict resolution mechanisms of the state are viewed as incompetent, corrupt, or biased. 'Cycles of violence' can infect communities as victims vent their rage and reclaim their agency by becoming perpetrators, and volleys of retribution attacks can resound for years after the formal cessation of hostilities.

Conflict also introduces small arms and teaches the practical and psychological skills required for their use. It teaches the skills of smuggling and covert organisation, both to the insurgents and to the agents of the government, including state-sponsored militias. The education of children may be suspended during conflict periods. As a result, combat skills may be the only ones possessed by a generation of young people without alternative identities or employment opportunities. These skills are easily applied in gangsterism, acquisitive crime, and cross-border trafficking.

A history of conflict, and the authoritarian response of the government to it, can seriously undermine the democratic state. Vital infrastructure and human resources may be targeted, and many authoritarian states turn a blind eye to corruption in the civil service so long as it does not interfere with the counter-insurgency. These civil servants may continue with their activities well after the coming of democracy, and impart their culture of corruption to their successors.

Authoritarian policing instils bad habits in the security services and stunts the development of the skills needed for democratic policing. Integrating former military personnel into the post-conflict security structures further exacerbates militarization. Perceptions of growing crime can fuel popular demand for the use of the military in policing and the introduction of anti-crime legislation that reduces procedural protections, eroding human rights gains. In some Central American countries, the military is being used to maintain internal order. Despite superficial similarities, the skills involved in democratic policing and soldiering are very different.

Conflict rips apart communities and, with them, the mechanisms of informal crime prevention that provide the stoutest check to anti-social behaviour. People displaced by conflict may have to fight for generations before becoming accepted in their new home areas, relegated in the interim to alternative channels of income generation. Outsiders may have to organise self-defence groupings in order to assert their rights in the neighbourhood, and these are vulnerable to degenerating into protection rackets and even predatory gangs. Central American refugees settling in the Hispanic slums of Southern California during the 1980s provide an excellent example of this process. Targeted by local gangs, Salvadoran young men formed 'Mara Salvatrucha', one of the most notorious and widespread street gangs presently operating in the Western Hemisphere. The reach of Mara Salvatrucha was extended back to El Salvador and throughout Central America when convicted members were repatriated at the conclusion of their jail sentences.

The deportation issue is a key area of concern for many nations in Central America, as well as in the neighbouring Caribbean. Many authorities claim that criminals schooled in their trade in the United States and other countries are contributing to crime in their home countries when deported. There is no denying the effect gang culture from the United States has had on Central America's maras (youth gangs), but more research is required to determine the extent to which deportees become involved in crime on their return.

Central America's crime situation is a result of all these points of vulnerability. As a result, the Central American crime situation distinguishes itself from other regions in the world in at least two respects: the extent of its exposure to drug flows and to the level of violence in its societies.

## Crime diagnostic: Drug trafficking

South America produces an estimated 900 tons of cocaine annually, most of which is shipped to 10 million users in the United States and Europe, a market worth some US\$60 billion in 2003. The value of the drug flow rivals that of the legitimate economies of the nations through which it passes. Every Central American country seized at least a ton of cocaine in 2004. But very little of this cocaine was intended for local consumption. Law enforcement agencies in Central America spend a lot of resources intercepting drugs produced by, and destined for, other parts of the world. In effect, Central America is suffering for the problems of its neighbours to the north and south.

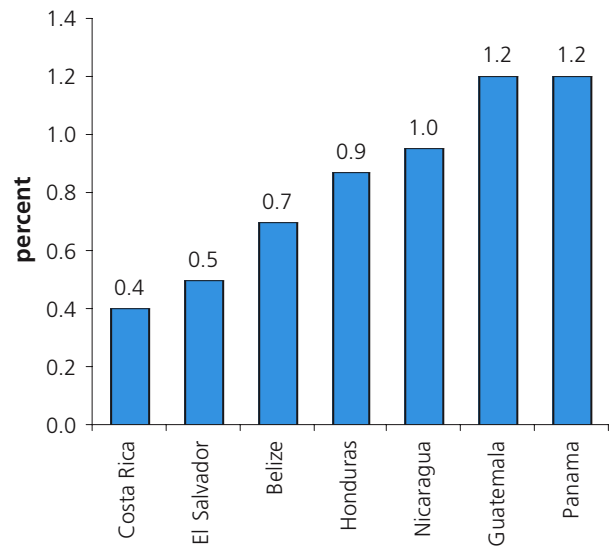
The precise routes the drug takes in getting to its destinations has varied over time, as have the destinations themselves. During the days when the big Colombian cartels controlled the market, most of the cocaine travelling to the United States was flown in private aircraft stopping over in the Caribbean. Today, most of the traffic is maritime, hugging the coast of Central America, as the dominant distributors are presently Mexican cartels.

Given the large flows of cocaine through Central America, the most recent survey data show remarkably low levels of local use. For example, a 2006 national survey conducted by the OAS and the national drug observatory in El Salvador found that annual adult (15-64) cocaine use prevalence was just 0.24% for cocaine and 0.17% for crack. Compare this to use rates in the United States (2.8% in 2004) or Spain (2.7% in 2003).

While heroin is not as important as cocaine in terms of the volumes transported and the money involved, it is a drug where the regional channels have grown in importance since the mid-1990s. Today, the largest share of the heroin consumed in the United States is produced in Colombia, and thus may be transhipped through the region. In addition, it has been estimated that Guatemala had the potential to produce 1.4 metric tons of heroin in 2004, compared to 3.8 tons in Colombia. In 2006, authorities claimed to have uprooted 27 million plants by early September, suggesting that cultivation levels have returned to those of the previous peak in 1990, with perhaps 2000 hectares under cultivation. This is a small amount by global standards, but could be a significant problem locally. Should this situation persist, Guatemala could soon rival Colombia as a source of heroin for the U.S. market.

Key to drug trafficking operations is ability to launder money. Central America receives massive remittances, and US currency is often smuggled in bulk through Mexico and Central America. Both Panama and El Salvador have dollarised their economies, and the use of the dollar in Panama is one key reason the country is so attractive for money laundering.

Share of adults (15-64) using cocaine in the last year (various years)



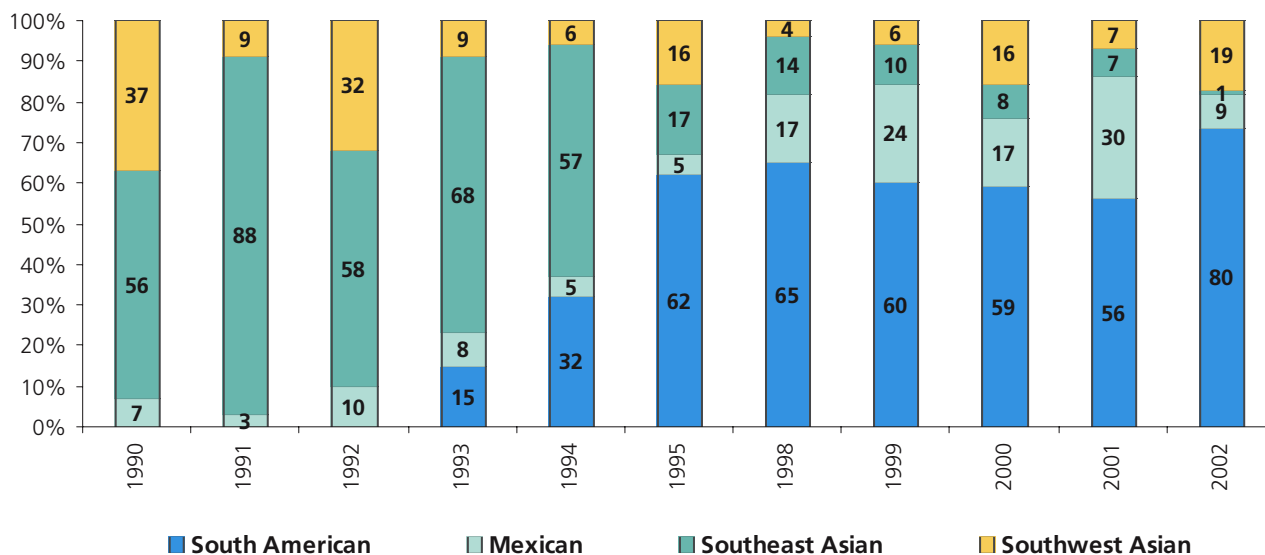
Source: UNODC Delta database estimations

## Crime diagnostic: Violence

Intentional homicide figures are generally considered the most reliable indicator of the violent crime situation in a country, since, unlike crimes like robbery and assault, most intentional homicides come to the attention of the police. For this reason, only intentional homicide statistics are discussed at any length in this report.

In the past decade, Colombia and South Africa have reported the highest intentional homicide rates in the world in both the Interpol and the UNODC statistics, with several countries in the region ranking in the top 10, including El Salvador, Guatemala, and perhaps Honduras. Recently, however, the police figures for Colombia and South Africa have shown dramatic decreases in the number of intentional homicides recorded in their countries, while countries in Central America have reported increases. As a result, Central American countries report some of the highest recorded intentional homicide rates among all countries for which reliable data are available.

Origin of heroin seized in the United States



Source: US Drug Enforcement Administration Heroin Signature Program

Key to this issue is the availability of firearms. Estimates of the exact number of firearms circulating in the region vary greatly, but reputable sources suggest that there are about half a million legally registered firearms in Central America, and an estimated 800,000 unregistered firearms in civilian hands. If present estimates are correct, somewhere between half and two thirds of the firearms present in Central America are illegal weapons. While not all these guns are necessarily used for criminal purposes, they do outnumber those held by the official security structures by a factor of five. Firearms are used to commit more than 70% of all homicides in El Salvador, Guatemala and Honduras.

High murder rates are reflective of high rates of violence against women and children. While universally most murder victims are male, several countries in the region show an unusually high share of female victims. Data on domestic violence are limited, but those that do exist show that organised crime is not the source of all violence in the region.

### Crime diagnostic: Youth gangs

Drug trafficking is often associated with the growth of youth gangs in the region, in the form of the so-called ‘pandillas’ or ‘maras’ (both terms for gangs). In a number of Central American countries, including El Salvador, Honduras, Guatemala, and Nicaragua, these groupings are seen to be at the core of the local crime problem, and the most prominent anti-crime strategies hinge on stamping them out.

While pandillas have existed in Central America for some time, they have undergone a recent transformation. During the civil wars, large numbers of Central Americans sought refuge in the United States. There, they congregated in Hispanic urban neighbourhoods, particularly those in Southern California. These areas suffer from a serious gang problem, and the new immigrants found themselves targeted by locals. Partly as a defensive action, many young men either joined the existing gangs or formed their own. When the U.S. began to tighten its immigration regime in 1996, many gang members were deported after being convicted of a crime, spreading the gang culture of Southern California to Central America.

While assessing the scale of gangsterism is challenging, there are an estimated 70,000 gang members in the seven countries of Central America today, with Honduras, El Salvador, and Guatemala being the worst affected.

Estimates vary on the extent to which gang members are responsible for the rising crime levels in their respective countries. In Honduras, the maras have been blamed for the bulk of the crime, but research indicates that less than 5% of all crime in the country is committed by people under 18 years of age. This demographic constitutes a large share of mara membership. In El Salvador, it is claimed that 60% of all

intentional homicides are carried out by the maras, but again, the evidence for this conclusion is unclear. Research by the Salvadoran Institute of Forensic Medicine was only able to attribute some 8% of the firearm homicides in 2000 to mara activity. In Guatemala, a recent police study of the 427 intentional homicides that occurred in that country in January 2006 could only attribute 58 of these to gang activity (14%), 40 in urban areas and 18 in the countryside.

The association is often made between maras and drug trafficking, especially trafficking of cocaine. There are good reasons to question the depth of this relationship, however:

- As noted above, the prevalence of cocaine usage in the Central American countries is not terribly high. In Honduras, for example, it is estimated that less than 1% of the population 15-64 use cocaine annually. Of this group, no more than half are chronic users. This would suggest a maximum of 20,000 cocaine addicts in the country, less than the estimated number of gang members.
- Most of the cocaine transiting the region goes by sea, not by ground transport. It is unclear how youth gang members, the bulk of whom are situated in inland urban areas, would be involved in this process.
- International diasporas can produce drug trafficking networks, but it does not appear that the Central American diaspora is a key distribution network in the United States at this time. This is not to say that Central American gangs are not an issue in the US – the United States hosts an estimated 10,000 members of the Salvadoran Mara Salvatrucha alone. But out of just under 12,000 people arrested for drug trafficking in the United States in 2004, only 96 (less than 1%) were from Central America.

Gang members in Central America do appear to be involved in extortion, often ‘taxing’ various forms of public transportation to pass through their areas, or demanding payment from businesses enjoying their ‘protection’. Central American gang members have also been accused of participation in migrant smuggling and human trafficking, but the evidence for these claims has not been well quantified.

All this suggests that security policies that hinge on suppressing gang activity may not address the core crime issues confronting these countries. Violence appears to be endemic, and gang members represent the demographic group most at risk of violence in any society. While some drug trafficking may involve gang members, the backbone of the flow seems to be in the hands of more sophisticated organised crime operations. Heavy handed crackdowns on street gang members will not address the causes of violence in these societies, nor will it address the drug traffickers protected by law enforcement corruption. Youth violence is real and in need of attention, but it is a symptom, rather than a cause, of the underlying violence and drug problems.

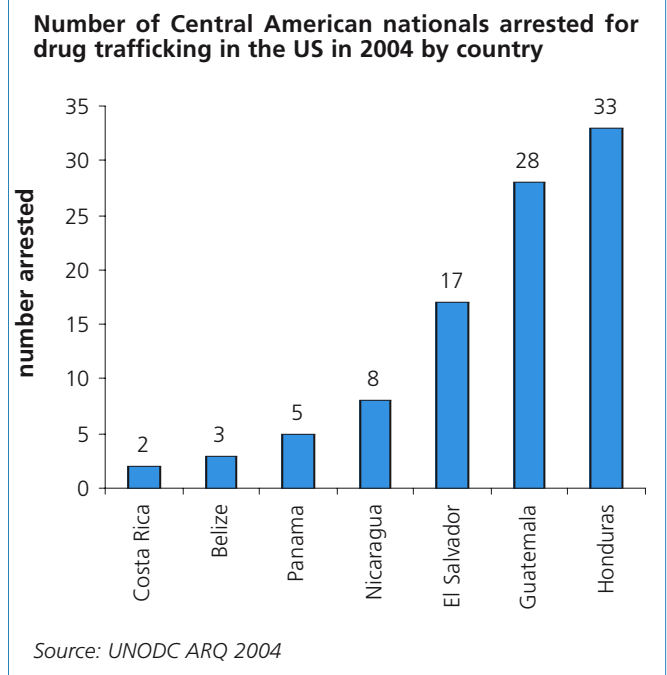
### Crime diagnostic: Corruption

Perhaps the most damaging impact drug trafficking has had on the region is the fostering of corruption. Data on corruption levels in the region is often confusing and contradictory, but the arrest of public officials for involvement in corrupt activities is

### National gang membership estimates

Country	Total membership
Belize	100
Panama	1385
Costa Rica	2660
Nicaragua	4500
El Salvador	10,500
Guatemala	14,000
Honduras	36,000
Total	69,145

Source: Adapted from Hernández (2005)



a regular feature of life in many Central American countries. The impact of this problem is discussed extensively in the final section of the report: assessing the impact of crime on development.

### Impact assessment: Crime erodes social and human capital

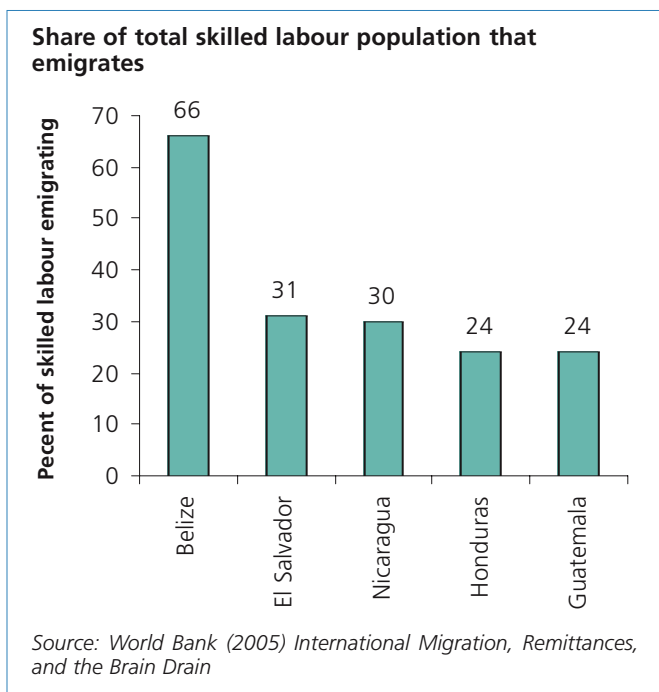
If development is the process of building societies that work, crime acts as a kind of ‘anti-development’, destroying the trust relations on which society is based. Crime destroys social capital and drives precious human resources overseas. Fear of crime restricts mobility, which interferes with social and economic interaction, as well as education, access to health care, and other development services.

The costs of violence to both households and the state can be considerable. Violence is particularly costly in poor countries, where social safety nets may be sparse and access to medical attention limited. It can rob households of their only breadwinner, and injury can incapacitate those whose livelihood is dependant on

their physical labour. The cumulative costs of this trauma can be considerable – one study in El Salvador put the total national cost of violence at 11.5% of GDP, and a recent UNDP assessment put the figure in Guatemala at 7.3% of GDP. Similarly, the loss of productive assets can be devastating for self-employed people with no insurance.

While the direct impact of crime on poor victims is great, the indirect effects of crime have a far wider reach. Victimization or fear of victimisation can cause people to withdraw from social interaction in order to limit their exposure. This can interfere with commercial, recreational, and educational activities.

Crime negatively impacts quality of life, and can drive skilled labour overseas. Development experts agree that one of the key elements needed for economic development is a skilled workforce, and thus have encouraged developing countries to invest in education. This investment is largely lost, however, when the best and the brightest chose to emigrate. Several countries in this region are among those listed by the World Bank as suffering from some of the highest rates of skilled emigration in the world.



### Impact assessment: Crime is bad for business

Economic growth in many of the countries in the region has not proceeded fast enough to address poverty. Key to economic progress is investment, both foreign and domestic. Survey data show that crime and corruption are two of the leading barriers to investment in the region.

For its 2005 World Development Report, the World Bank conducted surveys of firms around the world asking about the most significant barriers to conducting business in their countries. A range of issues were discussed, including policy uncertainty, regulations and taxation, finance, electricity, labour, courts, and so forth, as well as crime and corruption. A total of 53 nations were covered, including three in Central America: Guatemala, Honduras, and Nicaragua.

Globally, policy uncertainty, macroeconomic instability, and taxation were considered the top constraints on investment. But in all three Central American countries polled, crime or corruption emerged as the leading problems. Guatemala topped the world in the share of businesses ranking crime as a serious obstacle. More than 80% of 455 Guatemalan businesses polled said they considered crime to be a major constraint on business, compared to an unweighted global average of 23%. Sixty-one percent of Honduran businesses so reported, the third highest rate recorded (after Kenya). Rates in Nicaragua were lower (39%) but still higher than in countries in which the crime problem is widely recognised, such as Nigeria (36%).

Forty-two percent of Guatemalan businesses polled reported direct losses from crime, compared to an unweighted global average of 25%, placing it fourth in of the 53 countries in this regard. The average loss



from crime was equal to about 5% of sales. Losses were far less common in Nicaragua (3%) and Honduras (3%), which actually reported the lowest loss rates globally. The losses among Nicaraguan victims, however, were more severe, valued at 7% of sales, compared to a mere 3% in Honduras.

In Guatemala, over 80% regarded corruption as a major constraint, again the highest rate among the 53 countries polled, outpacing countries often perceived as having higher levels of corruption, such as Bangladesh, Tajikistan, and Nigeria. In Guatemala, about 58% of businesses reported paying bribes, with the average bribe equalling over 7% of sales, the second highest loss of any country polled (after Algeria). In Nicaragua, the corresponding figures were 66% regarding corruption as a major constraint, 46% paying bribes, and a loss of exactly 7% of sales. In Honduras, the figures were 62% reporting corruption as a constraint, 50% paying bribes, and 6% of sales lost. In all three cases, the expense of bribes is especially outstanding in comparison to other areas of the world.

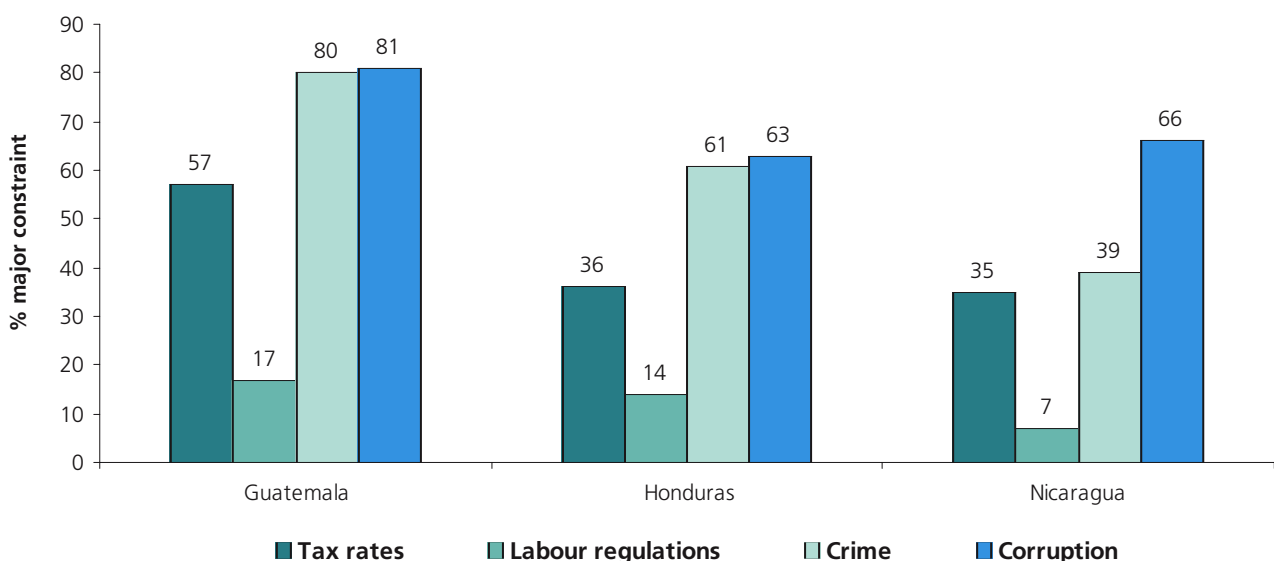
One industry particularly affected by crime is tourism. Tourism is the world's number one export earner, and tourism is the second largest source of income, after remittances, for both Guatemala and El Salvador. Travel advisories on Central America from tourism source countries emphasise the risks of criminal victimisation.

### Impact assessment: Crime undermines democracy

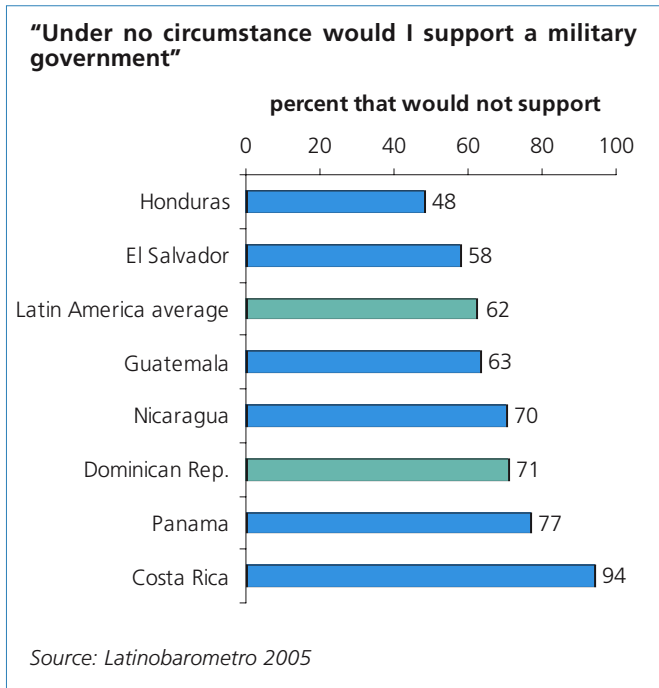
Perhaps the most profound effect of crime is the way it undermines the relationship between citizens and their government. The most basic obligation of the state is to ensure the security of its citizenry. When the state fails to fulfil this essential function, many citizens cease to take democracy seriously. State security failure is particularly dangerous in newly democratic states. People often interpret rising crime rates as evidence that constitutional protections have been extended too far. Perceived lawlessness can even provoke a nostalgia for authoritarian rule. It can incite the public to demand the use of the military in policing, or to support the roll back of hard-won civil rights. The 2004 Latinobarometro notes that the citizens of Central American countries (as well as the Dominican Republic) prioritise public order over civil liberties, in contrast to the rest of Latin America. A large share of Central Americans polled have not rejected the idea of a military government, and many feel a coup d'état would be acceptable in circumstances of state corruption or where crime has been allowed to get out of control.

The perception that crime is out of control often leads to the perception that the police are incompetent, undermining public confidence in the government as a whole. Even worse, in many areas of this region, the police are viewed as actively contributing to the crime problem. Survey data from five countries in the region show the police are regarded as the most corrupt sector of government in Guatemala, and they also

Share of firms reporting factors to be a 'major constraint' on business



Source: Elaborated from World Bank, World Development Report 2005

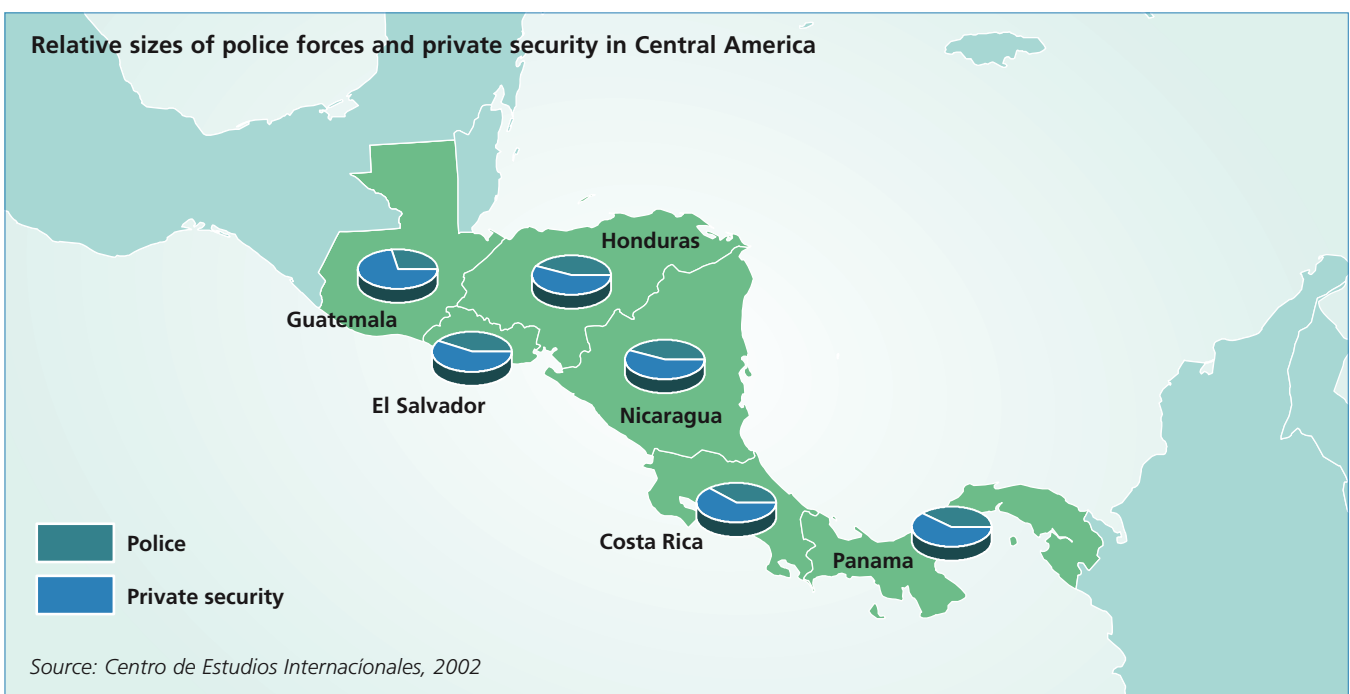


received exceedingly low ratings in Nicaragua and Panama. With the exception of El Salvador, between a third and a half of survey respondents feel it is possible to bribe the police in every Central American country polled. If the police cannot be trusted to effectively and impartially enforce the law, the people may take measures to protect themselves. Arguably, one of the best indicators of state failure is the rise of vigilantism. In a number of areas of the region, there are already 'self-defence' structures left over from political conflict, which lend themselves readily to informal law enforcement.

But vigilantism is the last resort of people without the resources to protect themselves otherwise. The rich can afford their own police. Private security officers outnumber the police in all six Spanish-speaking Central American countries. These companies are often owned by serving or former members of the police or security forces. There are serious problems with outsourcing a core function of government. All should be equal before the law, but private security makes no pretence of being unbiased. Given the high-level connections that many private security firms maintain, they can easily manipulate the system to the advantage of their clients, and they are highly unlikely to give testimony against them.

Both petty and grand corruption interfere with the ability of the state to promote development by blocking the delivery of services, undermining the tax base, and distorting public spending. While grand corruption seizes headlines, the public faces a more insidious development barrier in the form of petty corruption. To access needed development services or to avoid formidable bureaucratic barriers, bribes may be necessary. For example, some 25% of respondents to Transparency International's Global Corruption Barometer in this region said that they had been asked for a bribe in the previous year. The average amount of bribes paid annually by respondents in Guatemala was US\$147, no small matter for a country where 37% of the population lives on less than two dollars a day. Demands for bribes may be preventing essential development services from reaching the poorest.

Avoiding demands for bribes can drive small businesses underground, undermining the tax base and thus





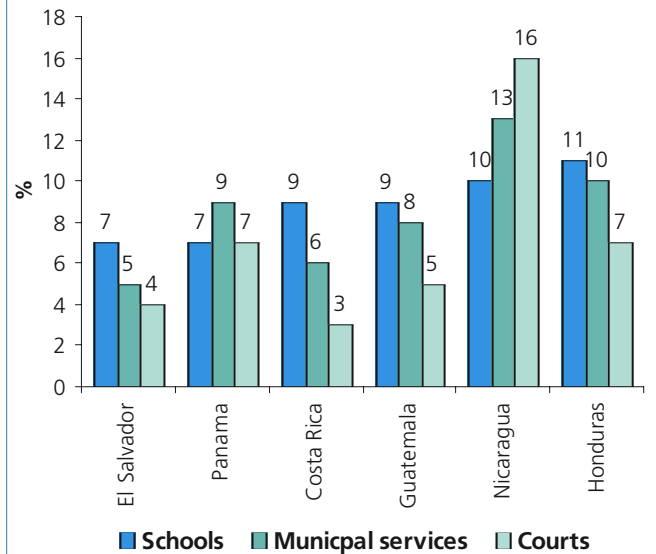
weakening state capacity. For example, it is estimated that Guatemala only collects taxes on 10% of GDP. Countries with inefficient regulatory environments and high levels of corruption tend to have informal economies in excess of 40% of GDP. The figure shows the estimated sizes of shadow economies as a share of official GDP. Large informal sectors are strongly associated with criminal activity – in the end, the grey market and the black market may be closely inter-related. All this activity is untaxed, and thus does not contribute to the public resources to be used for development. Lack of tax accountability also weakens the bonds between citizens and the state. People may demand less of a government they do not pay for, and the state, in turn, may feel less compelled to deliver services to populations that do not contribute to the national coffers.

For the countries for which estimates are available in this region, between one-fifth and 40% of the economic activity occurs off the books. With the exception of Costa Rica, more than half of the employment in Central America comes from the informal sector. These people have opted not to avail themselves of the dispute resolution mechanisms, the labour protections, or the other benefits of registering businesses and paying taxes. This may make underground firms less competitive, forcing them to accept losses due to breach of contract or default of payment. Informal methods of enforcing agreements or collecting debts may be rooted in violence, representing another source of crime. Avoidance of tax and regulation also undermines the functioning of the market. Research shows these hidden resources may not attract their highest value uses. In essence, corruption can disrupt cooperation between state and the private sector, cooperation vital for each to function effectively.

But public confidence in democracy is probably most seriously undermined by high-level corruption, and in many countries in this region, graft goes right to the top. Many of the countries of Central America have former presidents who have either been charged with or convicted of corruption. Costa Rica, often upheld as a model of democracy, has three, though this also stands as a testament to the vigilance of the Costa Rican society to corruption issues. Nicaragua, Panama, and Guatemala all have had former presidents charged with corruption, and some have served time in jail or have fled the country.

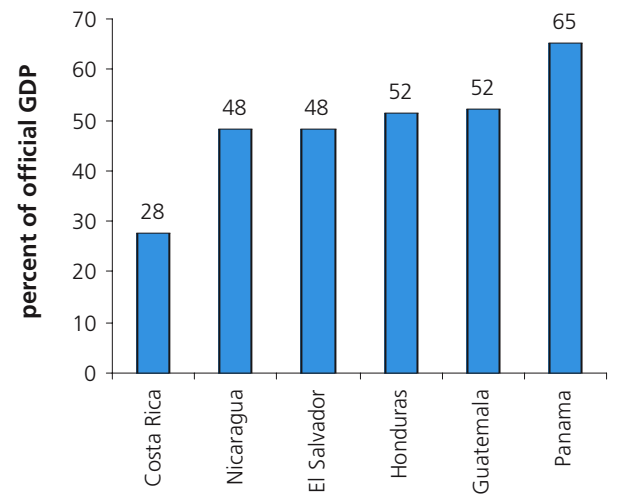
In addition to undermining the public's faith in democracy, corruption results in very real losses of the funds available to promote development. In Latin America, at least 10% of the region's gross domestic product annually is eaten up by graft, according to a 2004 study by the Inter-American Development Bank. Procurement fraud can also distort public spending, as corrupt officials pursue graft-rich projects, such as large public-works ventures and defence procurements, at a cost to social programmes. Countries with higher levels of corruption tend to have lower levels of social spending in general. The quality of large-scale public works projects may also be lacking, because contractors who win their tenders through bribery may not feel compelled to stick to specifications. Thus, corruption may result in still more development costs to the country, as crooked officials seek immediate benefits to the detriment of the public interest.

**Share of service-seekers encountering corruption in 2004**



Source: LAPOP 2005

**Size of shadow economies of a share of official GDP 2002/2003**



Source: Schneider (2005) *Shadow Economies of 145 Countries all over the World*

## Policy implications

No issue has more impact on the stability and development of Central America than crime, and the people of the region appear to be aware of this fact. Consistently when polled, the people of this region identify economic issues and crime as their two greatest problems, and the two issues are deeply interrelated. Crime and corruption are derailing efforts to develop these countries. The people of Central America are becoming more and more vocal in their demands that something be done.

Consequently, there has been no shortage of anti-crime efforts, but, plainly, they have not achieved their desired result. In addition, some of the solutions offered pose at least as great a threat as the problem itself. Parts of Central America are close to sacrificing hard won gains in democracy in order to purchase a little safety. But as former United Nations Secretary General Kofi Annan points out, “we will not enjoy either [security or development] without respect for human rights. Unless all these causes are advanced, none will succeed.”

Central America is not alone in facing an illusory choice between security and democracy. Globally, most people associate crime prevention with law enforcement, so when crime gets out of control, the natural tendency is to look to the police. This triggers a predictable sequence of events in which human rights may be threatened, elements of which are being manifest in areas of Central America today.

First, there is a call for more resources to the police. It is true that the police are seriously under-resourced in many countries in the region, and that both more resources and deep reform are needed throughout the criminal justice sector of many countries in Central America. But it would be a serious mistake to assume that increasing police resources will, in itself, result in lower crime rates. The police may sincerely believe that all that lies between them and crime prevention are greater numbers and better equipment, but numerous studies have demonstrated that this is not the case. Something more than effective criminal justice is required to address the causes of crime.

Second, in order to bolster police numbers, there are calls for the military to be used as a force multiplier, engaging in joint operations or even performing routine patrols of high crime areas. Despite superficial similarities (uniforms, rank structures, guns), however, the jobs of the military and the police are very different. The military is trained to defeat enemy forces and control territory. The police are supposed to work with the public in solving problems, many of which are only peripherally related to crime issues. It is true that the military is better disciplined (and therefore better respected) than the police in some countries, and that the police in this region are already highly militarised in their approach. But a line is crossed when a government uses soldiers against its own people, especially in a region where the military has played such an important role in past repression. The process of democratising an authoritarian police force is the process of making them less like the military, and backsliding in this regard does not serve the cause of crime prevention.

The police can play a vital role in identifying and helping to solve local crime problems, but they can only do so if they are systematically de-militarised and made into something quite different. They must engage with and know their communities, and be trusted by them. They must spend a good deal of their time sorting out the myriad non-criminal community conflicts that ultimately manifest themselves as crime. They must convince the public that it is worthwhile reporting crime and that the outcome of doing so is preferable to taking matters into their own hands. They cannot perform these vital tasks if they are caught up in a war, rushing from one battlefield to the next. Ultimately, though, it must be recognised that the police are only the most visible element in the state's efforts to address crime issues, and they cannot handle the task alone.

The third predictable response to runaway crime rates has a direct impact on human rights gains. In addition to asking for more personnel and equipment, police often request that the state make their job easier by changing the substantive and procedural criminal law in their favour. Given their lack of experience with democratic investigation techniques, they argue that civil rights protections form an unreasonable and insurmountable barrier to their performing their jobs. Legislation is tabled allowing extended (or even indefinite) detention without charge for criminal suspects. Laws are introduced declaring membership in certain organisations (such as gangs) to be a crime in itself. This allows individuals to be arrested on the basis of their appearance or known associates, without having to prove that any concrete criminal activity has taken place. Privacy and other procedural protections are waived. As criminal activity is increasingly

seen as a threat to the state, the lines between crime and terrorism become blurred, and the laws of war applied. But these changes, which may occur insidiously over time or in a panicked rush, represent a far greater threat to democracy than do the disorganised hordes they are designed to address.

Chief among these hordes in Central America are the maras. Most mareros are marginalised urban young men between the ages of 15 and 24, a demographic group that commits a disproportionate number of street crimes and acts of violence worldwide. Like their peers everywhere, they are responsible for a large number of killings, mostly of each other. But it would be unwise to assume that imprisoning large numbers of mareros will solve the crime problem. First, given the number of gang members, doing so would be extremely challenging for Central America's criminal justice systems. Second, even if this were a manageable goal, it is likely that a new generation of mareros would spring up, so long as the social conditions that generate gangsterism remain the same. Finally, the existing evidence suggests that the maras are responsible for a much smaller share of the total crime problem than most people would expect.

Under these circumstances, a heavy hand is not what is needed. Rather, the hand must be applied with finesse, and all the resources of government, not just the security sector, must be applied strategically. What is needed is a well-researched, cross-disciplinary *strategy for crime prevention*, based on interventions with proven worth.

In fairness, many Central Americans recognise that preventing crime is about a lot more than just aggressive policing, and that this requires expertise beyond that commanded by the security sector. For example, the government of El Salvador recently created the *Comisión de Seguridad Ciudadana y Paz Social*, involving prominent persons from university academics to business people, to find solutions to crime problems. While their recommendations to date have been very law enforcement oriented, great potential for innovative social solutions lies in initiatives of this sort.

Part of the confusion around the best way of dealing with crime appears to be rooted in a false dichotomy of short-term law enforcement interventions versus long-term social development. Most people instinctively recognise that crime problems are social problems. According to the 2004 Latinobarometro survey, 57% of those polled cited “the economic situation” as the cause of crime. But most people cannot wait for the slow pace of development to address social injustice – they need security now. Since the police are the agency of the state tasked with dealing with crime, short-term efforts are often based on interventions such as providing more resources for the police, using the military or military-type operations in policing, giving fewer civil rights protections for those accused of crime, and ensuring tougher sentencing. Of course, efforts continue to promote growth and development, and it is hoped that these two separate processes will result in crime reduction.

But this outcome is by no means assured. The police are limited in their ability to suppress, let alone solve, crime problems, and many aspects of development may themselves fuel crime. Rather than biding time until the day that full employment is achieved, the key to preventing crime today may be to change the way social circumstances feed criminality. There are a range of techniques for doing this, generally classed under the heading “social crime prevention”. These interventions cannot change the underlying nature of society, but they can break the link between under-development and crime.

For example, there are a whole range of interventions clustered under the heading of “crime prevention through environmental design”. Rapid urbanisation, overcrowding, and unregulated urban spaces are strongly associated with high crime rates. All public housing and infrastructure projects must take into consideration basic principles of crime prevention, allowing room for families to grow and incorporating structural security features. Streets must be accessible to emergency services and have adequate signage and lighting. Urban areas must not contain unregulated spaces, such as vacant lots or abandoned buildings. Basic principles of zoning must be adhered to. Informal settlements need to be gently moved towards greater formality. Property owners must be compelled to know the identities of their tenants, and to abide by basic standards on crowding, health, and fire safety issues. Many of these problems can be identified by analysing crime incidents through the lens of geographic information system (GIS) mapping. In the end, many urban crime issues may be city management issues.

With regard to gangsterism, there is a well-researched body of evidence on effective youth interventions. It is very difficult to scare a young person out of a gang through criminal justice threats, because defiance of the state, even unto death, is key to the ethos of gangsterism. A typical gang member has faced “sticks” more

frightening than anything the state could possibly devise, and his self-image is rooted in his sense of courageous defiance, his refusal to be beaten down. Given these facts, “carrots” are far more likely to be effective, and cost-effective. Universally, young people join gangs in a quest for inclusion in a context of dysfunctional families and communities. Thus, preventing gangsterism is about providing alternative sources of meaning for youth. Early intervention is key, and the state can do a lot to mitigate the worst effects of a harsh upbringing. Once the young person has faced repeated bouts of imprisonment, the same process is much harder to achieve.

All international actors in development should be involved in finding solutions. The problems of this region must be addressed regionally, with the support and cooperation of the other nations affected by regional drug flows, including the sources of drug demand. Many problems are inherently transnational in character, an obvious case in point being the question of criminal deportation. Of course, the rights of residence for non-citizens must be contingent on good behaviour, and no country can be legally compelled to host criminals that have no independent right to remain. But there are ways to promote the reintegration of these deportees into their home societies. Keeping undesirables from re-entering the country from which they were deported may be contingent on making remaining home more attractive, by assisting deportees in reintegrating. This effort would be in the self-interest of the developed countries – even though there is no evidence that the average deportee engages in transnational criminal activity, a small number of dangerous deportees, situated in drug transit countries, could form a significant problem for the drug consuming nations. It is in the collective security interest of the hemisphere that genuine efforts be made to rehabilitate those ejected into societies ill-equipped to receive them.

In addition to a comprehensive strategy for crime prevention, all development efforts in this region should contain a crime prevention component, including the country development and poverty reduction strategies of the international agencies. The initiatives of the national ministries and departments must also embrace crime prevention. Crime is a cross-cutting issue, affecting education, housing, health, trade, and all other aspects of development.

At the same time, the vital need for criminal justice reform cannot be neglected. The drive to reduce crime can distract attention from the fact that the agencies charged with dealing with crime are not functioning well as democratic institutions. In order for the rule of law to prevail, the criminal justice system must become effective, efficient, and equitable in carrying out its statutory duties. This is essential whether or not these duties are seen to contribute to the overall crime prevention effort.

In summary, this report indicates that there are several distinct areas in which the international community can assist the countries of Central America in dealing with the crime problem. One is the formulation of research-based cross-sectoral crime prevention strategies at national or regional levels. The second is the integration of crime prevention thinking into all development interventions, whether initiated by international actors or by local government. Finally, criminal justice reform is a distinct process from the drive for crime prevention, and an equally important one. Democracy itself is at stake when the rule of law is not secure.

# 1. Why Central America is vulnerable to crime

Central America is generally regarded as being comprised of seven countries: Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and (usually)<sup>1</sup> Belize and Panama. These countries have quite a lot in common, with Belize being different for language reasons and Costa Rica and Panama being better off economically. There were even several attempts to unify the core four countries – Guatemala, El Salvador, Nicaragua, and Honduras – during the 19th and early 20th Centuries. The regional commonalities are multi-dimensional:

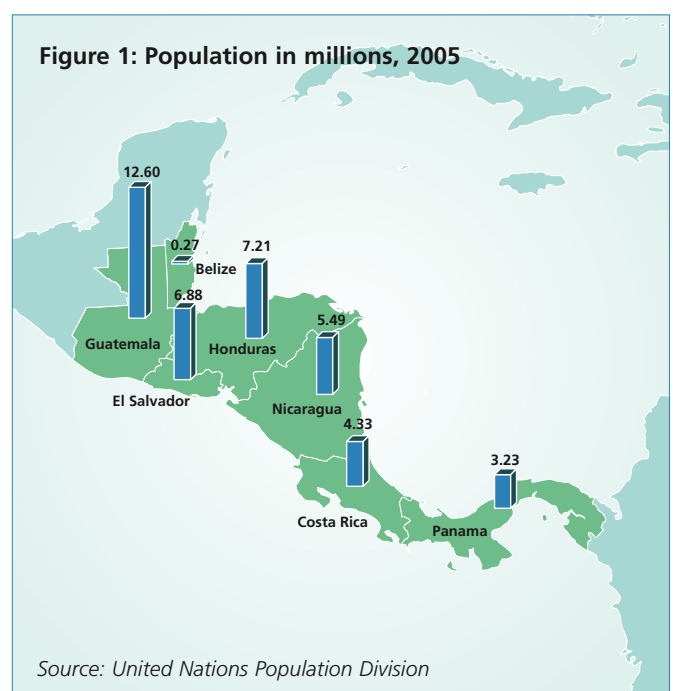
- All were former Spanish colonies, and therefore share a common language (Spanish, although English is the official language in Belize) and similar cultural background (including widespread Catholicism).
- All but Belize and Costa Rica have recently experienced authoritarian and military governments, coups d'état, or periods of political instability, including prolonged civil wars in Guatemala, El Salvador, and Nicaragua.
- According to the United Nations Development Programme,<sup>2</sup> all but Costa Rica and Panama are considered countries of medium human development, with adult literacy rates of about 70% or greater and life expectancies of 67 years or more.
- Historically, most have exhibited high levels of primary commodity dependence, especially on the agricultural products of bananas (especially Honduras) and coffee (Guatemala, El Salvador, Nicaragua, and Costa Rica).

Despite these commonalities, there are some important differences. Income per capita varies by a factor of five, from about US\$9481 per capita PPP (Costa Rica) to US\$2876 (Honduras) in 2004. Costa Rica has benefited from political stability and longstanding democracy. These points seem to have increased its resilience to crime and fuelled its economic development. But it remains vulnerable due to other social, economic, and demographic factors, as do all the other nations of the region. Related to the lack of economic development is a lack of criminal justice capacity. Poor nations cannot afford to spend as much as rich ones on justice, and this is reflected in inadequate response in dealing with crime issues. Finally, Central America is only now recovering from the devastating civil wars of recent decades, conflicts that left the region vulnerable to incursion by organised crime. The aftershocks of this catastrophic violence are still being experienced today.

But the most important point of vulnerability to crime in this region is its geographic placement. Central America has repeatedly found itself “caught in the crossfire” as key drug transit route.

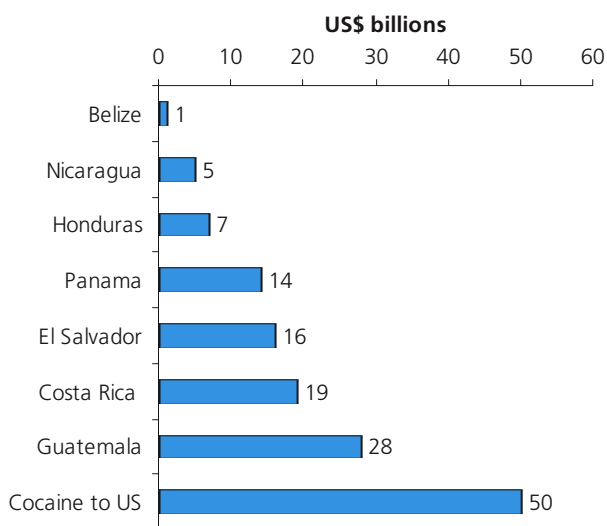
## 1.1 Geographic vulnerability

Central America has the misfortune of being placed between drug supply and drug demand. The flow of cocaine from South America to the United States is one of the highest value illicit commodity streams in the world. Central America has been a





**Figure 2: Central American GDPs (in US\$ billions) versus retail value of cocaine flow to US in 2004**



Source: UNDP HDR 2006, UNODC WDR 2006

conduit for these drugs for decades, including during the civil wars. During this time, drug funds fuelled the conflict, and corruption in the security services became entrenched in some countries. This corruption opens the door to other forms of organised crime, including the trafficking of all manner of contraband (firearms, people, natural resources). High-level traffickers can operate with impunity in some areas, even with regard to murder. The financial sector was left vulnerable to money laundering.

Today, Central America is a conduit for some 450 tons of cocaine headed to Mexico and the United States. Even at wholesale level in the region, this stream is worth some US\$10 billion, and at retail in the U.S. is worth about US\$50 billion. The potential de-stabilising effect of this massive contraband flow is considerable. The entire annual revenue of the tiny nation of Belize is less than US\$600 million.<sup>3</sup> The actual impact is discussed in the section on drug trafficking below.

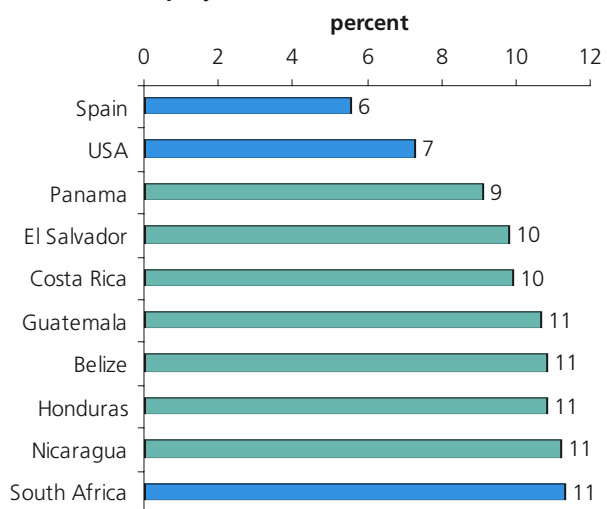
### 1.2 Demographic, social, and economic vulnerabilities

There have been many attempts to correlate social factors with crime levels, and a good deal of contradictory literature has been generated in these efforts. In the end, it is safe to say that there are no universal predictors of high crime rates, but that certain factors do seem to increase vulnerability to certain types of crime. Some of these points of vulnerability are discussed below.

#### Share of youth in the population

Universally, most street crime and a good share of violent crime is committed by young men, usually between the ages of about 15 and 24. The victims of this violence are often other young men, so youth may be seen as especially vulnerable to becoming both victims and perpetrators of crime. The greater the share of the population that falls into this high-risk demographic, the greater the vulnerability of the society. Like many developing regions, the population of Central America is very young, comparable to some sub-Saharan African countries.

**Figure 3: Share of young men (15-24) in the population in 2007 (projected)**



Source: Elaborated from United States Census International Data Base

#### Poverty and inequality

The relationship between poverty and criminality is a contentious one. Clearly, crimes of material desperation do occur, and those that suffer poverty may reject the legal and social systems in which this experience occurs. But the poorest nations, and the poorest people, are not necessarily the most crime-prone. According to the crime statistics, the safest countries in Central America are probably the richest (Costa Rica) and the poorest (Nicaragua).

More relevant may be the degree of inequality found in a society, as this provides both a justification (addressing social injustice) and an opportunity (wealth to steal) for crime. Unemployment levels, especially among youth, may also be relevant, as young people denied opportunities for economic independence and with too much time on their hands may drift into substance abuse, gang activity, and other forms of crime, including participation in drug trafficking.

There are high levels of poverty throughout Central America. For those countries for which data are available, a large share of the populations of several countries in the region live on less

than two US dollars a day, including Guatemala (37%), Honduras (44%), El Salvador (58%), and Nicaragua (80%). Nicaragua and El Salvador are poorer than many countries in sub-Saharan Africa in this regard.<sup>4</sup> According to the 2006 Gallup World Poll, some 35% of Central Americans polled said there had been times in the past year when they did not have enough money to purchase needed food.<sup>5</sup>

But there is more to poverty than just income. The Human Development Index is a composite of three indicators intended to capture the essence of quality of life: income (GDP per capita), health and longevity (life expectancy), and education (adult literacy). In terms of this indicator, Guatemala and Honduras are outliers. Guatemala's ranking is actually skewed by a relatively high average income, but in other respects, it also bears resemblance to sub-Saharan Africa. Despite having an average national income almost three times as high as Nicaragua, it has higher infant mortality rates (35 per 1000 live births), higher rates of child malnutrition (23% of children under 5), and higher illiteracy levels (31% of the population over 15). In fact, it has the highest levels in Central America in each of these categories. And even these averages don't tell the whole story, because the poverty is concentrated in one segment of the population: the indigenous people. Massive inequality of this sort does appear to be linked to both crime and human rights abuses, because of justifiable resentment on the part of the excluded, and justifiable fear on the part of the advantaged.

Indeed, an indicator more reliably correlated with crime levels than poverty is the degree of inequality in a society. Income inequality is most often expressed in the figure known as the Gini Index, in which zero equals a state of perfect equality and 100 a state of perfect inequality.<sup>6</sup> Based on these figures, however, Central America hosts some of the most unequal nations in the world. Globally, there are only 18 countries for which data are available that show a Gini index of 52 or greater. Seven are in sub-Saharan Africa, 11 are in Latin America, and four of them are in this region: El Salvador (52), Honduras (54), Guatemala (55), and Panama (56). Thus, four of the seven Central American countries rank among the most unequal in the world. There are no figures for Belize, while Costa Rica (50) and Nicaragua (43) are less extreme, though still highly divided.

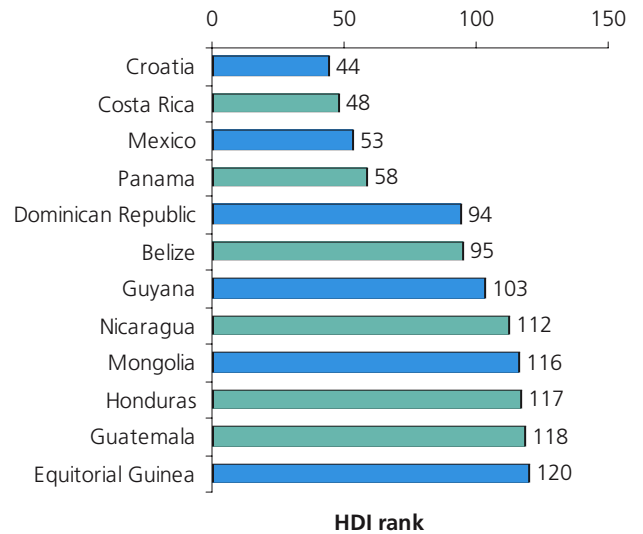
Despite relatively low growth rates, there has been some progress in redressing inequality in a number of countries in the region in the short-term. El Salvador has posted the largest decline in inequality, followed by Guatemala and Nicaragua.<sup>7</sup> But there are still massive gaps to close, and the long-term trends are less clear.

Feelings of resentment around inequality are often exacerbated when class divisions fall along ethnic lines, as they often do. Ethnic identity is a highly subjective matter, especially given the extent of intermarriage in Central America. There is widespread difference of opinion about the ethnic breakdown of many countries in this region.<sup>8</sup> The distinction is generally between indigenous people and mestizos and African-descended people. Throughout the region, and throughout the world, those with more European blood are generally wealthier than African descended or indigenous people.

**Unemployment**

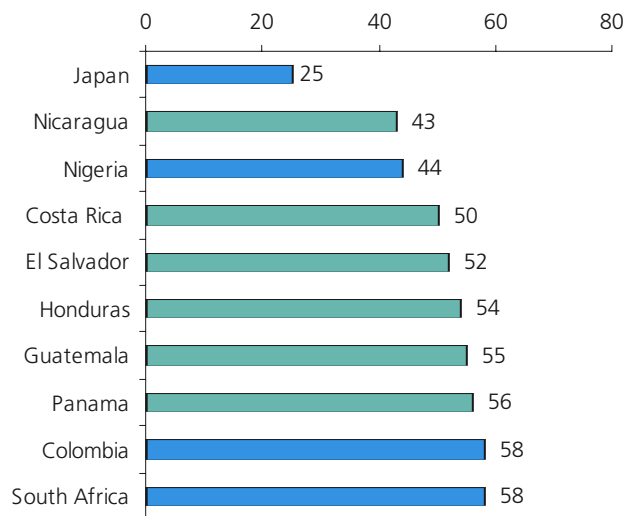
Unemployment is often cited as a cause of crime in popular polls and by politicians. Crime was second only to unemploy-

**Figure 4: Placement in UNDP Human Development Index rankings (in order of best to least developed)**



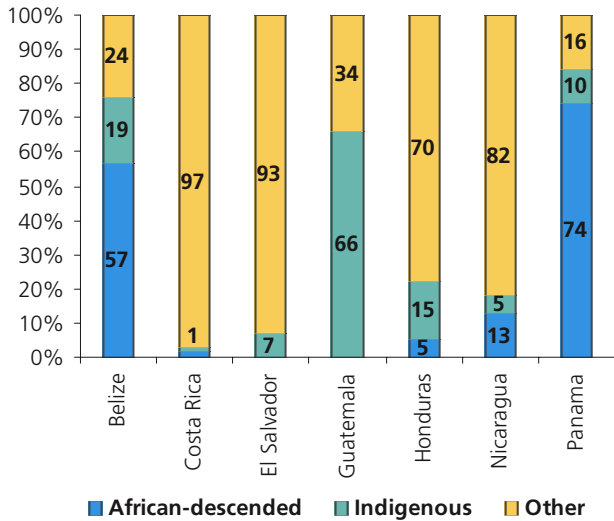
Source: Human Development Report 2006

**Figure 5: Gini index**



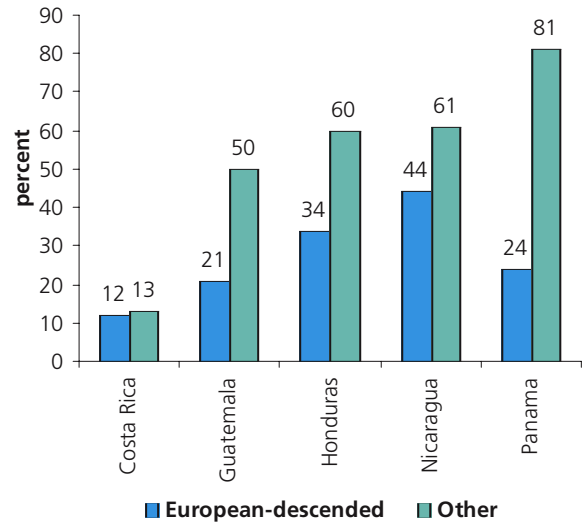
Source: Human Development Report 2006

**Figure 6: Share of African-descended and indigenous peoples in Central America**



Source: World Bank, *Inequality in Latin America and the Caribbean: Breaking with history?*

**Figure 7: Share of the population living on less than US\$2 per day household per capita income**



Source: Busso, Cicowiez, Gasparini (2005), 'Ethnicity and the Millennium Development Goals'

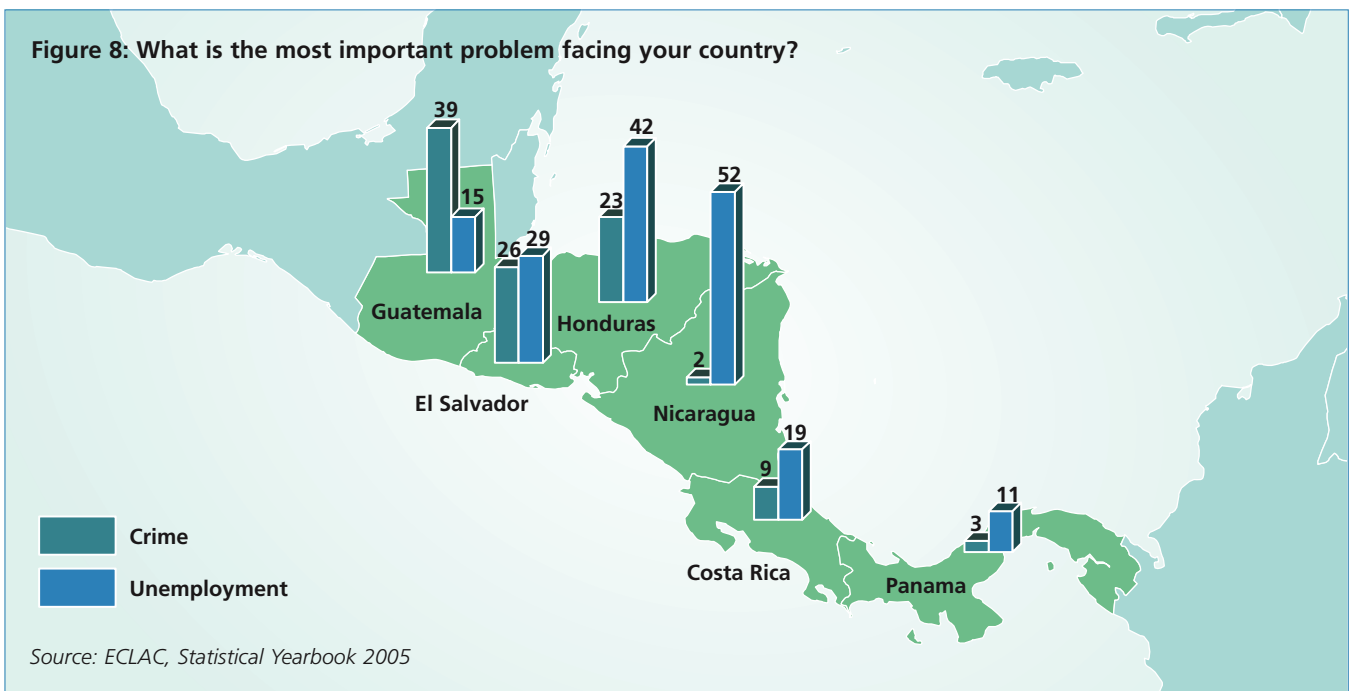
ment as the most important issue affecting Latin America according to the respondents of the 2005 Latinobarometro poll. In addition, 57% of those polled in 2004 cited "the economic situation" as the cause of crime, so the two issues may be somewhat conflated in the public mind.<sup>9</sup>

Definitions of unemployment vary, so it is difficult to lay an international benchmark, but several countries in the region appear to be experiencing serious unemployment levels. Urban unemployment is seen as particularly criminogenic, as residents may be required to pay for rent and services, and do not have access to the subsistence alternatives found in the countryside.

The official figures on unemployment contrast strongly with survey data. The Latinobarometro poll asked "in the last 12 months has any adult in your household been unemployed?" Some 86% of Salvadorans said "yes", despite the fact that the official urban unemployment rate is only 6%.

El Salvador experienced a significant decline in unemployment, from 10% in 1990 to 6% in 2004, as did

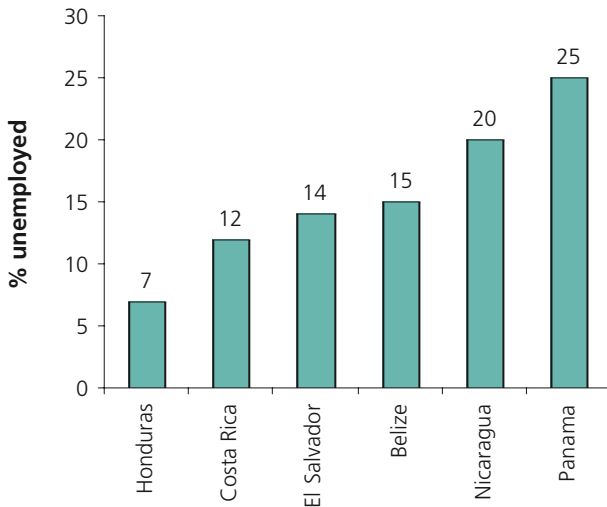
**Figure 8: What is the most important problem facing your country?**



Source: ECLAC, *Statistical Yearbook 2005*

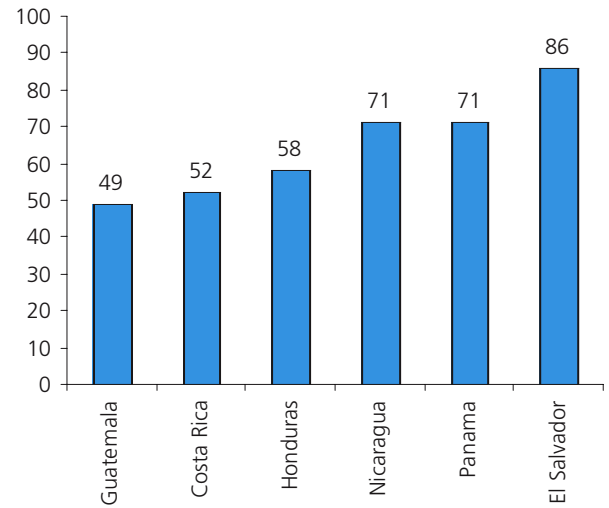


**Figure 9: Unemployment among young men (aged 15-24) in 2000 or 2002**



Source: ECLAC, Statistical Yearbook 2005

**Figure 10: In the past 12 months, has any adult in your household been unemployed?**



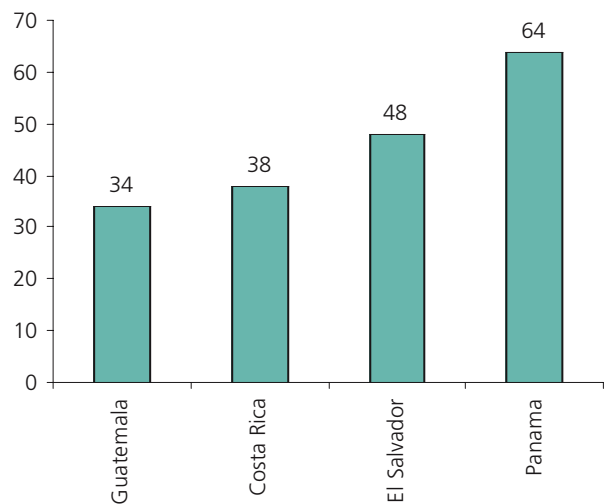
Source: Latinobarometro 2005

Panama (20% to 16%), and while data for intermediate years are missing, Guatemala declined from 6% in 1990 to 3% in 2004. Despite the reductions, crime continued to grow in most of these countries.<sup>10</sup>

Of course, the quality of employment is also a factor. In Costa Rica, 26% of occupied urban males are professional or technical workers, by far the highest level in Latin America, whereas Honduras has the lowest level (9%) in 2003. Similarly, 8% of the urban population of Costa Rica are considered employers, as opposed to only 3.5% in Panama.<sup>11</sup> The under-employed may be even more resentful than those who have never held formal employment.

Perhaps the most at-risk group are young people who are neither in school nor at work. In the national household survey of Honduras, a large share of the teenagers polled said that they neither worked nor attended school, including 20% of the 13 to 15 year-olds and 28% of the 16 to 18 year-olds.<sup>12</sup> The Figure shows the secondary school enrolment ratio. Only 34% of eligible secondary students are enrolled in Guatemala, and well-developed Costa Rica does not fare much better.<sup>13</sup>

**Figure 11: Share of students of secondary school age enrolled in school**



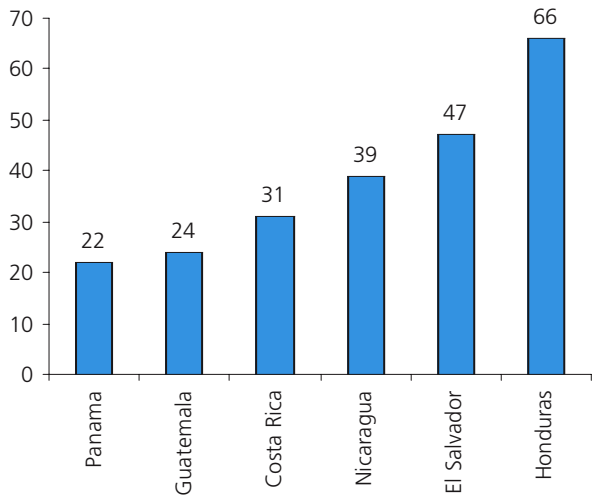
Source: World Development Report 2006

Central America has a particularly young population, so the numbers of idle youth are large. These young people are susceptible to absorption by the youth gangs that are currently troubling the area, and which are alleged to be playing a key role in the region's drug trade.

### 1.3 Limited criminal justice capacity

One element of under-development is lack of government capacity, including criminal justice capacity. In Central America, this incapacity is multi-faceted. Many countries are still in transition from authoritarian law enforcement structures, and there is a predictable loss of efficiency as civil servants learn to do their jobs in a democracy. The citizenry, large portions of which may have traditionally regarded the law enforcement apparatus as the enemy, also needs times to learn to trust and cooperate with those charged with protecting them. Lingering suspicions teamed with transitional hiccoughs may strain this trust relationship. Corruption can derail it altogether.

**Figure 12: Share of respondents feeling their government is winning the war on crime**



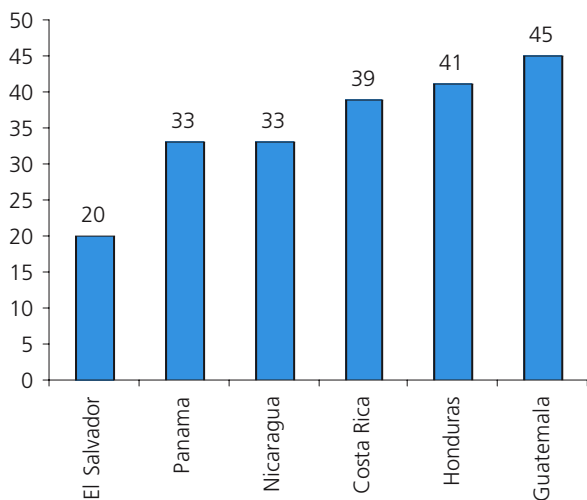
Source: *Latinobarometro 2004*

their country was winning the war on crime in 2004, with two-thirds so asserting (Figure 12). Indeed, Honduras was one of only two countries in Latin America (the other being Colombia) where the majority of respondents felt this way.

Further, far fewer respondents felt the police could be bribed in El Salvador (20%) than in any other Latin American country, lower even than Chile, a country generally held up for its law enforcement integrity (Figure 13). In addition, very few Salvadorans thought it was possible to bribe a judge in their country (22%), second only to Chile in the confidence in the judiciary.<sup>15</sup>

But not all countries of the region can boast that they have secured the public confidence. Lack of continuity of leadership has seriously undermined law enforcement efforts in some countries. In Guatemala, for example, between 2000 and 2002, the country had four different ministers of government, seven national police directors, and at least nine directors of the anti-narcotics police.<sup>16</sup> At least part of this turnover was due to problems with corruption, as discussed in the box on the next page. According to Transparency International's Global Corruption Barometer 2005, the police are regarded as the most corrupt sector of society in Guatemala.<sup>17</sup>

**Figure 13: Share of respondents who say it is possible to bribe a police officer in their countries**



Source: *Latinobarometro 2004*

On a more basic level, many countries do not have sufficient personnel, equipment, or infrastructure to deal with the crime challenges facing the country. This results in poor performance, further testing the patience of the public. Unless sufficiently resourced and properly directed, demoralisation can set in among police, prosecutors, judges, and corrections workers, further increasing vulnerability to corruption.

Looking at national budgetary expenditure, most countries spend a respectable share of the fiscal pie on the criminal justice system. Honduras' remarkable commitment is still inadequate to produce a decent police to public ratio, however.

Statistics indicate that Nicaragua is arguably the second safest country in Central America, and it also has the least law enforcement capacity, at least in terms of raw numbers. But Nicaragua's police and prisons system are regarded by some experts as the best in the region,<sup>14</sup> suggesting there is more to government capacity than simply gross expenditure.

Poverty does not mean the citizenry lack confidence in law enforcement. Among the 18 countries polled in the *Latinobarometro*, Hondurans were by far the most likely to say that

Looking at the police to public ratios, it would appear that Panama is the best resourced country in Central America in terms of personnel, with a level of coverage exceeding that seen in countries like the United States and the United Kingdom. El Salvador and Costa Rica also have adequate coverage, at least on the face of the numbers. In El Salvador, the decision was recently taken to hire 2000 more police officers, increasing force strength by 12%. On the other end of the spectrum is Honduras, which, despite the fact that a large share of national income is spent on criminal justice, fields a level of coverage not much better than Haiti. Guatemala is similarly under-resourced. Its *Servicios de Investigación Criminal* has less than 100 officers for the entire country.

How well these police are performing is sometimes expressed in terms of their clearance rate, or the share of recorded crimes that results in a suspect being identified. There is wide variation in the performance of the police departments in this regard. Excellent homicide clearance rates were registered by the police

**CASE STUDY ON POLICE CORRUPTION - GUATEMALA**

Guatemala has stood as one of the worst examples of endemic police corruption. On 7 December 2005, Guatemalan deputy interior minister Julio Godoy announced plans to purge some 1500 of 21,000 police officers, 40% of whom were precinct chiefs and chiefs, for corruption and involvement with hijacking trucks, drug trafficking, and extortion. This round of firings brought to 4000 the number of National Police officers fired in the previous two years for allegedly engaging in corrupt activities, or nearly 20% of current force strength. Corruption rates are deemed to be especially high near the Mexican border. According to Godoy, “We are giving new equipment, patrols and arms to people who use them to break the law. In the end, we end up facilitating these crimes.” Unfortunately, many of these accused officers will be reinstated after their administrative hearings, as the cases prepared against them by the Office of Professional Responsibility (ORP) are typically weak and are processed slowly.<sup>18</sup>

One area that has been particularly fraught is narcotics enforcement. An official from the U.S. State Department declared in 2002, “Police stole twice the quantity of drugs that they officially seized and they were identified with drug-related extrajudicial executions of both narco-traffickers and civilians.”<sup>19</sup> On 16 November 2005, Guatemala’s top narcotics investigator, his deputy, and another authority were arrested upon their arrival in Washington D.C. The head of the Antinarcotics Analysis and Investigation Service (SAIA), Adán Castillo, thought he would be attending antinarcotics training, but instead found himself charged with conspiracy to import two tons of cocaine into the United States. Ironically, a few weeks before Castillo had threatened to resign if he did not receive more support from the government, and complained about the widespread corruption in his department. After the arrest, large amounts of cash and cocaine were

found in his office in Guatemala. SAIA, the unit Castillo commanded, was the successor organisation to the Department of Anti-narcotic Operations (DOAN), which was closed after allegations emerged of corruption, and several members were convicted of diverting drugs from police seizures.<sup>20</sup> DOAN was also accused by the United States Drug Enforcement Administration of engaging in kidnapping and murder.<sup>21</sup> Two of Guatemala’s former heads of intelligence – retired generals Manuel Antonio Callejas y Callejas and Francisco Ortega Menaldo – have had their US visas revoked for alleged involvement in drug trafficking.

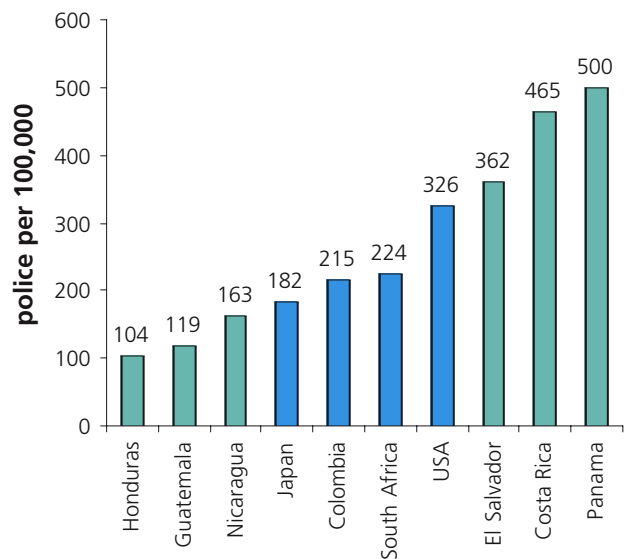
The Guatemalan police also suffer from serious resource shortages. In 2003, the United Nations Mission in Guatemala (MINUGUA) issued a report on the state of the National Civil Police. MINUGUA found that 50% of all police vehicles were in a poor state of repair. The demoralisation that comes from being under-resourced is a likely contributor to the corruption situation.

On 19 February 2007, three Salvadoran representatives to the Central American parliament (Parlacen) in Guatemala were killed after inexplicably departing from their motorcade. Their murderers were quickly identified the head of Guatemala’s criminal investigations division and three of his men. One of these arrestees allegedly claimed they had been hired to hijack a car carrying cocaine worth US\$5 million. The arrestees were never able to elaborate, however, as they were all shot dead in prison on 25 February. There were early claims that Mara Salvatrucha was to blame, and when it was announced that a joint police-military force of 400 men would occupy the prison, MS members revolted and took several wardens hostage. This incident led Interior Minister Carlos Vielmann to tender his resignation.

departments of Nicaragua (81%) and Costa Rica (82%). El Salvador does not fare quite so well, with a 44% clearance rate. In Guatemala, only 197 of over 2900 murders in 2000 were cleared up, for a dismal rate of 7%. The country did better the year before, however, when 423 suspects were identified for 2655 murders (16%). But even where suspects are identified, investigations may not be strong enough to hold up in court. Newspaper reports indicate that in 2005 there were only 115 successful murder prosecutions out of 5338 reported cases. If these figures are correct, murderers in Guatemala had about a 2% chance of facing justice.<sup>22</sup> In such a climate, the deterrent effect of the law is minimal. Unlike El Salvador, Guatemala’s police never underwent a comprehensive reform process, and this is reflected in their reputation and performance.

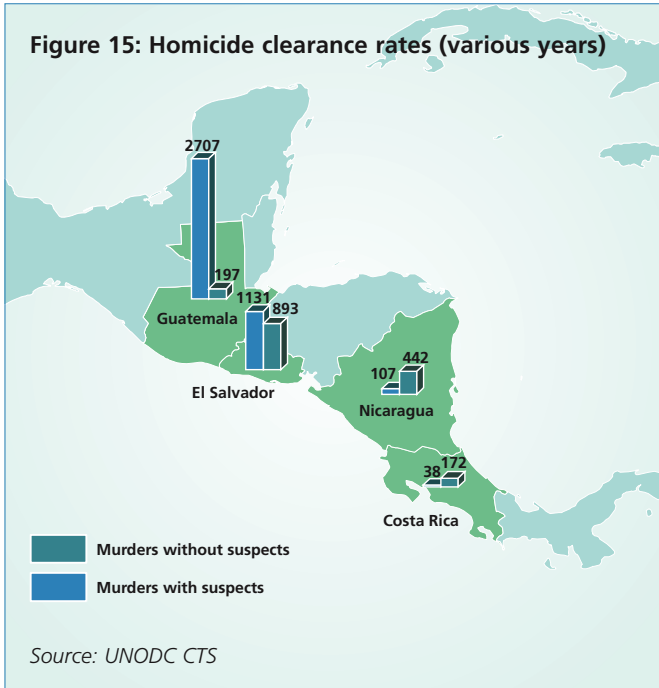
While the police get the lion’s share of the attention, the courts are at least as challenged in Central America. Months of honest police work can be erased when the courts fail to deliver justice. The effectiveness of the courts is seriously impeded when prosecutors and judges can be intimidated or bought off by organised crime. According to Amnesty International, “[the] most pressing problem in the administration of justice in Guatemala is the lack of personal security of all those involved in the judicial process...”<sup>24</sup> The list of examples of judicial and prosecutorial intimidation is seemingly endless. In Guatemala in December 2002, gunmen tried to kill chief prosecutor Carlos de León Argueta when he ordered the investigation of several serving and

**Figure 14: Police per 100,000 citizens (various years)**

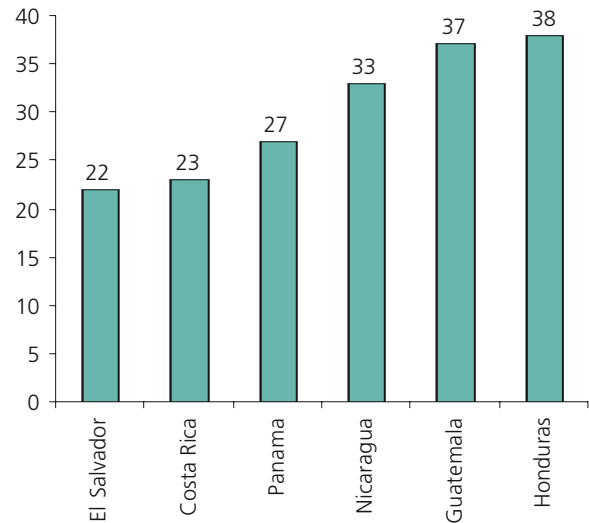


Source: UNODC CTS, CEJA<sup>23</sup>

**Figure 15: Homicide clearance rates (various years)**



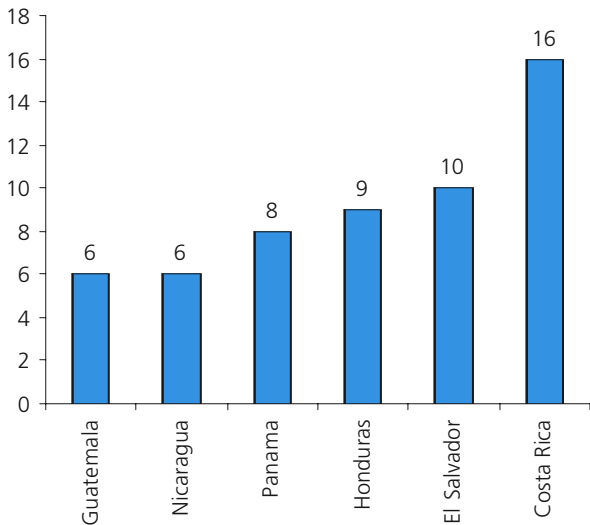
**Figure 16: Respondents saying it is possible to bribe a judge to get a reduced sentence in their countries**



retired military officers, including General Luis Francisco Ortega Menaldo, Colonel Jacobo Esdras Salán Sánchez, Col Napoleón Rojas Méndez, Ret Gen Manuel Antonio Callejas y Callejas, and Mario Roberto García Catalán. These men are believed by some to be among the ‘hidden powers’ that run the country.<sup>25</sup> Intimidation later succeeded in persuading two successive special prosecutors to resign their posts.<sup>26</sup> Perhaps not surprisingly, Guatemala has one of the lowest judge to population ratios in the region, despite having high levels of crime.

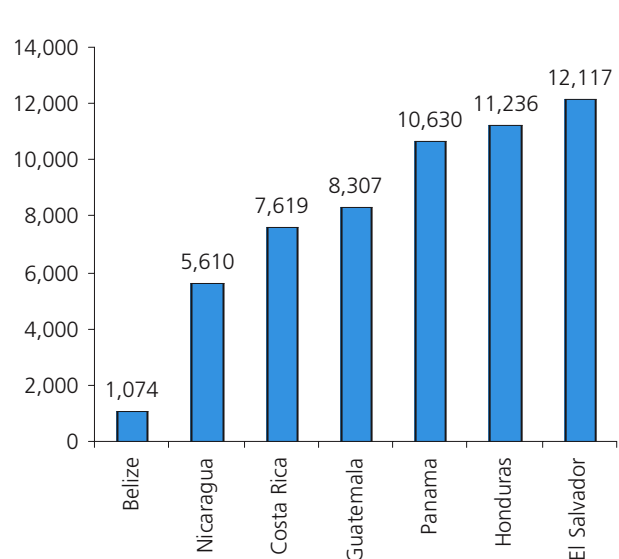
Judges in Guatemala can be quite brazen in their corruption. In testimony before the United States congress, the head of operations for the Drug Enforcement Administration recounted the story of Judge Delmi Castaneda, who, in December 2001, accepted thousands of dollars to dismiss a case against drug traffickers. She was even seen transporting the defendants in her car.<sup>27</sup> Guatemala is not unique in this respect, of course. An equally high share of respondents say it is possible to bribe a judge in Honduras as in Guatemala (Figure 16).

**Figure 17: Judges per 100,000 citizens**



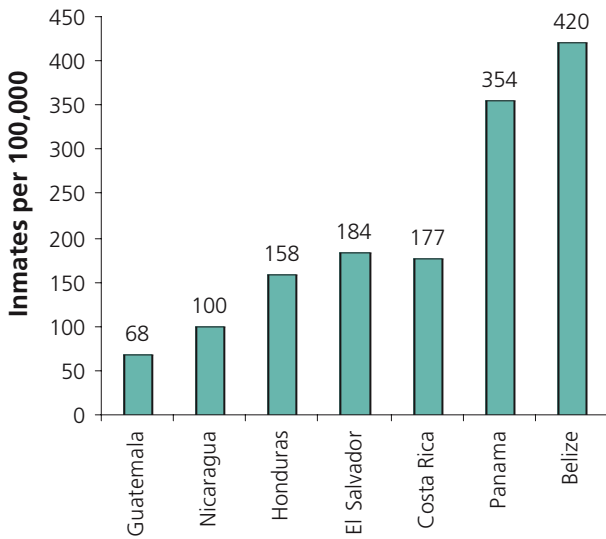
Source: Centro de Estudios de Justicia de las Americas, *Reporte de la Justicia: Segunda Edición (2004-2005)*; UNDP, *Democracy in Latin America – Statistical Compendium 2005*

**Figure 18: Prison populations**



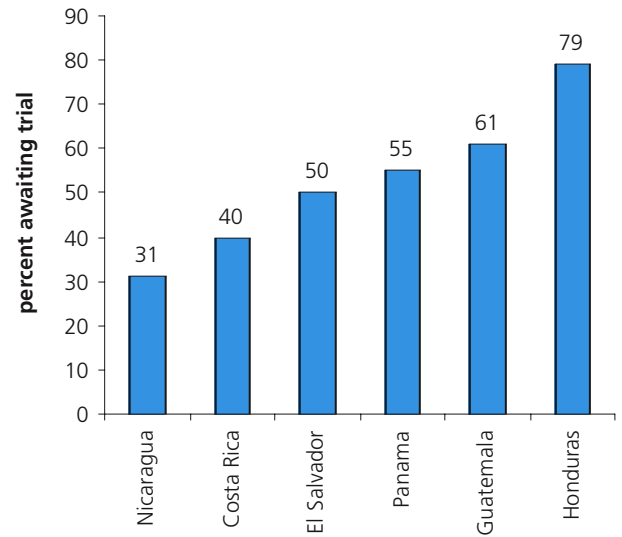
Source: International Centre for Prison Studies

**Figure 19: Prisoners per 100,000**



Source: International Centre for Prison Studies

**Figure 20: Share of prisoners awaiting trial**



Source: UNDP, *Democracy in Latin America – Statistical Compendium 2005*; UNODC CTS, latest data available

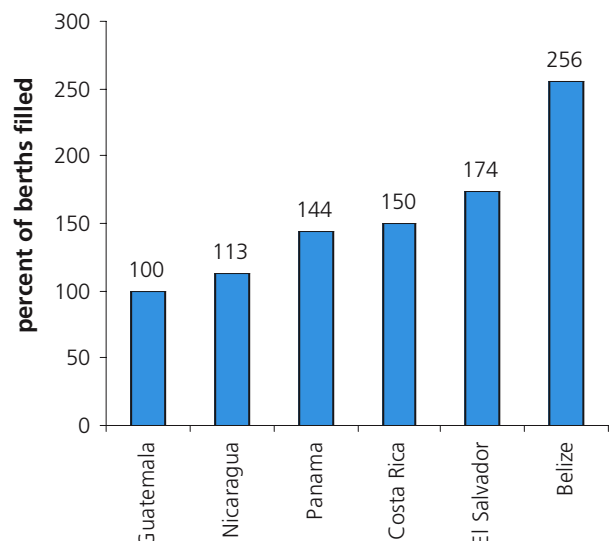
The corrections system receives the output of the other two sectors, and generally has very little capacity to regulate its own workload. Ideally, it is intended to rehabilitate offenders so that they do not offend again, which, in the long run, should reduce the overall prison population. In practice, most corrections systems are challenged in simply incapacitating offenders while ensuring their security during their stay. In developing countries especially, ‘get tough’ measures by the police (such as increasing the number of arrests) and justice (including denial of bail and longer sentences) can reduce the corrections system to a source of human rights violations.

In a global ranking by the International Centre for Prison Studies of 211 countries from the highest prison to public ratios to the lowest, Belize ranks seventh.<sup>28</sup> These figures appear to be slightly at odds with those presented by Centro de Estudios de Justicia de las Americas in their *Reporte de la Justicia: Segunda Edición (2004-2005)*, which would place Belize at the top of the world rankings. In many countries in the region, the prison populations are growing at a rapid rate. The prison population increase in El Salvador (50% over three years) is particularly notable.<sup>29</sup> Guatemala’s low rate of incarceration may have more to do with an inability to secure convictions than a considered policy decision to keep prison numbers low.

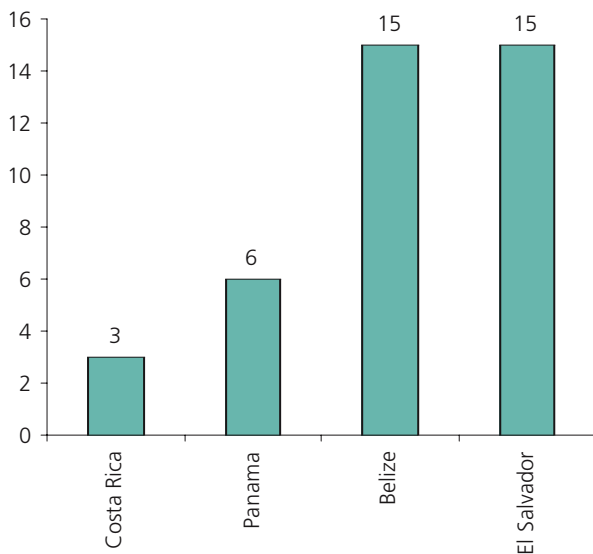
Some poor countries have to carry the burden of their neighbour’s criminality. In countries like Panama and Costa Rica, for example, which are used by traffickers from other countries and attract migrants due to their relative affluence, nearly 9% of their prison populations are foreign.<sup>30</sup>

A good measure of criminal justice efficiency is the share of prisoners awaiting trial. Prisoners who are held on remand present a problem for the criminal justice system, as they have not yet been convicted of anything. They take up space that could be occupied by convicted prisoners and they cannot participate in rehabilitative activities. Ideally, their numbers should be kept to a minimum, through a functioning bail system and speedy processing of cases. Many things can interfere with this process, however, including bottlenecks in the criminal justice process, due to resource shortages or procedural delays. Only in Costa Rica and Nicaragua have more than half the prisoners received their sentences. In Honduras, 79% of the prisoners are awaiting trial.

**Figure 21: Ratio of prisoners to bed spaces (percent of bed space filled)**



Source: CTS, various years

**Figure 22: Number of inmates per staff member**

Source: UNODC CTS, latest available data

The final indicator of corrections overload is the rate of prison overcrowding. Prison overcrowding also represents a violation of the human rights of prisoners, and seriously undermines the rehabilitative function of the corrections system. The data represented in the Figure below are the most recent available, but some are quite dated. For that reason, the Figure should not be read as a present statement on the level of overcrowding in the prison system of any particular country. Rather, it is offered to demonstrate the range of crowding levels experienced by countries in this region over the years.

Another way of representing an over-stretched corrections system is the ratio of prisoners to correctional staff. Clearly, when an individual staff person is responsible for hundreds of prisoners, and levels of automation are low, rehabilitative prospects are limited. The security of inmates may also be compromised. While again these are from various years and cannot be said to be representative of the present situation, the number of inmates per staff member has varied considerably through the region.

As will be discussed below, street gang membership is a major issue in Central America, and, as is the case elsewhere, street gang conflicts extend into the prisons. On 15 August 2005, a

break in the truce between Mara Salvatrucha (MS) and Mara 18 members in prisons throughout Guatemala resulted in over 30 dead and more than twice that number wounded. The initial attack, in El Hoyo prison near Guatemala City, was conducted with hand grenades, among other weapons. According to wounded inmates, a penitentiary guard was seen entering the prison that morning with a briefcase full of arms.<sup>31</sup> Subsequent attacks include an assault by MS members on the San José Pinula juvenile detention centre on 19 September 2005, using automatic weapons and hand grenades to kill at least 12 and wound more than another 10. Not all who were serving their sentences in the facility were, in fact, juveniles.<sup>32</sup>

Prisons in some of the countries in the region also have a disturbing tendency to catch on fire. In May 2004, 104 inmates, mostly gang members, were killed in a fire in San Pedro Sula in Honduras. The inmates in that case alleged the guards wanted them to die, and returned their cries for help with gunfire. A year earlier, another fire in a Honduran prison killed 68 inmates, many of them gang members.<sup>33</sup>

## 1.4 A history of conflict and authoritarianism

In addition to present social conditions and lack of state capacity, another significant point of criminal vulnerability is a history of political conflict. While many countries and territories have enjoyed peace since independence, at least half the population of the region lives in countries that have experienced war or war-like conditions in the last four decades. The impact of this violence is profound, and the repercussions are manifest today:

- *Psychosocial trauma* – Political violence impacts victims in much the same way as criminal violence, and can result in widespread psychosocial trauma. Violence can become ‘normalised’ in communities where many people were exposed to brutality, and may be tacitly accepted as a legitimate way of settling disputes, particularly where the state continues to be viewed as incompetent, corrupt, or biased. ‘Cycles of violence’ can infect communities as victims vent their rage and reclaim their agency by becoming perpetrators, and volleys of retribution attacks can resound for years after the formal cessation of hostilities.
- *Education in the skills of war* – Conflict brings small arms into an area and teaches the practical and psychological skills required for their use. It also teaches the skills of smuggling and covert organisation, both to the insurgents and to the agents of the government, including state-sponsored militias. In the absence of comprehensive demobilisation programmes for former combatants, combat skills may be the only ones possessed by a generation of young people without alternative identities or employment opportunities. These skills are easily applied in gangsterism, acquisitive crime, and cross-border trafficking.



- *Loss of state capacity and legitimacy* – A history of conflict, and the authoritarian response of the government to it, can seriously undermine the democratic state. On a practical level, infrastructure may be damaged, limiting the state’s ability to provide services and extend governance to the more remote areas of the country. More abstractly, the authoritarian past may generate an enduring ethos of resistance to state power, especially if no effort is made to reconcile with the vanquished. Many authoritarian states, especially if facing international sanctions, turn a blind eye to corruption in the civil service (including abuses of power in the security services) so long as it does not interfere with the counter-insurgency. These civil servants may continue with their activities well after the coming of democracy, and impart their culture of corruption to their successors.
- *The militarization of the police* – Authoritarian policing instils bad habits in the security services and stunts the development of the skills needed for democratic policing. Integrating former military personnel into the post-conflict security structures further exacerbates militarization. Perceptions of growing crime can fuel popular demand for the use of the military in policing, or other ‘get tough’ tactics.

**Table 1: Wars in Central America**

Country	Years	Dead
Guatemala	1960-1996 (36 years)	200,000
El Salvador	1980-1992 (12 years)	75,000
Nicaragua	1972-1991 (19 years)	60,000

In the last half of the 20th Century, there were three full-scale civil wars in this region: Guatemala, El Salvador and Nicaragua (Table). Other countries have been subjected to authoritarian government, with violent repression of opposition or insurgent groups.

**Psychosocial trauma**

War always involves psychosocial trauma for the survivors, especially children. But modern ‘unconventional warfare’ is particularly devastating for all involved, due to its prolonged nature, targeting of civilians, and use of terror tactics to attain the psychological subjugation of the enemy and its supporters. The recent political conflicts of Central America have often involved the tactical use of brutality. The techniques used by state forces in Guatemala are recounted in horrifying detail by the Truth Commission:

*Acts such as the killing of defenceless children, often by beating them against walls or throwing them alive into pits where the corpses of adults were later thrown; the amputation of limbs; the impaling of victims; the killing of persons by covering them in petrol and burning them alive; the extraction, in the presence of others, of the viscera of victims who were still alive; the confinement of people who had been mortally tortured, in agony for days; the opening of the wombs of pregnant women, and other similarly atrocious acts, were not only actions of extreme cruelty against the victims, but also morally degraded the perpetrators and those who inspired, ordered or tolerated these actions.*

The exposure of survivors and, as the Truth Commission points out, the perpetrators to these horrors has long-ranging psychological impact, especially for children. Children were certainly victims and witnesses of the violence of the recent conflicts. As the Commission observes, “a large number of children were ... among the direct victims of arbitrary execution, forced disappearance, torture, rape and other violations of their fundamental rights.” But child soldiers were also a factor in all three civil wars in Central America. According to Graca Machel’s study on the impact of war on children, “[In] Nicaragua ... children have even been forced to commit atrocities against their own families or communities.”<sup>34</sup> Women were also targeted, and mass rape was used as weapon of psychological warfare.

In addition, less public state terror tactics, including use of ‘disappearances’ and covert death squads, are tactics specifically aimed at undermining the psychological strength of insurgents. On the other side, ‘low-intensity warfare’ fought by guerrillas was also directed at eroding the will of the state and its supporters to fight. The results in each case were agonising struggles in which no person was untouched and no one felt safe for a prolonged period of time. According to the Guatemalan Truth Commission:

*The terror created was not just a result of the acts of violence or the military operations; it was also generated and sustained by other related mechanisms, such as impunity for the perpetrators, extensive campaigns to criminalise the victims and the forced involvement of civilians in the causal sequence leading up to the actual execution of atrocities. For these reasons, terror does not automatically disappear when the levels of violence decrease; on the contrary, there are cumulative and lasting effects, which, to overcome, require time, effort and the direct experience that things have changed (emphasis added).*

After years of struggle, violence may become normalised. According to award-winning Guatemalan human rights journalist Marielos Monzón, “The brutality of the crimes committed during the armed conflict left us with a tragic heritage; ours is a society buffeted by violence and used to it.”<sup>35</sup>

The impact of war on the mental health of survivors from this region has been the subject of many studies. These have noted varying prevalence of post-traumatic stress disorder (PTSD) in participants. For example, a study of former refugees in a rural area in Nicaragua, one quarter of the men and half the women were found to have PTSD.<sup>36</sup> In a study of Central Americans who had fled the fighting and who were now residing in the United States, over half were deemed to suffer from PTSD.<sup>37</sup> A survey of 183 households in five Guatemalan Mayan refugee camps in Chiapas found PTSD prevalence of overall prevalence of 12%.<sup>38</sup> PTSD can manifest itself in a wide range of behaviour problems, including anger, violence, alcoholism, and other self-destructive behaviours. Children of PTSD sufferers may experience secondary traumatisation, leading to inter-generational transmission of the effects of war.<sup>39</sup>

#### CASE STUDY ON WAR TRAUMA - EL SALVADOR

El Salvador provides a good case study of the way a particularly brutal civil war can leave lasting scars on the populace. The war was the culmination of a long history of repression. El Salvador suffered a series of military dictatorships, aligned with and supported by landed and commercial elites, especially those involved in the coffee industry. Between 1931 and 1992, military leaders opposed popular protest with overt and covert violence, often against popular and Catholic Church organisations promoting reform, rather than armed militants. Events came to a head in the late 1970s, and a brutal civil war raged in El Salvador between 1980 and 1992 in which an estimated 75,000 people were killed and many more subjected to severe violations of human rights.

This history of violence and state oppression has had a deep impact on Salvadoran society. Some interesting insights into ways the conflict continues to affect the lives of ordinary people has been offered by Phillippe Bourgois, an anthropologist who did fieldwork in a village in El Salvador in 1981 and has returned to the area more recently.<sup>40</sup> Bourgois found that, despite having 'won' the political struggle, many of the survivors of violence inhabit a world of untreated trauma, disability, doubts, and recriminations. The experience of 'survivor's guilt' is well documented, and it is greatly augmented by a sense of complicity in the tragedy. As Bourgois recounts:

*The [insurgent] leadership was itself divided over the policy of encouraging - and at times demanding - civilians and family*

*members of fighters to remain in the war zones. Spouses were often in bitter disagreement over the issue. In retrospect, mothers sometimes hold fathers responsible for the death of their children because the latter insisted on remaining in their home village to support the [insurgency].<sup>41</sup>*

Bourgois describes how the past divides communities as survivors mull over mistakes made during the struggle:

*...which wounded person had been abandoned and left to the enemy; that a particular undersized and cognitively challenged child had been permanently damaged by a five-pill valium overdose given to him by his mother to quiet his crying during the flight; which fighters had deserted; how it felt to shoot a friend in the head when he was wounded so that the enemy would not capture and torture him into revealing the identity and location of the guerrillas; how it felt to be a father who forced his scared fourteen-year-old son to join the guerrilla only to have him killed by airborne gattling guns in his very first sortie.<sup>42</sup>*

These tragic sacrifices are particularly galling because many of the ex-combatants are not better-off materially in the democratic era:

*Due to land scarcity, the villagers are forced to farm steep, rocky terrain. As if to add insult to injury, badly healed wounds from the war make it difficult for many of the young men to even hobble up to their awkwardly pitched milpas [plots].<sup>43</sup>*

In the end, the trauma of war and its aftermath led some of the traumatised villagers into alcoholism, domestic violence, and murder.

#### Education in the skills of war

War spreads guns and the ability to use them. It requires more than technical skill to operate a firearm – it requires psychological readiness, and this mental state spreads quickly in countries afflicted by political violence. In civil wars, few are spared exposure to arms, and the impact of this education lasts a lifetime.

In addition, smuggling and covert organisation are key skills of civil war. Insurgents need to learn to smuggle to receive arms and other support. Particularly as Cold War funds dried up, drug trafficking became a key source of finance. State structures also become involved, either because the power given the security forces during times of war becomes a source of corruption, to evade international sanctions, or because there is a need for off-the-books fundraising for covert operations.

The most obvious application for the skills of war in the post-conflict period is organised crime, particularly for young people whose education in other means of making a living was interrupted by the conflict.



As Human Rights Watch points out, "Schooled only in war, former child soldiers are often drawn into crime or become easy prey for future recruitment."<sup>44</sup> And the most obvious form of organised in which to get involved is one that has long been key to the war effort in Central America: the drug trade.

The historical link between drug trafficking and both insurgency and state structures in Central America has been well documented. The United States Senate Subcommittee on Narcotics, Terrorism and International Operations, under the leadership of Senator John Kerry, conducted an investigation between 1986 and 1989 into the links between US activities in the region and the drug trade. It concluded, "[drug] cartels have linked up with governments and terrorist movements alike throughout Latin America."<sup>45</sup> Today, some 15 years later, the main political powers, and even some individuals, remain the same in many instances throughout the region.

As a result, high-ranking members of Latin American governments, particularly in the security structures, have been accused of involvement in drug trafficking or other criminal activity. In Central America, Panama's former president General Manuel Noriega is serving a 40 year sentence in a US prison for drug trafficking. The heads of the drug enforcement agencies of Panama and Guatemala were arrested for drug trafficking in October and November of 2005. Two former generals who headed Guatemala's intelligence agency have had their visas for the United States cancelled due to alleged involvement in drug trafficking. As Ana Arana points out:

*As the drug trade moved north, the opportunities for profit and power it provides have been rapidly exploited by many of the same groups that fought the civil wars of the 1980s. In Central America's new conflicts, profit has displaced politics as the governing ideology ... the line between criminal and political violence has begun to blur.<sup>46</sup>*

#### CASE STUDY ON LEARNING TO KILL AND SMUGGLE - GUATEMALA

In Guatemala, nearly 10% of the entire population, about 1 million men, were forced to participate in military-led 'self-defence' patrols. These same men were forced to commit atrocities against their own people. Young people were forced into service on both sides of the struggle, and their educations were stunted as a result. In 1982, for example, there was an absolute reduction in the number of primary school students of 37,000. In addition, as teachers were often important community leaders, hundreds were assassinated in the campaign to combat the insurgency by targeting its more visible supporters.<sup>47</sup>

After the conflict, displaced or orphaned children may be compelled to look out for themselves. According to the Truth Commission of Guatemala, "...the armed confrontation left a large number of children orphaned and abandoned, especially among the Mayan population, who saw their families destroyed and the possibility of living a normal childhood within the norms of their culture, lost."<sup>48</sup>

In Guatemala, both former and current government functionaries, as well as former insurgents, have been linked to the drug trade and other forms of crime, including the silencing of opponents. In 2003, civil society groups in Guatemala proposed the creation of an independent commission to investigate 'clandestine groups' and their role in organised crime and human rights violations in that country. Joining forces with Guatemala's human rights ombudsman, these groups designed the Comisión para la Investigación de Cuerpos Ilegales y Aparatos Clandestinos de Seguridad (CICIACS) and secured Government support. The Government of then President Portillo signed an agreement with the United Nations in January 2004 to create the commission.

The project languished, however, when the Constitutional Court issued a negative advisory opinion. After meeting with UN officials in December 2005, Vice President Eduardo Stein reactivated the project and pledged to make CICIACS operational before the Berger Government leaves office in early 2008. The UN is currently working with Government officials to address constitutional concerns and to craft a scheme that can secure congressional approval.

Guatemalan former combatants have also roamed abroad looking for criminal opportunities. Former members of Guatemala's elite counterinsurgency unit, the Kaibiles, have been arrested by Mexican police for organised crime activities. The training of the Kaibiles, according to the Guatemalan Truth Commission:

*...included killing animals and then eating them raw and drinking their blood in order to demonstrate courage. The extreme cruelty of these training methods ... was then put into practice in a range of operations carried out by these troops, confirming one point of their decalogue: "The Kaibil is a killing machine."<sup>49</sup>*

Specifically, it appears the Kaibiles are being actively recruited by the 'Zetas', the former commandos who make up the enforcement wing of Mexican Gulf Cartel, which is fighting with other Mexican organised crime groups for lucrative smuggling routes. On 10 September 2005, four heavily armed ex-Kaibiles, who had also served as members of the Guatemalan presidential guard, were arrested in Southern Mexico - they had allegedly been retained to provide security to local drug bosses.<sup>50</sup> On 30 October 2005, eleven more Guatemalans, some with specialised military training, were arrested in the area.<sup>51</sup>

### Loss of state capacity and legitimacy

Civil conflict is expensive. It diminishes the capacity of the state to address crime and poverty issues by reducing the funds available for these activities and interrupting normal commerce. The World Bank has determined that a typical civil war lasts seven years, reduces growth by an average of 2.2% for each of these years, and the total loss of national income is typically about 60%.<sup>52</sup> For Guatemala and El Salvador, the total loss due to the civil wars has been estimated to be equivalent to an entire year's production, or 100% of GDP, and some estimates have placed this figure even higher.<sup>53</sup>

War also destroys vital infrastructure. Roads, bridges, power stations, hospitals, and other strategic targets may be sabotaged by insurgents. According to Graca Machel, "During the armed conflict from 1982 to 1987 in Nicaragua ... 106 of the country's 450 health units were eventually put out of service as a result of complete or partial destruction ..."<sup>54</sup> War also destroys human capital or drives it overseas, which can be especially devastating when the well-educated are targeted. For example, there is evidence that medical professionals were targets of violence in the Nicaraguan civil war.<sup>55</sup>

War violence undermines the credibility of the state, particularly when war criminals are not brought to justice but allowed to maintain their posts in the post-conflict drive for reconciliation. In Guatemala, El Salvador, and Nicaragua, politicians and other officials remain in power who were implicated in human rights abuses in the past. Remarkably, the ruling party in El Salvador, the Alianza Republicana Nacionalista (Arena) was founded by Roberto d'Aubuisson, the father of the Union of White Warriors death squads, in 1981. General Efraín Ríos Montt was military dictator and president during some of the worst atrocities of the war. In 2003, he won a Supreme Court ruling overriding a constitutional ban on coup participants running for president. He finished a distant third, and he remains a prominent and influential figure in national politics.

But one of the most profound impacts war has on state capacity is what it does to the police. In times of civil conflict, the military assumes responsibility for internal order. This has long-term effects on the character of the police force, especially when former security force personnel are de-mobilised into the civilian police. This effect is exacerbated when the military receives foreign aid. With an independent source of income, the military is completely relieved of any sense of accountability it might harbour toward the public. United States interest in the region peaked during the Cold War struggles of the 1980s, particularly in El Salvador, Honduras, and Costa Rica. Between 1984 and 1987, El Salvador received more US aid than either Costa Rica, Guatemala or Nicaragua has received in the past 28 years.<sup>56</sup>

#### CASE STUDY IN POST-CONFLICT SECURITY - EL SALVADOR

In El Salvador, the security forces saw a massive increase in resources during the civil war (acquired largely through foreign Cold War aid) and had to accept an equally massive downsizing in the post-conflict period, due to both the loss of aid and the conditions of the peace settlement. In addition, the high ranks of the military were purged as they were implicated in human rights violations by the commissions charged with reviewing the evidence, including the Minister and Vice-Minister of Defence. This resulted in the forced retirement of a large number of well-connected and ruthless men, as well as tens of thousands of trained soldiers and policemen. There was also an early security gap as the number of members of the security forces were cut from 60,000 to 6000 in the course of a few weeks.

Of course, measures were taken to reintegrate both state and guerrilla fighters, but these were inadequate, reaching only 11,000 of an estimated 42,000 former combatants. While ex-soldiers and policemen were eligible for a year's salary in severance, this provision was interpreted narrowly, excluding civil defence patrol members and those discharged before the final signing of the Peace Accords. Two years after the signing of the peace agreement, only 6000 of 18,000 former soldiers had received their severance pay. Land distribution programmes were also slow to deliver, and the result was a large number of

discontented men experienced with the use of weapons.

The Peace Accords required that the country's three police forces be dissolved, along with the paramilitary civil defence patrols, and a new service - the National Civilian Police (PNC) - be formed outside the Ministry of Defence. According to the Accords, at least 60% of both the officers corps and regular patrolmen had to be freshly recruited, not having participated in the hostilities. No more than 20% could be former members of the police, and not more than 20% could be former guerrillas.<sup>57</sup> The military was clearly excluded from providing internal security, except when ordered by the President to do so under extraordinary circumstances. Unfortunately, ARENA's President Cristiani quickly found plenty of extraordinary circumstances, including the threat of highway robberies in 1993, the coffee harvest the same year, and during the 1994 elections. There were also joint patrols with the new police force in which military participants far outnumbered the civilian police.<sup>58</sup>

Also contrary to the spirit of the peace agreement, in 1993 the former head of the anti-drug unit during the conflict was appointed by the President to head of the operations division of the new PNC. He quickly stocked his senior ranks with former colleagues, and reported human rights violations began.

In contrast to El Salvador, the military remains very strong in Guatemala. In Guatemala between 1983 and 1986, expenditure on the military was greater than expenditure on education.<sup>59</sup> While less extreme today, the Guatemalan military continues to play a key role in national politics. As mentioned above, many government officials smuggled drugs both during and after the war. According to the United States Drug Enforcement Administration, in Guatemala:

*Criminals with political connections function within the various departments of the government, including the courts and national police. Widespread corruption has had a major effect in all areas of the Guatemalan government, including the counter drug effort.*<sup>60</sup>

## 1.5 Displacement and deportation

The presence of large displaced populations can be seen as a point of vulnerability for the incursion of criminality. While the links between migration and crime are the subject of considerable debate, there can be little doubt that the arrival of those fleeing war can be a major source of social strain in areas unprepared to receive them. Displaced people often arrive traumatised and culturally disoriented with little money and no local connections. Unless provision is made for their arrival, they may be immediately cast into competition with local populations for living space, resources, and employment. In response, they may face xenophobic exclusion and even violence. Migrants may be seen as easy targets for crime of all kinds, due to their inherent vulnerability. Over time, affected areas may become factionalised into local and migrant populations, with the young men of both groups at the front lines of the conflict. Defensive formations may mutate into predatory gangs, and cycles of conflict may become entrenched unless interventions are made. Diaspora networks of marginalised populations can even form the basis of transnational organised crime. Elements of this sequence of events can be seen in populations in Central America.

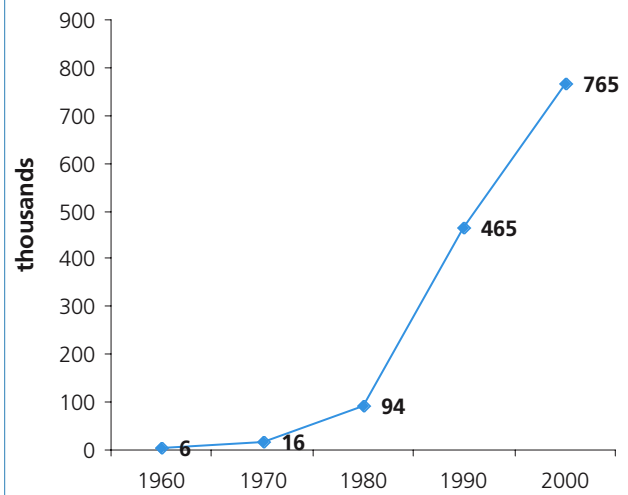
In this region, large shares of the population of several countries have been displaced due to political conflict. Displaced populations include the large numbers of Nicaraguans who were displaced into Honduras and Costa Rica; Salvadorans pushed into Costa Rica and Mexico; Guatemalans who fled to Mexico; and members of all conflicted states who arrived as refugees in the United States.<sup>61</sup>

For example, in El Salvador, it is estimated that three quarters of a million people were internally displaced and another one million Salvadorans left the country (about 20% of the population), most headed for the United States. What began as the flight of refugees soon took on a momentum of its own, and migration continued apace even after the fighting had stopped (Figure 23). And what was originally a symptom of crisis in El Salvador grew to become a key source of support. Today, incomes earned in the United States, transferred home via remittances, have become the country's largest foreign exchange earner, equal to 16% of GDP.<sup>62</sup>

These Salvadoran immigrants settled especially in Southern California, an area where Spanish is widely spoken, and many wound up in historically Hispanic neighbourhoods. These, unfortunately, are also some of the poorer and more crime ridden areas, such as the Rampart district of Los Angeles. Here, they were victimised by other Hispanic gangs, and, in response, formed the now-notorious Mara Salvatrucha gang as a defensive body. As will be discussed further below, members of this group were deported back to El Salvador during the late 1990s, and they brought with the gang culture they had learned in one of the toughest neighbourhoods in the world.

A similar flow is seen in Guatemala, starting with refugees and then continuing with economic migrants. In Guatemala, it is estimated that 170,000 families had their homes destroyed in the early 1980s, representing 850,000 people. Some 600,000 were said to be internally displaced and 150,000 fled to Mexico.<sup>63</sup>As

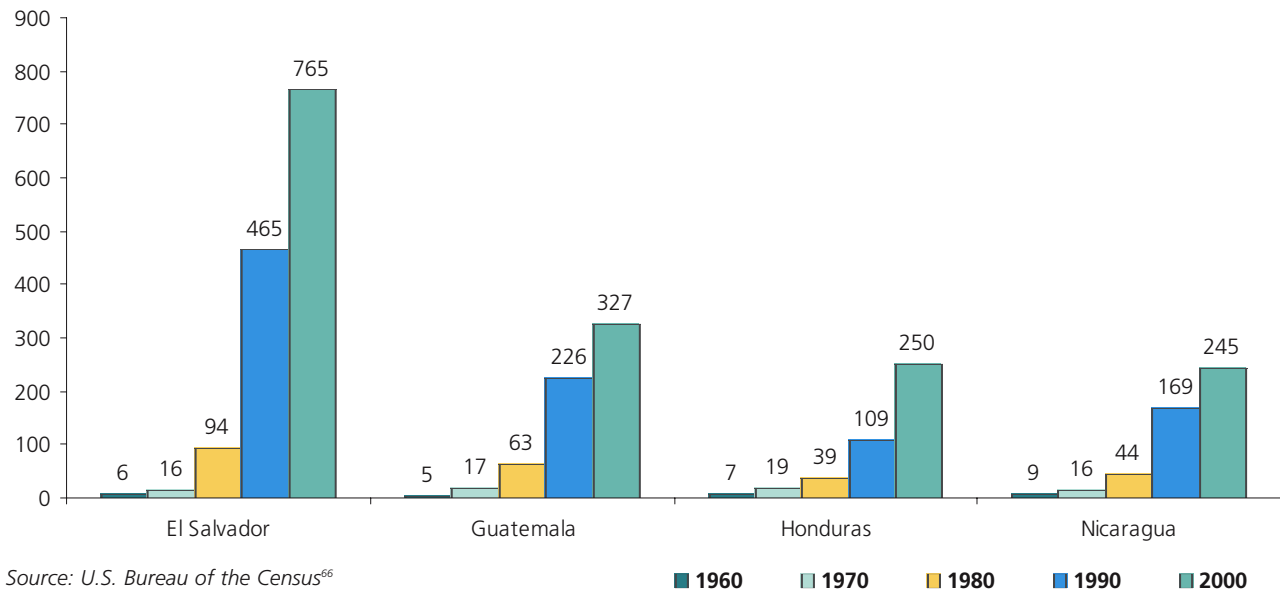
**Figure 23: Salvadoran-born residents in the United States (thousands)**



Source: US Bureau of the Census

in El Salvador, this flight is largely attributable to the government’s war strategy, which involved directly attacking urban middle-class and rural civilian populations believed to be providing support to the guerrillas. It is currently estimated that 1.2 million Guatemalans live in the US, of which about 60% are undocumented, although this estimate is difficult to reconcile with Census figures.<sup>64</sup> This is about 10% of the global Guatemalan population.<sup>65</sup> Similar flows can be seen for Nicaragua and Honduras (Figure 24).

**Figure 24: Official estimates of the four biggest Central American contributors to the US population (thousands)**



Residents of the United States who were born in Central America and who answered the 1990 Census were far more likely than other Hispanic groups to have arrived during the 1980s, to be non-citizens, to speak English poorly, and to be single males.<sup>67</sup> In short, most were newcomers, recent arrivals fleeing the civil wars in their respective countries. For example, over 75% of the Salvadorans living in the United States in 1990 came to the country in the 1980s, 20% in the 1970s, and the remainder before that. In 1980, only some 94,000 Salvadorans were living in the United States; in 1990, that number had more than quadrupled, to over 465,000.<sup>68</sup> The rate of growth has decreased – the population less than doubled over the following decade – but has remained significant. A similar situation is seen in Guatemala, near quadrupling during the violent 1980s, with slowed, but still sizable, growth in the 1990s.

Of course, the presence of migrant populations does not, by itself, constitute a problem. Within the region, migrants often have lower rates of unemployment than local people.<sup>69</sup> The United States was built on immigration, and there remains a strong demand for labour in many sectors. In turn, research has shown the benefits of remittances, which can supply upwards of 10% of GDP, for Central America. While immigrant populations are often scorned as sources of crime in the United States, there is research that suggests that first generation migrants are less likely to encounter problems with the law than the native born.<sup>70</sup> The explanation for this is that economic migrants are a self-selecting group of motivated achievers. But if they face continuing marginalisation, their children may become justifiably resentful. Less aware of the hardships of their ancestral land, the children of migrants can lash out at the injustice they perceive, and if they are not full citizens of their country of residence, may face deportation to a country they know little about. And it is here that migration may be having its most acute impact on crime.

**Criminal deportation**

In the eight years between 1998 and 2005 the United States deported almost 46,000 convicts to Central America, as well as over 36,000 convicts to the Caribbean. These deportations are in addition to those deported for simply being resident without the requisite visas or permits. Criminal deportations involve people who have been convicted of a separate offense – such as immigration fraud, drug offenses, and violent crime – and on this basis are being forcibly returned to their countries of origin.

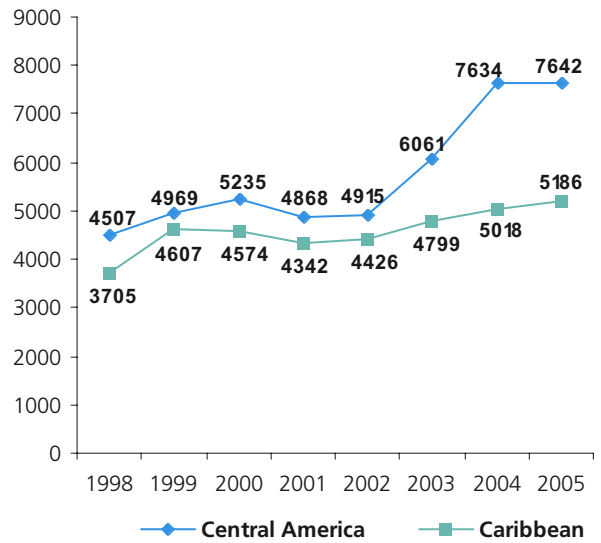
There is a widely held belief in both Central America and the Caribbean that recent crime troubles can be tied directly to criminal deportees. Many, it is popularly asserted, entered the United States at a young age, and thus their criminality is due to their upbringing in that country. Since their families remain behind when they are deported, they are said to arrive in Central America without connections or means of support. Many, it is claimed, cannot even speak proper Spanish. They are thus left with little choice but to apply the criminal skills they learned in the US in their new homeland.

The large flow of criminal deportees to both Central America and the Caribbean does represent one of the few commonalities between the two regions, both of which are experiencing rapidly rising crime rates. CARICOM representatives are so convinced of this connection that they recently suggested that the Inter-American Commission on Human Rights intervene to reduce the flow of deportees.<sup>71</sup> The Guatemalan police assert that half of the deportees are gang members.<sup>72</sup> If this is true, criminal deportations could represent a major source of insecurity to the region.

The first thing to keep in mind in assessing this relationship is that a large share of the populations of the most crime-afflicted Central American countries actually reside in the United States. For example, the 2005 Human Development Report for El Salvador asserts that a full 20% of the country's population lives in the United States.<sup>73</sup> It is likely that this population is, on average, both younger and more male than the Salvadoran population that remains at home, and thus more crime-prone. Given the large number of migrants and the urban ghettos in which many of them reside, it is not surprising that some fall afoul of the law. The question remains as to which country is responsible for this criminality.

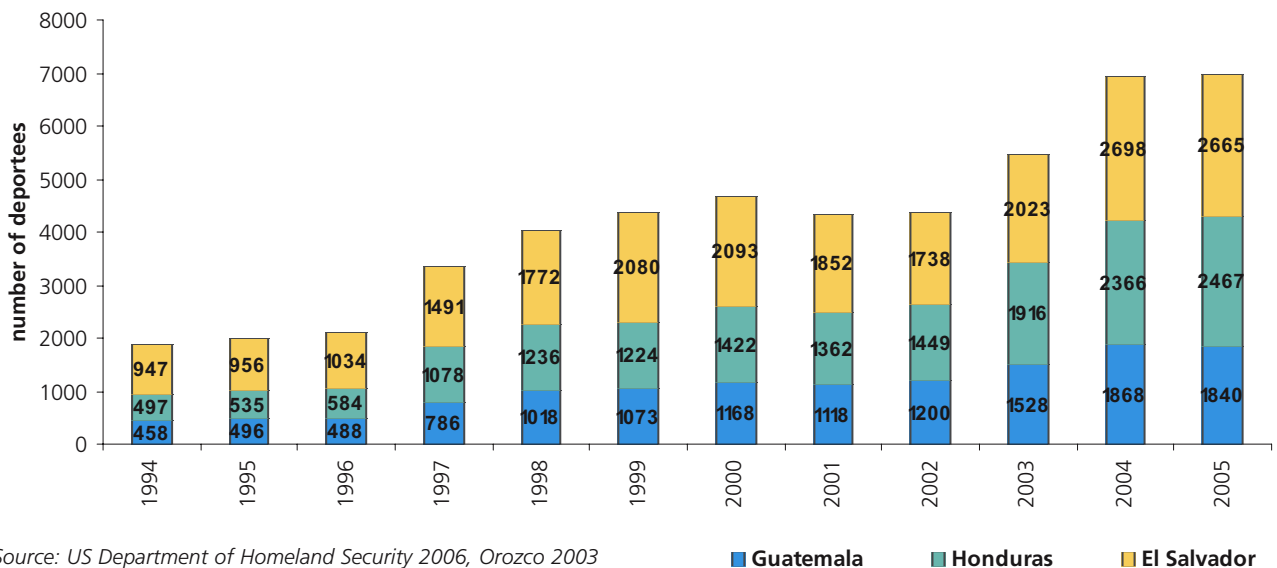
Unfortunately, detailed data on the arrest and imprisonment of foreign nationals is not available in the United States, but some (rather dated) are available for the federal (national) prison system. Between 1984 and 1994, the number of non-citizens in the United States federal prison system increased an average of 15% per year, from just over 4000 to nearly 19,000, more than half of whom were in the country legally. Given the jurisdiction of the federal courts, it is perhaps not surprising that a large share of these (35% in

**Figure 25: Total criminal deportees to Central America and the Caribbean**



Source: US Department of Homeland Security

**Figure 26: Top three Central American destinations for US criminal deportations**



Source: US Department of Homeland Security 2006, Orozco 2003



1984; 45% in 1994) were charged with drug offences – 42% involving cocaine, 35% involving cannabis, and 19% involving heroin in 1994. While nearly half the annual federal non-citizen convicts in 1994 were Mexican, citizens of the El Salvador also figured prominently.<sup>74</sup>

By mid-2004, federal and state prisons in the United States held over 90,000 non-citizens, representing 6.5% of the overall prison population and over 20% of the federal prison population. The burden on state prisons varied considerably between regions of the country. In the high-immigration state California, 10% of prisoners were non-citizens.<sup>75</sup> Some 29% of federal drug defendants convicted during 2003 were identified as non-citizens, and more than half (56%) had had at least one prior adult conviction.<sup>76</sup>

Concerns about immigrant crime and the demands it was placing on the U.S. criminal justice system contributed to the passage of the 1996 Illegal Immigration Reform and Immigrant Responsibility Act. This

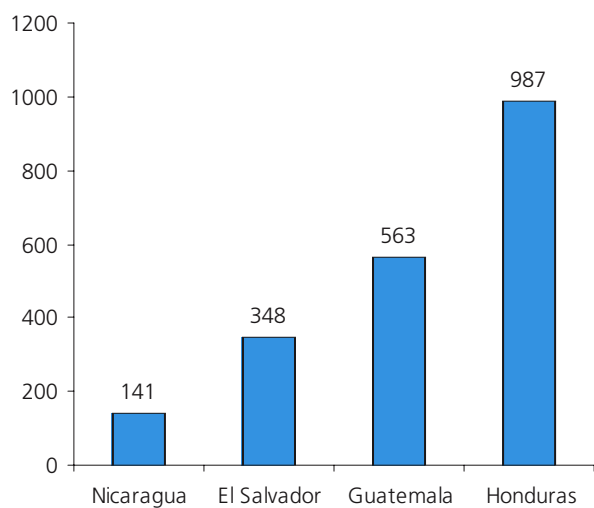
Act made significant changes to the deportations regime, reducing appeals and greatly expanding the definition of deportable “aggravated felonies” to include a range of lesser offenses.<sup>77</sup> Resources were also directed to ensure that every deportable convict was, in fact, deported. As a result, the number of criminal deportees from the U.S. to the region more than doubled in a decade.

Three countries – El Salvador, Honduras, and Guatemala – received over 90% of the deportations to Central America in 2005. Not surprisingly, El Salvador, which had by far the largest documented population in the U.S. during the last Census, produces the most deportees.<sup>78</sup> Honduras, which has a relatively small Census population in the United States, produces a disproportionately large deportee population. On the other hand, Nicaragua is greatly under-represented, receiving only 345 criminal deportees in 2005. This may be one reason why Nicaragua does not have the mara problem experienced by her three northern neighbours. The significance that can be attributed to these ratios is debatable, though, given that they are based on census data and may capture differing shares of the undocumented population between national groups.

Another way of looking at these figures is to compare deportee numbers to the size of the receiving populations, in order to assess which country in the region bears the largest burden in this regard. Here, it appears that Belize, due to its tiny population, receives more deportees per capita than any other nation in the region. El Salvador and Honduras are also highly affected. Perhaps surprisingly, Guatemala receives fewer than half as many deportees per capita as El Salvador and Honduras. However, none of the Central American countries can compare to the impact experienced by a country like Jamaica, where about 60 deportees per 100,000 were received in 2005 from the US alone, as well as a flows from the United Kingdom and Canada. Deportations of Jamaicans from the United Kingdom have increased dramatically in recent years and even exceeded the number of deportees from the US in 2004, suggesting the deportee flow is presently over 120 per 100,000 in Jamaica, more than three times the rate in El Salvador.

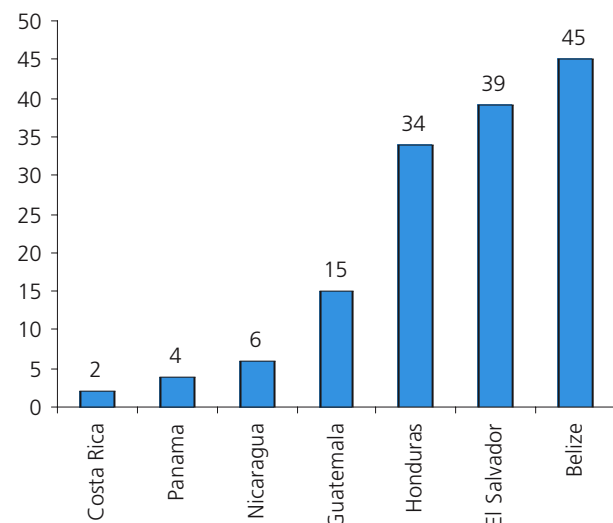
The impact of this criminal deportation is the subject of intense debate. As will be discussed in the section on Youth Gangs below, it is clear that deportees have had a major affect on Central American gang culture, but it is less clear whether they are responsible for recent increases in crime rates. It is difficult to

**Figure 27: Deportees per 100,000 US population in 2005 (based on 2000 Census population data)**



Source: Elaborated from United States Homeland Security and Census data

**Figure 28: Deportees received per 100,000 citizens in receiving country in 2005**



Source: Elaborated from United States Homeland Security and UN Population Division data

## CASE STUDY ON DEPORTATION - JAMAICA

Proportionate to its population, Jamaica receives more criminal deportees than any other country in the Western Hemisphere, including sizeable flows from the United Kingdom and Canada. This is partly the result of having a very large expatriate population - some estimates place half the global Jamaican-born population abroad. But recent dramatic increases in the murder rate have led Jamaican leadership to search for exogenous causes.

Between 2001 and 2004, Jamaica absorbed an average of 2700 convicts a year. In 2003, Jamaica's own current prison population was 4744, so the influx was equivalent to releasing more than half the domestic prisoner population into the society every year. In one research sample from the United States in the mid-1990s, about two-thirds of convicts released were re-arrested within three years.<sup>79</sup> It is therefore not surprising that Jamaicans might be concerned about an inflow of convicts of this magnitude.

During the late 1990s, the United States was far and away the leading source of criminal deportations to Jamaica, but the United Kingdom has recently caught up, largely due to a dramatic increase in the number of drug-related deportations, possibly related to the growth of the cocaine industry in that country, which has traditionally been dominated by Jamaican 'yardie' groups. The US deported over 200 convicted murderers and 128 sex offenders to Jamaica between 2001 and 2004, but, overall, 81% were deported for non-violent offences.

Some commentators have argued that many deportees left their home countries at a young age and learned criminal behaviour while abroad. Bernard Headley, a Professor of Criminology at the University of the West Indies, examined

some 5000 records of criminals deported from the U.S. between 1997 and 2003. He found that the mean age of entry to the United States was 23 years, nearly out of the high risk age demographic of 15-25, and less than 3 percent arrived before the age of five years. Headley also examined the age at deportation, finding that the vast majority of the deportees were no longer young on their arrival in Jamaica, with 62 percent being 31 years or older. Normally, these older men would be less likely to re-offend, particularly with regard to the sort of street violence with which the deportees are often blamed.<sup>80</sup>

On 12 September 2006, the Minister of National Security, Mr. Peter Phillips, announced to the Jamaican House of Representatives that a government study had found that deportees were no more likely than the general population to be convicted of a crime. He said one in 18 deportees had experienced a conviction in Jamaica, compared to one in 17 in the general population. The study, which has not yet been released, also apparently generated conflicting data, correlating increases in crime rates with various types of crime and conducting interviews with an unspecified number of deportees in which many confessed to criminal involvement. Unfortunately, the study was not available for examination at the time of this writing.

In summary, the existing research indicates that the average age of a Jamaican criminal deportee on entering the United States was 23, the average age on deportation was 35, and 81% were returned to Jamaica for non-violent offences. While there is clearly heterogeneity in the pool of deportees, the typical deportee does not fit the profile of an individual who is likely to be a violent criminal on return to Jamaica.

assess whether certain deportees have assumed positions of leadership in local gangs, but there are reasons to doubt that impact of the general flow is as great as it might initially appear.

While it is true that the numbers of people criminally deported are astounding, many of the "aggravated felonies" for which they were convicted are, in fact, relatively minor crimes. According to United States Homeland Security, 37% of those criminally deported in 2005 were convicted of drug offences, and at least one sample of deportees studied found that about half of these drug convictions were for possession, not sales.<sup>81</sup> An additional 19% were deported for criminal immigration offences, which could include anything from lying on immigration documents to participating in migrant smuggling. Between them, drugs and immigration accounted for some 56% of the criminal deportees. Just over 10% were convicted of assault, a violent crime but one that could refer to a range of activities, from domestic violence to resisting arrest. Burglary commanded 4% and larceny 3%. Murders did not register in the 10 ten offences in 2005.<sup>82</sup>

Research in Jamaica, the country most affected by criminal deportation, confirms these ratios, with 81% of criminal deportees being removed for non-violent crimes.<sup>83</sup> As discussed in the case study box below, research also indicates that most of these deportees entered the country as adults and were deported at an age beyond that typically associated with street crime and gang membership.

So there is good reason to doubt that the average criminal deportee is responsible for the sort of crime that is of greatest concern for the countries of Central America. But there remains very little data describing the criminal deportee flows to the region. How likely are criminal deportees to Central America to commit crimes like murder, rape, kidnapping, and extortion on their arrival?

The clearest way of answering this question would be to keep tabs on the deportees received and determine what share are later charged with an offence. Something like this has actually been done in at least two Caribbean countries: Barbados and Trinidad and Tobago. Of 332 criminal deportees returned to Barbados between 1994 and 2000, only 43 (13 percent) had been charged with a criminal offence at the time of the study. With the exception of one murder case, most of the deportees were charged with burglary or drug-related offences. Similarly, in Trinidad and Tobago, of the 565 deportees received between 1999 and 2001 only 83 (15 percent) had been charged with a crime, of whom almost half (47 percent) were charged with larceny or drug offences.<sup>84</sup> The period of time in which these observations were made is not specified, but these re-offence rates are believed to be much lower than among local criminals.<sup>85</sup>

An easier way of coming up with similar results would be to compare the ratio of criminal deportees to non-deportees in the prison population and the general population. This should indicate whether deportees are disproportionately represented among convicts. Research of this sort, as yet unpublished, appears to have been done in Jamaica, and is discussed in the box on the previous page. Results discussed in parliament suggest that deportees are less likely to be convicted than the average Jamaican.

Given the importance of both remittances and the crime problem for Central American countries, and the pivotal role relations with the United States plays in local politics, criminal deportation is likely to remain a contentious issue, and the need for research clarifying the matter is urgent. If indeed a connection can be drawn between deportees and rising crime rates, it is the interest of all countries concerned that policies be implemented to mitigate this effect.





## 2. A diagnosis of the state of crime in the region

There are two key areas of crime in which Central America is remarkable by global standards: the volumes of drugs trafficked through the region and the rate of murder. These also happen to be the two areas where quantitative data are best, suggesting that there may be other aspects of the crime problem that have not been captured in the regional numbers, due to issues like under-reporting. Based on this data, it appears that Central America suffers from being the conduit for highest-value flow of drugs in the world. It also appears to host some of the world's highest murder rates.

The group most frequently blamed for this unfortunate state of affairs are the youth gangs, or *maras*, fuelled by criminal deportee flows from the United States. Indeed, the most prominent anti-crime strategies in the region (the so-called *mano dura* approach) focus on cracking down on this group. But there are reasons to be sceptical of this glib association. While youth gangs do represent a source of criminality, they do not appear to be responsible for a particularly disproportionate share of the murders in the countries where they predominate. Their role in drug trafficking, even to local markets, is also dubious, for reasons detailed below.

Rather than being the product of an easily identifiable group, it appears that violence is endemic to many Central American societies, and that the *maras* are merely the intensive manifestation of this violence among the population universally most likely to engage in bloodshed: marginalised urban males between the ages of 15 and 24. This suggests that even if the gangs were to disband tomorrow (an unlikely consequence of the heavy-handed approach taken to date), the violence would remain.

It is also highly unlikely that these two distinctive crime problems – drug flows and homicide – are entirely unrelated. For example, Petén, a 70% rural province in Guatemala, has the second highest murder rate in the country (116 per 100,000 in 2004), a fact largely attributable to its use in trafficking operations. The question of who is responsible for trafficking cocaine is a key issue for the countries of the region to resolve in finding solutions to the violence. Many of the major busts have involved connections to government officials, especially in the security and justice services. If this connection can be established, addressing the region's crime problem may have to start at the top, rather than the bottom, of the affected societies.

### 2.1 Drug trafficking

The first point to be made about the flow of drugs is that it is massive. South America produces an estimated 900 tons of cocaine, most of which is shipped to 10 million users in the United States and Europe, a market worth some US\$60 billion in 2003.<sup>86</sup> In the past, the volumes and value were much greater. In 1988, the United States alone spent over US\$100 billion on cocaine,<sup>87</sup> which was far greater than the regional GDP at that time. Some of this cocaine is still flown directly from producers to consumer markets, but this is the great exception today. Most of these drugs transit either Central America or the Caribbean or both, by land, sea, or air. In addition, large amounts of heroin and cannabis have been moved through the region to users in the north.

Drug smuggling was an important source of income for both insurgent and state groups during the civil wars, and enduring corruption combined with limited law enforcement capacity have assured that well-worn smuggling channels remain viable. There are sparsely policed areas in several Central American countries – including the Laguna del Tigre Park in Guatemala, Mosquitia in Honduras, and the Atlantic coast of Nicaragua – that provide ideal way-stations for refuelling, repackaging, and stockpiling. The Central American diasporas in the United States and Mexico provide a network of ethnically-tied conspirators, and the language commonality with both producer countries and Mexico, the most important crossing-point

for contraband destined for the United States, allows Central American traffickers to move across the region with ease. It also facilitates connections with Spain, the largest point of entry for cocaine into Europe. Large diasporas also mean large remittance flows, and this provides a convenient means of laundering money made in retail drug sales and returning it to players in Central America.

The following discussion looks at each of the drug markets in turn: cocaine, heroin, cannabis, and other drugs.

### Cocaine trafficking

Over the past 40 years, the impact of U.S. demand for cocaine on Central America has been profound. This region, which does not produce cocaine and can hardly afford to consume it, has suffered massive collateral damage. Like a bystander wounded in a drive-by shooting, it has paid a dear price for simply being in the wrong place at the wrong time.

This is not to say that regional elements are not complicit. Many powerful people have made themselves more powerful by enabling the vices of the North, and drugs have enriched not a few criminal entrepreneurs. But for the majority of the inhabitants of the region, cocaine trafficking has done nothing but corrupt public officials, support oppressive violence, and divert resources that could have been spent on social development.

The impact of the drug trade has not been even, with some countries suffering more than others. Over time, there have been major changes in the routes cocaine takes in reaching destination markets. While still the number one consumer, less cocaine is going to the United States and more to Europe. Of the flow to the United States, less is going via the Caribbean and more via Central America.

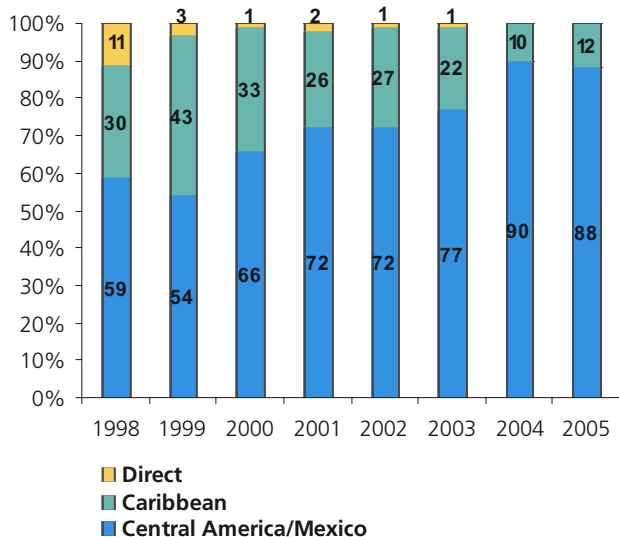
According to the most recent US estimates, some 88% of the cocaine destined for the United States currently transits the Central America/Mexico corridor, about 50% along the Eastern Pacific (in fishing boats) and 38% along the Western Caribbean coast (in go-fast boats) of Central America.<sup>88</sup> Only about 2% goes via Jamaica and 4% via Haiti/Dominican Republic.<sup>89</sup>

The overwhelming dominance of the Central American transit corridor is a recent occurrence. The Colombian Cali and Medellin “cartels” preferred the Caribbean corridor and used it from the late 1970s.<sup>90</sup> In the 1980s, most of the cocaine entering the United States came through the Caribbean into South Florida.<sup>91</sup> But interdiction successes caused the traffickers to reassess their routes. By 1998, about 59% of the cocaine went via Central America/Mexico, 30% via the Caribbean, and 11% via direct commercial sea freight or air flights.<sup>92</sup> In 1999, the flows across the Mexican border dropped to about 54%, flows via the Caribbean increased to 43%, and only 3% arrived directly from South America.<sup>93</sup> By 2000, the ratios shifted to 66% Central America/ Mexico and 33% Caribbean, with a decrease in the use of Haiti and Puerto Rico and an increase in the use of Jamaica.<sup>94</sup> By 2003, the ratio was 77% through Central America/Mexico and 22% via the Caribbean (Figure).<sup>95</sup>

The shift can also be seen through the reduction of traffic through certain countries. For example, estimates of cocaine flow through Haiti went from 5% of US imports in the early 1990s to 13% in 1999, to 8% in 2000<sup>96</sup> to 2% in 2004 (including the Dominican Republic), and 4% in 2005 (including the Dominican Republic).<sup>97</sup> Similarly, the flow through Jamaica dropped from 11% in 2000<sup>98</sup> to 2% in 2005.<sup>99</sup> These shifts are likely to have strong effects on local circumstances, as will be discussed below.

In recent years, the flow of cocaine from South America to the United States is estimated to be about 500 tons, 80% of it travelling by private boats,<sup>100</sup> of which 234 tons were lost or seized in transit, and 31 tons were seized at the border, in 2005.<sup>101</sup> This is a significant departure from the 1990s, when air transport predominated. In more concrete terms, this would be equal to about 250 tons along the eastern Pacific, 200 tons along the Western Caribbean coast of Central America, 10 tons through Jamaica, and 20 tons through Haiti/Dominican Republic.

**Figure 29: Share of cocaine flowing to the US through transport corridors**



Source: US National Drug Intelligence Center, various years

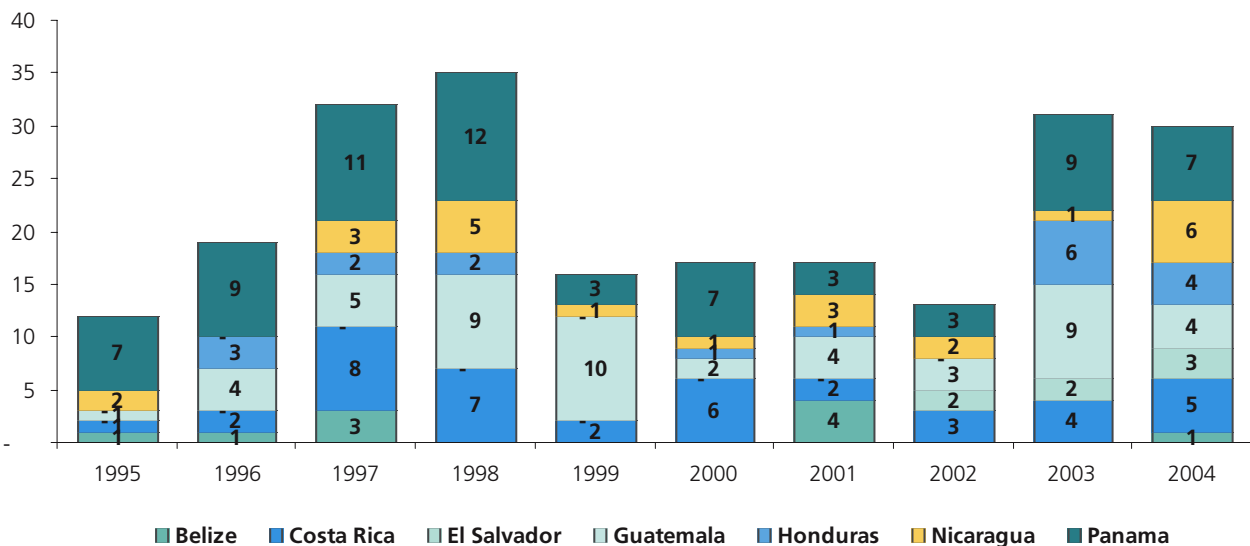
This shift in trafficking patterns has been attributed to law enforcement action.<sup>102</sup> Another possible explanation is the long-term trend towards Mexican domination of US cocaine markets. In the 1980s, Mexican organisations were used primarily to transport cocaine into the United States on behalf of Colombian groups. But since these traffickers were paid in cocaine, purportedly half the shipment since the 1990s, it was only a matter of time before they began to dominate all aspects of the trade. Today, while Colombian groups and their Dominican associates still control the Northeast, Mexican groups are challenging other organisations throughout the country. Colombian/Dominican groups have traditionally preferred to use the Caribbean, while Mexican groups prefer to use the Central American corridors. The shift towards routes through Mexico may be reflective of growing Mexican dominance.

Whatever the cause, the shift away from the Caribbean may be short-lived. The Caribbean has been a centre for smuggling contraband for centuries. In the past, the flow of cocaine has oscillated between the two corridors, in response to enforcement action and other factors. The Caribbean is likely to maintain its attractiveness to traffickers for a variety of reasons. So long as Colombian groups remain a factor, they will likely continue to utilise both the Mexican organised crime groups and other traffickers to move their drugs. The continuing importance of Caribbean expatriate groups in wholesaling and retailing cocaine in the United States, particularly in the Northeast, is also likely to promote use of Caribbean controlled trafficking routes. Historically, Mexican trafficking groups have charged Colombian traffickers 50% of each shipment to transport their product through Mexico, while Dominican and Puerto Rican groups offer the same service for as low as 20%.<sup>103</sup>

Seizure figures show that cocaine is trafficked through every Central American country – in 2004, every county seized at least a ton. In general, the countries that are believed to host the most drug trafficking are not necessarily the ones that make the largest seizures. In Central America, Panama, with its superior law enforcement capacity, has generally outpaced most other countries in terms of total seizure volume. In 2006, three islands off the coast of Panama, owned by the Rayo-Montano organisation, were seized by U.S., Brazilian, Colombian, and Panamanian law enforcement authorities, seizing some 50 tons of cocaine, a significant share of the annual supply.<sup>104</sup>

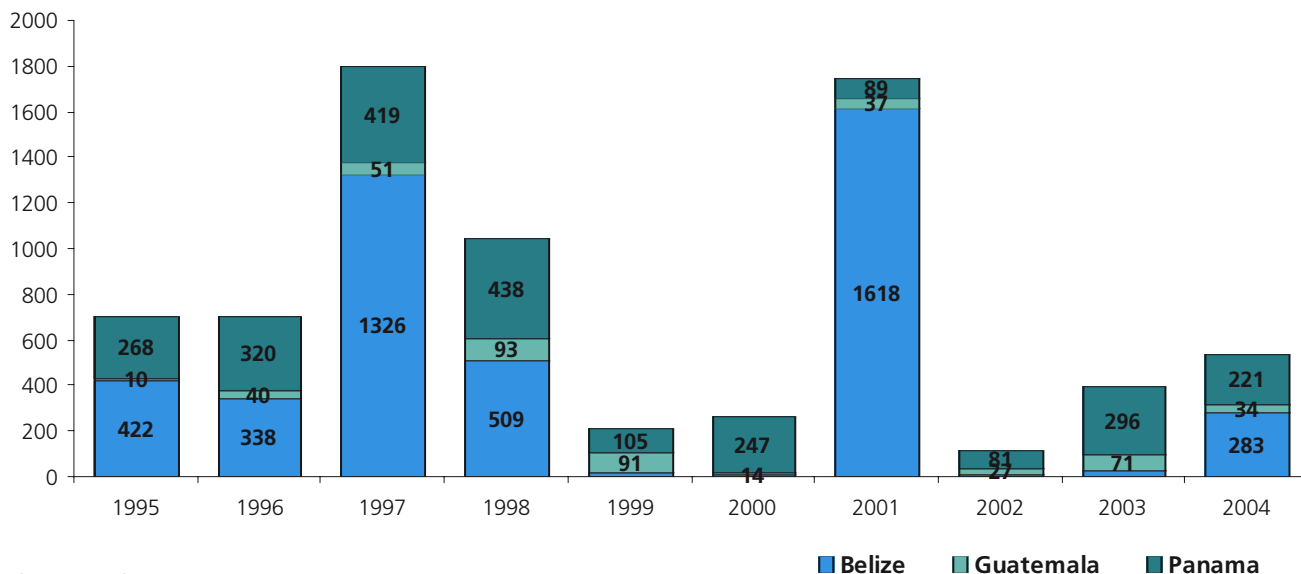
Looking at these seizure figures as a rate (kilos seized per 100,000), however, shows the sterling effort put forward by the tiny nation of Belize. In 2005, law enforcement authorities from Belize and the United States interdicted 2.4 tons of cocaine in a single seizure.<sup>105</sup> These figures also place in perspective the seizures of Guatemala, a country with nearly 50 times the population. In November 2005, officials from the US Embassy in Guatemala told the Associated Press and Reuters that 75% of the cocaine destined for the United States passes through Guatemala,<sup>106</sup> though, in apparent contradiction, the Commander of the

Figure 30: Tons of cocaine seized in Central American countries (rounded)



Source: UNODC Delta database

**Figure 31: Kilograms of cocaine seized per 100,000 citizens**



Source: ARQ

United States Southern Command claimed in March 2006 that 37% transited Belize.<sup>107</sup> Guatemala is the primary landing zone for private aircraft trafficking cocaine from Colombia to the United States (making use of hundreds of concealed airstrips), and is also used as a transit point for cargo ships carrying cocaine destined for Europe. According to the United States Drug Enforcement Agency, enforcement there is seriously undermined by endemic corruption in the police, courts, and other branches of government.<sup>108</sup>

Before his recent arrest for drug trafficking, the head of the Guatemalan anti-drugs agency, Adán Castillo, warned that Guatemala’s drug gangs were ending their turf wars to cooperate in a bid to control the drug trade throughout the region. Castillo said this consolidation was a direct result of the 2005 escape from Mexican custody of Otto Herrera-García, a well known cocaine trafficker who is listed on the United States government’s Consolidated Priority Organization Target list. Herrera had expanded his activities to Honduras and Mexico before his arrest in Mexico on April 21, 2004. Castillo said Guatemalan traffickers are involved in deals with Colombian guerrillas to trade drugs for personnel from all over Central America.<sup>109</sup>

Central Americans have also been prominent in international drug trafficking. The Table shows some recent major (over one kilogramme) cocaine seizures involving Central American nationals operating outside their own countries in Europe and Latin America. The Table highlights the fact that all nationalities are involved, including citizens of the wealthier countries, and that any country can be proximate source of cocaine. For example, cocaine has been recently seized on commercial air flights coming from Costa Rica to the Netherlands and Austria.<sup>110</sup> It is also clear that cocaine trafficking knows no boundaries, and that members of Central American nations are regularly arrested in each other’s countries and overseas (especially in Spanish-speaking countries) with large quantities of cocaine on them (Table).

In addition to its use as a transit corridor to the United States, there is also trafficking of drugs between Central American countries for domestic use. For example, seizures indicate that crack cocaine may be transported to Honduras from El Salvador.<sup>111</sup> Transnational trafficking of crack is unusual, since it is bulkier than powder cocaine, and crack is easy to produce locally. The fact that crack is moved internationally despite this basic inefficiency suggests that the borders do not form a major barrier to the movement of drugs in Central America.

Trafficking through countries can result in the development of domestic markets. It has been estimated that of the 150 tons of cocaine that pass through Guatemala each year, some 10% remains in the country for local consumption.<sup>112</sup> But these estimates do not resonate with the prevalence rates from drug use surveys.

Cocaine use rates in the region are remarkably low. Taking El Salvador as an example, an OAS/ CICAD study of drug use among national student populations in 2003 found annual cocaine use at just 0.7% and crack use at just 0.5%.<sup>113</sup> A study of drug use among prisoners found annual cocaine and crack use at less

**Table 2: Some recent trans-national cocaine seizures involving Central Americans**

Date	Location	Nationality	Quantity	Details
17 June 2005	Frankfurt	Costa Rican	11 kg	With 2 Germans
2 March 2005	Portugal	Panamanian	2.5 kg	With 2 Portuguese
23 February	Madrid	Costa Rican	2 kg	In baggage
10 February	Madrid	Costa Rican	1 kg	In baggage
17 January 2005	Madrid	Salvadorian	2 kg	Via Guatemala
15 January 2005	Honduras	Salvadorian	1 kg	With 2 Hondurans
1 January 2005	Argentina	Costa Rican	2 kg	---
10 December 2004	Madrid	Guatemalan	3 kg	From Guatemala
5 October 2004	Spain	Salvadorian	3 kg	Via Guatemala
4 October 2004	Madrid	Salvadorian	1 kg	Body carry
9 September 2004	Barcelona	Salvadorian	2 kg	Sourced in Guatemala
28 August 2004	Nicaragua	Guatemalan	1.7 tons	With one Colombian
19 August 2004	Managua	Guatemalan	100 kg	Commercial road vehicle
3 June 2004	Nicaragua	Guatemalan	30 kg	With Nicaraguan
21 May 2004	Venezuela	Costa Rican	< 1 kg	Swallowed
12 May 2004	Nicaragua	Honduran	3 kg	With Nicaraguan
10 May 2004	El Salvador	Guatemalan	< 1 kg	Procured in Colombia
1 May 2004	Nicaragua	Honduran	33 kg	Two arrested
30 April 2004	Nicaragua	Honduran	7 kg	In bus
19 April 2004	Nicaragua	Honduran	7 kg	In bus
8 April 2004	El Salvador	Honduran	2 kg	Procured in Honduras, bound for United States
6 April 2004	Venezuela	Nicaraguan	11 kg	In baggage
3 March 2004	Nicaragua	Guatemalan	39 kg	----
28 February 2004	Nicaragua	Guatemalan	18 kg	At business
23 February 2004	Nicaragua	Guatemalan	6 kg	With car parts
21 February 2004	Nicaragua	Guatemalan	116 kg	With car parts
4 January 2004	El Salvador	Guatemalan	1 kg	In a residence

Source: UNODC Major Seizures Database

**Table 3: Official estimates of the share of cocaine remaining in some transit countries**

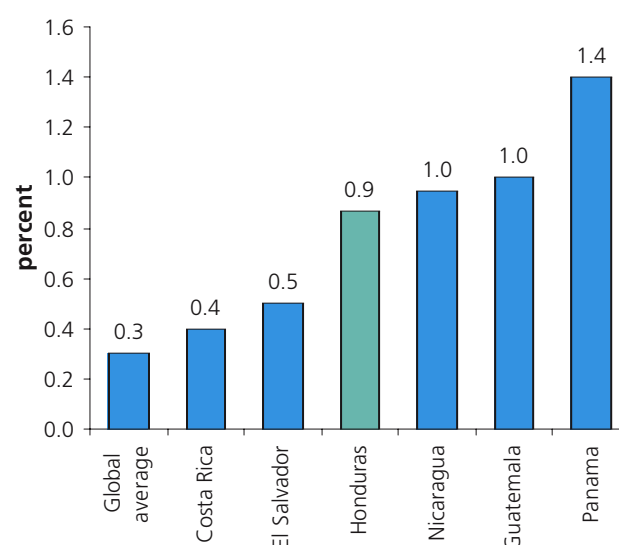
Share of cocaine flow remaining in the country	
Belize	7%
El Salvador	5%
Honduras	1%

Source: ARQ 2004 and 2005

than 4.5%.<sup>114</sup> And finally, a 2006 national drug use survey of urban areas found national cocaine and crack prevalence at less than 0.5%.<sup>115</sup> The obvious explanation is that shipments transit these regions intact, rather than being re-packaged and sold onwards, but more research is required to explain this resilience.

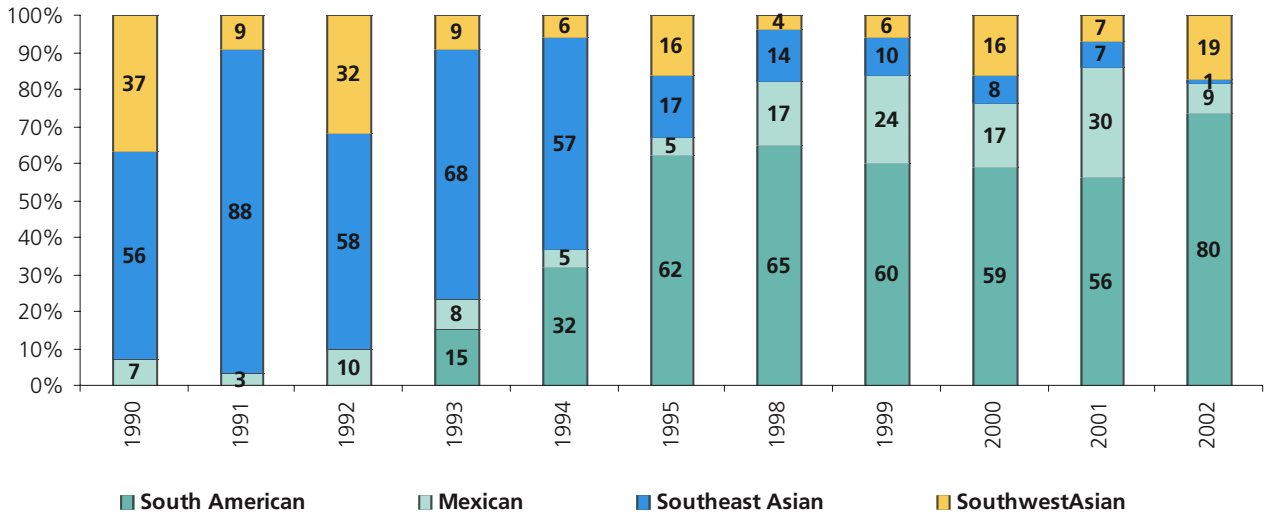
The use of cocaine (base) and cannabis in combination has been documented in a number of sites in the Caribbean<sup>116</sup> and this combination was also reported in Guatemala in 2005.<sup>117</sup>

**Figure 32: Share of adults using cocaine in the last year**



Source: UNODC Delta database estimations

**Figure 33: Origin of heroin seized in the United States**



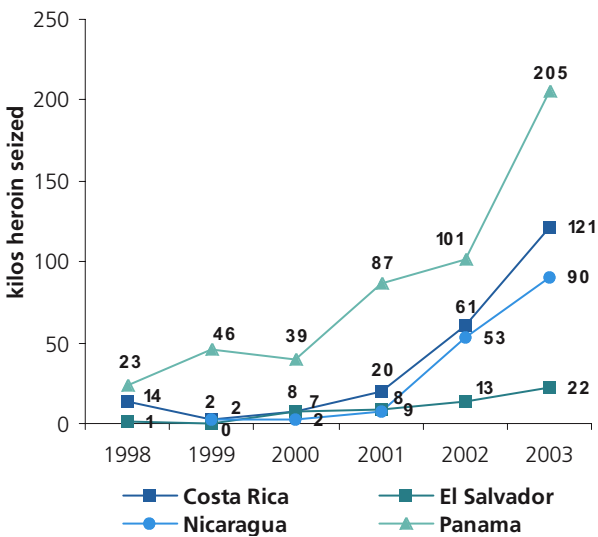
Source: US Drug Enforcement Administration Heroin Signature Program<sup>120</sup>

**Other drugs**

Historically, most of the heroin consumed in the world has come from Southwest Asia (lately, Afghanistan) and Southeast Asia (lately, Myanmar). But Colombian criminals started experimenting with opium poppy cultivation as early as the late 1970s, and by the mid-1980s, large plots were being discovered in different parts of the country. By the mid-1990s, Colombia had become a major supplier to the United States, with the drug often being transited through the Caribbean and distributed by Dominican groups.

In the United States, Mexico has also been a major source since the mid-1970s, especially for the West and Midwest portions of the country.<sup>118</sup> In 1989, however, 96% of the heroin seized in the United States was from Southeast or Southwest Asia. By 1994, Colombian production had become sizable, and 32% of the heroin seized in the United States was South America. By 1995, the figure was 62% (Figure).<sup>119</sup> In recent years, white Colombian heroin has come to dominate the market in the Northeast United States, the largest heroin market in the country. Eradication efforts have begun to diminish this supply in recent years.

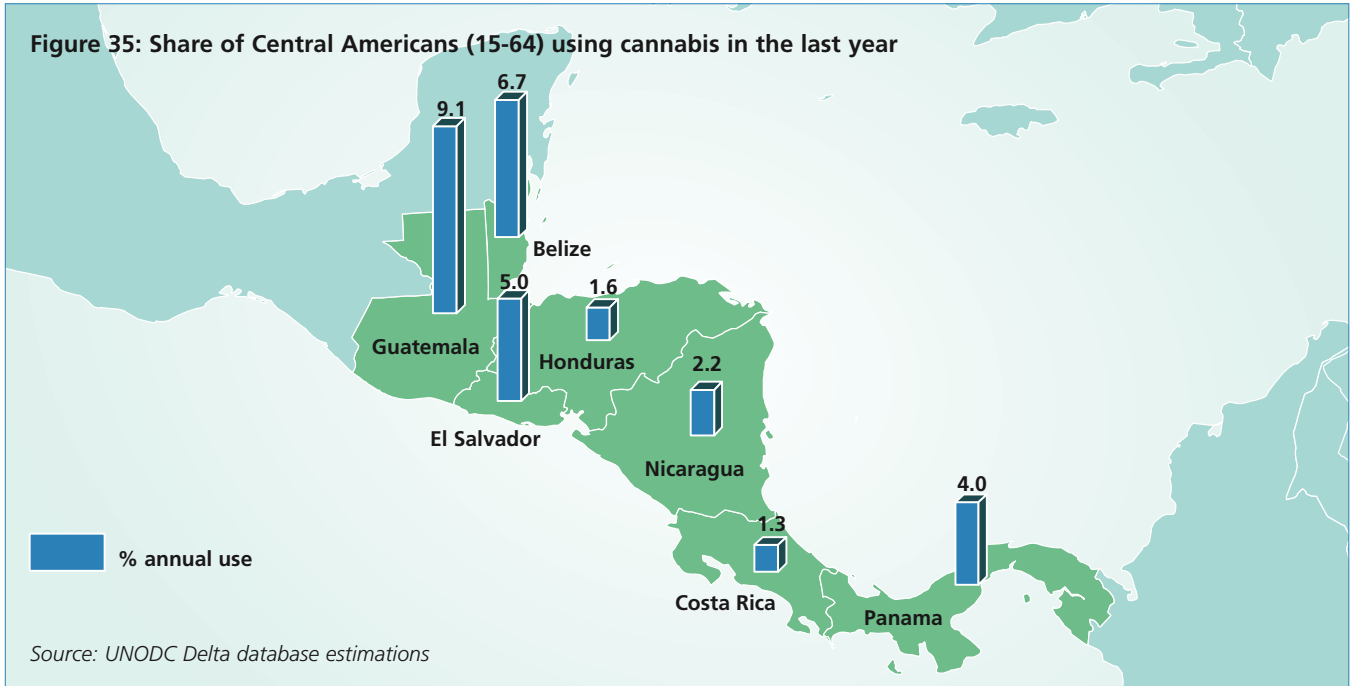
**Figure 34: Kilos of heroin seized in four Central American countries, 1998-2003**



Source: UNODC ARQ

Thus, heroin is produced on either end of the Central American countries, in Colombia and Mexico, and the extent of exposure to this drug appears to be related to the proximity to the producing countries. Heroin seizures have begun to pick up recently in a number of Central American countries, including Panama, Costa Rica, Nicaragua, and El Salvador. In Guatemala, some small scale cultivation of opium poppy is taking place: 181 hectares (and estimated 5.4 million plants) were eradicated in 2004,<sup>121</sup> and 48 hectares were eradicated in 2005.<sup>122</sup> The United States National Drug Threat Assessment asserts that Guatemala had the potential to produce 1.4 metric tons of heroin in 2004, compared to 3.8 tons in Colombia.<sup>123</sup> Seizures of large numbers of opium capsules (the portion of the plant containing the opium gum) were reported in 1998, 1999, 2000, and 2003.<sup>124</sup> Heroin seizures in the country have been sporadic, however, suggesting that processing may be taking place near or over the border with Mexico. In 2006, authorities claimed to have uprooted 27 million plants by early September, suggesting that cultivation levels have returned to those of the previous peak in 1990, with perhaps 2000 hectares under cultivation.<sup>125</sup> If this trend continues, Guatemala could rival Colombia as a producer of heroin for the U.S. market.





Like cocaine, early trafficking of Colombian heroin to the US was done by direct air flights. Since heroin is presently worth about five times as much as cocaine by weight, use of human couriers on commercial airlines remains a viable option. But the use of intermediate countries in the Central America – including Guatemala, Costa Rica, and Panama – has increased, and larger shipments by sea and by air cargo have been detected.<sup>126</sup>

There is also sizeable cannabis production in Central America. Most of this is for domestic use, but some is trafficked across borders within the region. For example, a large share of the cannabis seized in El Salvador appears to be procured in Guatemala.<sup>127</sup> In 2005, the Salvadorans said that 75% of their cannabis came from Guatemala, 15% from Honduras, and 10% was produced domestically. This represented an increase from the previous year, when only half came from Guatemala.<sup>128</sup>

Given that most countries in the region have some domestic production and a few are exporters, the levels of cannabis use, as determined by surveys, are remarkably low. In Central America, Guatemala leads in the share of the population using cannabis each year (9% in 2003), but this is still less than the levels in countries like the United States (13% in 2004), Spain (11% in 2003), or England and Wales (11% in 2003/4).

The region has not been associated with synthetic drugs production in the past, but limited capacity for precursor control teamed with its geographic location leaves the Central America vulnerable to possible exploitation for this purpose. The 2006 International Narcotics Control Board Report said the region is being used as an entry point for diverted ephedrine and pseudoephedrine. Mexican organised crime groups use these chemicals to manufacture methamphetamine for the United States market, and may be using the region in response to heightened controls of the chemicals in Canada and Mexico. A shipment of 5 tons of ephedrine and 2.5 tons of pseudoephedrine was stopped by Indian authorities on route to Belize in 2006. The governments of Costa Rica and El Salvador have discovered attempts to divert large quantities of pharmaceutical preparations of these drugs.<sup>129</sup>

## 2.2 Murder

As problematic as the drug traffic is for Central America, it is not the flow of drugs itself that is most troubling. Rather, it is the effect that this flow has on crime in the region, especially violent crime on the one hand and corruption on the other. This section looks at recent developments in the central American countries with regard to the ultimate violent crime: murder.

Crime data are extremely problematic, and the Central America region provides an excellent case study of just how deceptive they can be. Official figures are generally based on police statistics, and the police figures are largely based on cases that are reported to the police by the public. Unreported cases cannot be



recorded, and there is good reason to believe a great deal of crime is not reported in this region. Murder is the crime that is most likely to come to the attention of the authorities, and for this reason it is best crime for international comparisons.

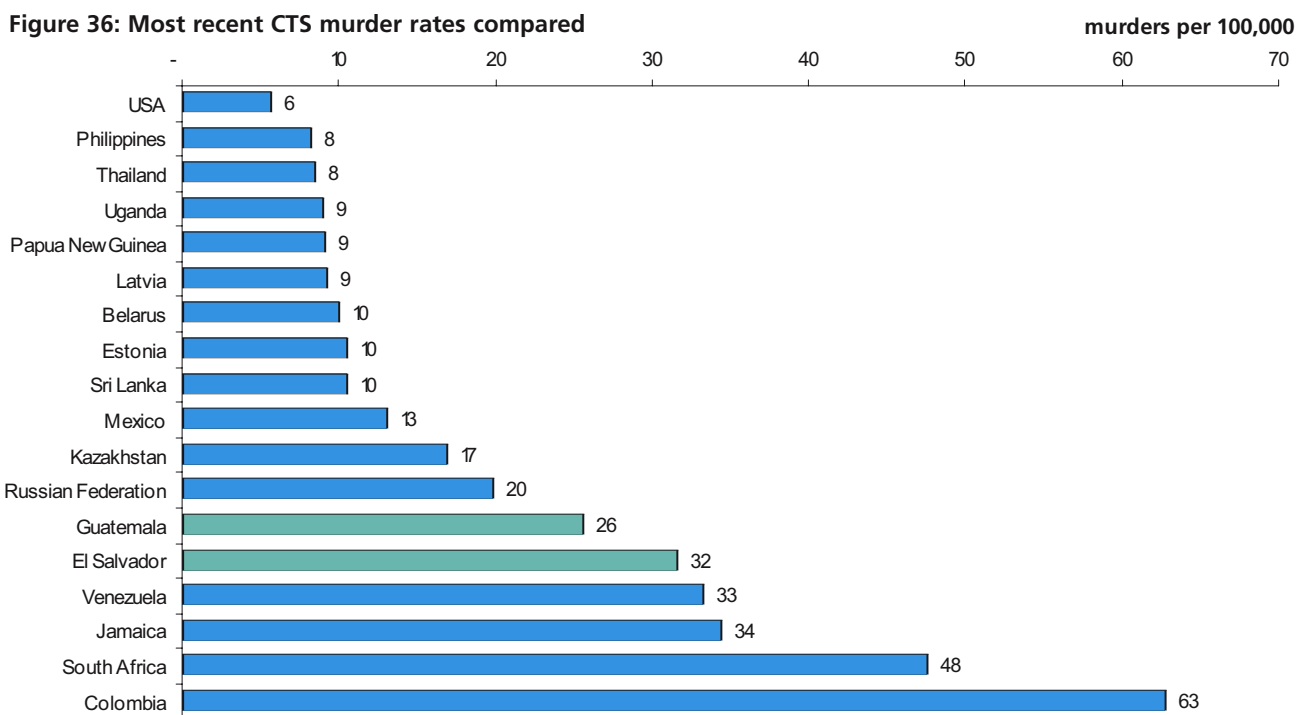
Making comparisons between jurisdictions is even more complicated. Definitions of crime vary greatly between countries. Even for what seems like an easily defined offence, such as murder, definitions vary widely. Murder is a crime of intent, and the determination of intent is a matter of judgement, not fact. Killings performed in self-defence or the defence of others (including most killings by police) are not murders. Killings that occur by accident vary in culpability depending on the degree of negligence of the perpetrator – freak accidents are less blameworthy than acts of wanton recklessness. In many jurisdictions, attempted murder is considered equal to the completed act; the would-be killer should not be exonerated simply because he failed to do what he intended. The way these intent issues are understood varies substantially between jurisdictions. Further, in some cases the victim’s identity makes a difference in the way the crime is classified.

Nicaragua provides an example of how complicated classifying a killing can become. Murders in Nicaragua are divided into homicides and assassinations, both of which are further divided into completed acts, attempts, and frustrated attempts. Homicides are also divided into intentional, culpable, and culpable vehicular homicides. Parricides and infanticides and their attempts are also recorded separately.<sup>130</sup>

To complicate matters further still, many countries in this region seem to have problems agreeing domestically on where murder rates stand. In El Salvador, for instance, there are at least three official homicide rates: one published by the police, one by the national forensic science institute, and one published by the national prosecution authority.<sup>131</sup> The forensic data should, at least, agree with the public health data given to the Pan American Health Organisation, but it does not, suggesting a fourth rate.

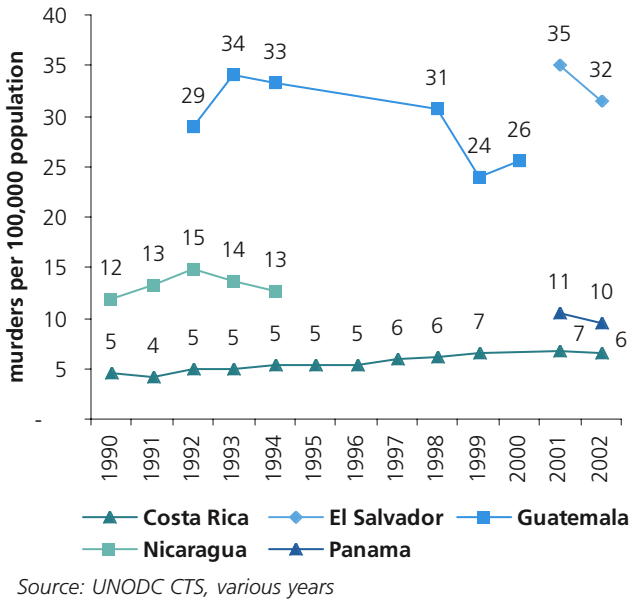
The UNODC attempts to overcome some of these difficulties through its biannual crime trends surveys, or CTS. A questionnaire is sent to all United Nations Member States giving standardised definitions of each crime type and asking the respondents to fit their crime figures into the appropriate categories. Of course, this is a difficult exercise, but it does provide a better basis for comparison than the figures published by the national police forces. Unfortunately, not all Member States supply this information, or they do so erratically, and so global coverage is far from complete. Obviously, countries with extreme stability problems are not able to provide reliable statistics, and it is precisely in these areas that the problems are likely to be worst.

Figure 36: Most recent CTS murder rates compared

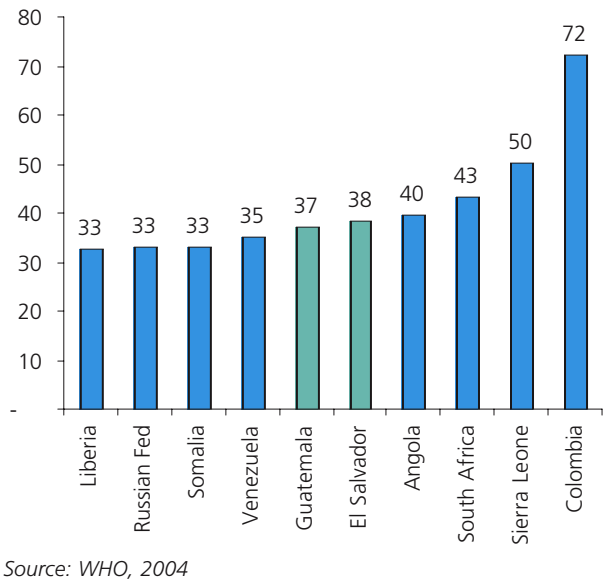


Source: CTS, various years

**Figure 37: CTS murder trends in the region**



**Figure 38: The top 10 murder rates based on public health data in 2002**



For example, no CTS data are available for Honduras, a country where other information would indicate a serious murder problem.<sup>132</sup>

Comparing the top national rates from Central America to the top rates from other regions around the world, based on the most recent CTS data available, highlights the El Salvador and Guatemala rank among the most dangerous nations in the world for which standardised data are available.<sup>133</sup>

Given the sporadic way in which it has been supplied, it is very difficult to discern trends in the CTS for the region, with the exception of Costa Rica, which shows high stability with a very mild increase since the 1990s. No country in the region has yet responded to the latest wave of CTS questionnaires, which refer to 2003 and 2004.

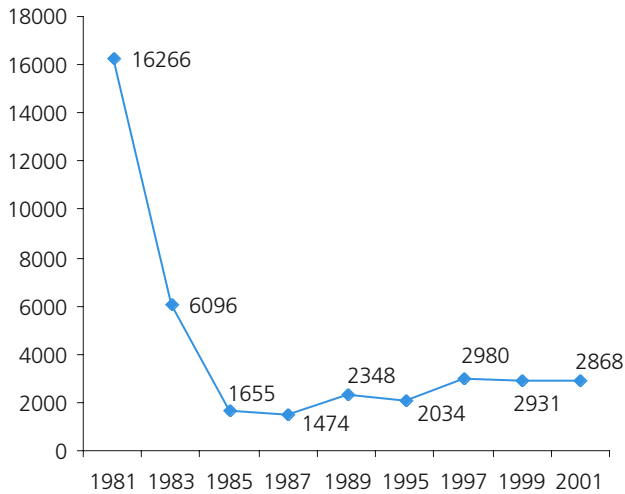
Aside from the police statistics, public health authorities maintain records of the numbers of murders in many countries, and these are collected by the World Health Organisation and their regional affiliates, such as the Pan American Health Organisation (PAHO). Given that public health definitions of murder are generally broader than legal ones, it is not surprising that the public health rates are higher. The ranking of these figures roughly comports with the ranking seen in the CTS and Interpol data. El Salvador and Guatemala emerge as two of the most dangerous countries in the world, after Colombia, South Africa, and two African countries that were suffering from civil conflict that do not generally report crime statistics, Sierra Leone and Angola.

In summary, it appears safe to say that, in Central America, the countries rank as follows, from safest to most dangerous: Costa Rica; Nicaragua or Panama; Guatemala and El Salvador. There is not enough current data on Honduras and Belize to place them, but those that do exist suggest they should be situated near the top. Most of the data suggest that El Salvador and Guatemala stand alongside Jamaica, Colombia and South Africa/Swaziland as the most violent countries for which figures are available.

In the absence of CTS data, information from police sources can be used for the purposes of trend analysis, if not for cross-national comparisons. Unfortunately, these data reflect recent sharp increases in the rate of murder in a number of countries in Central America. In contrast, both Colombia and South Africa have shown dramatic declines in murder according to their own national statistics. Thus, Central American nations may have recently surpassed the traditional world leaders in the number of murders committed per 100,000 members of the population.

In El Salvador, observers frequently point out that by 1995, deaths by homicide exceeded the average annual number of war deaths during the war.<sup>134</sup> Of course, it is easy to overstate this comparison – there are no clear figures on the number of criminal homicides during the conflict, and the reliability of war-related

**Figure 39: War deaths and murders in El Salvador compared**



Source: Commission on the Truth for El Salvador; PAHO<sup>135</sup>

deaths is unclear. The figure shows that the killing was much more intense in the early years of the war, but that by 1985 the official reports of war deaths were lower than the number of homicides reported during the 1990s.

As discussed above, three murder rates are generally reported for El Salvador, and there is considerable variation even among law enforcement and public health sources. For example, in 1999 the Instituto de Medicina Legal reported a murder rate of 41.3, but that same year the Pan American Health Organisation places the rate at 47.6, a difference of some 378 deaths. According to the Fiscalía General, there were 3781 murders in 2005, for a national rate of about 56 per 100,000, up sharply from previous years.<sup>136</sup> If these figures were internationally comparable, they would likely place El Salvador second only to Jamaica in the international murder standings. Preliminary figures for 2006 suggest a stabilisation at this level.<sup>137</sup>

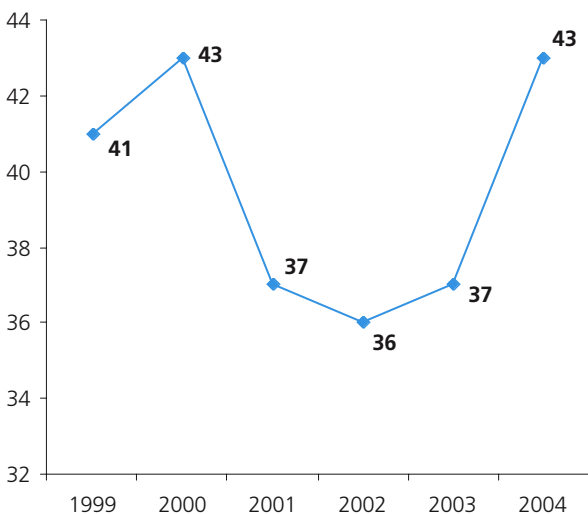
These aggregate figures obscure great diversity in local circumstances, however. Provincial murder rates vary by a factor of eight.

In 2005, La Libertad and Sonsonate, two of the best developed provinces, show higher murder rates than San Salvador, the

most urbanised province. These two provinces host the only major ports on the Pacific coast near the border with Guatemala (Acajutla and La Libertad respectively) and are connected to the Pan American Highway, both conduits for drug flows. In contrast, the provinces of Chalatenango and Morazán are two of the least developed provinces, bordering Honduras, and have the lowest rates of murder in the country.

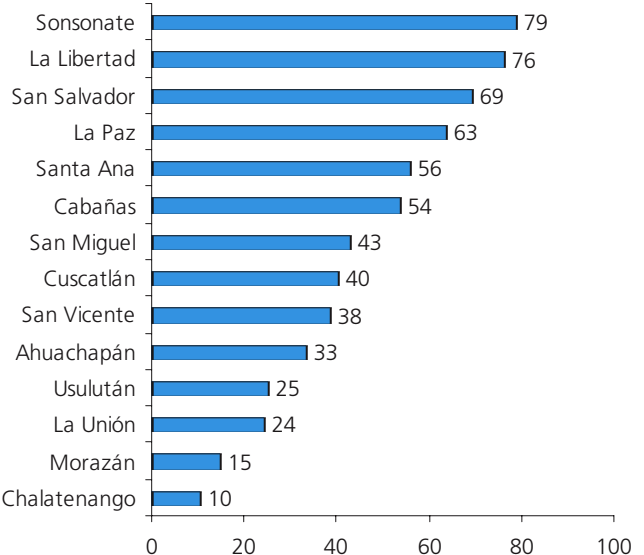
The high levels of murder in El Salvador are also clearly linked to the widespread availability of firearms. Wounds caused by firearms are believed to account for at least 70% of homicides in El Salvador (the most recent study put the figure at 84%<sup>140</sup>), and 30% of gunshot fatalities die in the hospital. One study of 100 patients admitted to a public hospital with firearm wounds in El Salvador concluded that for every firearm wound resulting in death in the hospital, there are five admissions who survive.<sup>141</sup> However, just because most deaths are caused by guns doesn't mean other weapons are not used in violence. According to the El Salvador Ministry of Health, in 2001 the firearm injury rate in El Salvador was 57 per 100,000, while injuries due to knives and machetes occurred at a rate of 118 per 100,000.<sup>142</sup>

**Figure 40: Murder rates for El Salvador - public health data**



Source: Instituto de Medicina Legal<sup>138</sup>

**Figure 41: Provincial murder rates in El Salvador in 2003 and 2005**



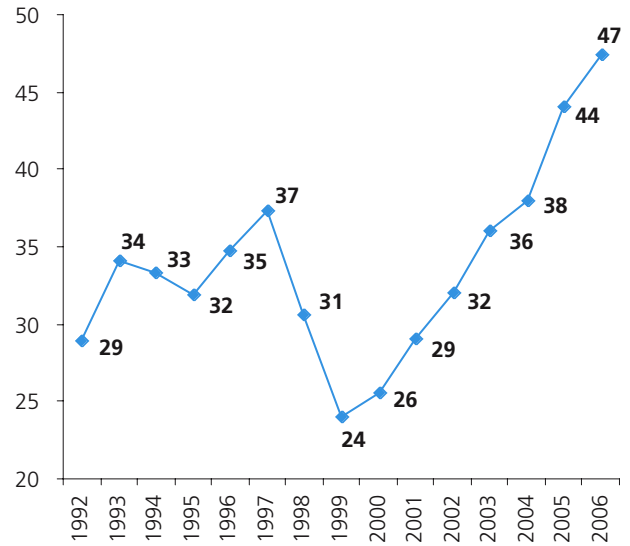
Source: Fiscalía General of El Salvador<sup>139</sup>

The situation in Guatemala is similar. Homicides declined sharply following the signing of the Peace Accords in 1996, but they began to rise just as dramatically after 1999, with rates nearly doubling off a high base in just seven years.

As in El Salvador, murder rates in Guatemala are far from evenly distributed, however, ranging from 9 per 100,000 in 2004 in Sololá, to 118 per 100,000 in Escuintla, a rate without parallel in El Salvador. The safest provinces have the highest shares of indigenous people in their populations: Sololá, Alta Verapaz, Totonicapá and Quiché, which are 89% to 98% indigenous. These provinces are not rich - with an HDI of 0.58 in 2002, Sololá has the same level of human development as Cambodia, and it is the richest of the four. Guatemala province, in contrast, has an HDI of 0.77, but ten times the murder rate. And while Alta Verapaz is the most rural province in the country (79% rural), Sololá is the fourth most urbanised (out of 22, only 51% rural). The most dangerous province is Escuintla, with a similar level of urbanisation as Sololá, and better development levels (HDI of 0.61). It, however, is only 8% indigenous.<sup>144</sup> It may be that predominantly indigenous provinces have greater levels of social cohesion, and this serves as a point of resilience to crime.

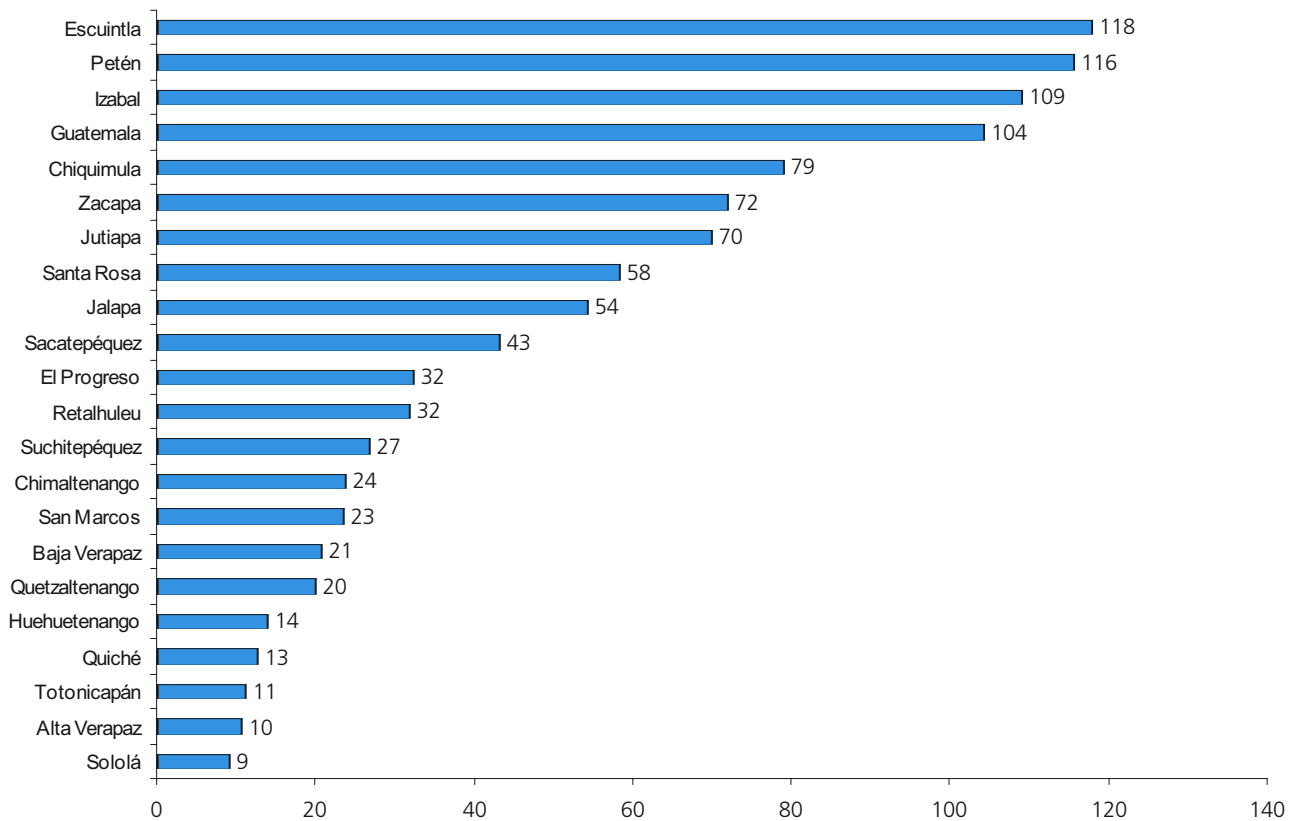
The role of the drug trade is also evident in the murder figures. The three provinces that have murder rates higher than the province of Guatemala (the seat of Guatemala City, by far the largest urban area in the country) are Escuintla (on the Pacific Coast), Petén (site of the so-called “airplane graveyards”, where drug traffickers scuttle their craft), and Izabal (on the Caribbean coast, hosting the two largest ports in the country). Izabal and Petén are about 70% rural, and all three high-violence provinces have been implicated in drug trafficking.

**Figure 42: Murder rates in Guatemala - law enforcement data**



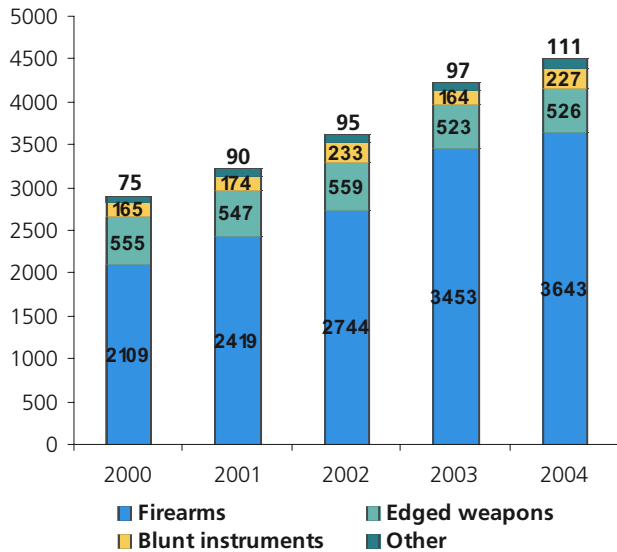
Source: UNODC CTS; Ministerio de Gobernación de Guatemala<sup>143</sup>

**Figure 43: Guatemalan murder rates by province in 2004**



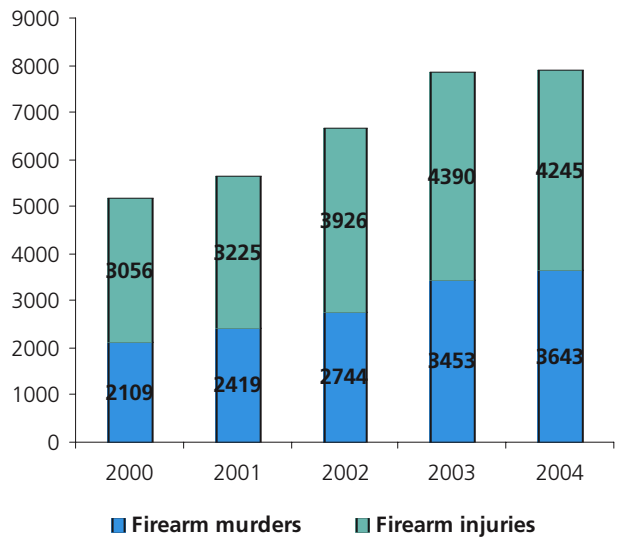
Source: Elaborated from UNDP, Informe Nacional de Desarrollo Humano 2005, p 395

**Figure 44: Instruments of homicide in Guatemala**



Source: Policia Nacional Civil de Guatemala

**Figure 45: Police recorded firearm violence in Guatemala**



Source: Policia Nacional Civil de Guatemala

While Guatemala's aggregate murder rate may be less than El Salvador's, it has some disturbing features of its own. The use of sicarios, or contract killers, seems to be an important feature, often armed with AK 47s. In addition, many murder victims are tortured first. In 2005, there were 624 deaths with torture in the country, but in the first 20 days of 2006, there were 306 cases, and some two-thirds of the murders are said to involve some element of sadism.<sup>145</sup> Women, in particular, are often mutilated, a common practice during the counterinsurgency. As discussed above, the chances of conviction may be as little as 2%.

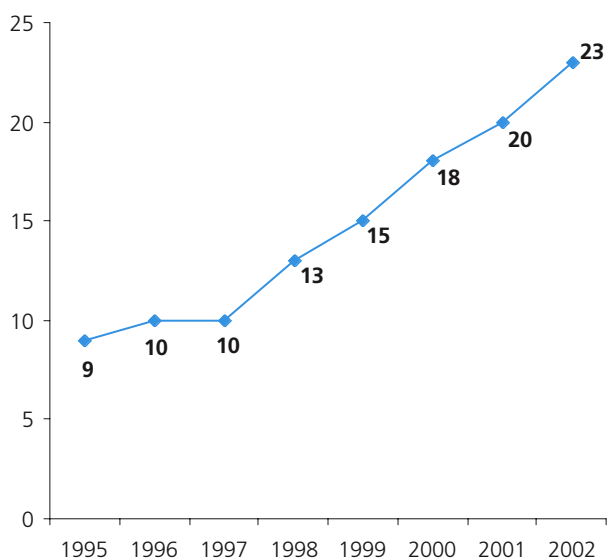
As in El Salvador, most murders are committed with a firearm. The number of firearm homicides has increased dramatically in Guatemala in the last five years, whereas murders with bladed weapons have remained fairly stable. About 1500 firearms are reported stolen every year in Guatemala, providing a fresh domestic supply to criminals.<sup>146</sup>

Murder trends in Honduras cannot be reviewed, due to lack of standardised data. Figures submitted to Interpol in 1998 suggest that this country may have had the highest murder rate in the region, if not in the

world. Since that time, though, no data on murder have been submitted to CTS, Interpol, or the World Health Organisation. Newspaper accounts suggest the police figures show sharp declines since that time. The Honduran national statistics department reports that murder was the third leading cause of death in the country between 2000 and 2002, after heart disease and cancer, responsible for 10% of all deaths. Some 92% of the victims are male, and murder is the leading source of years of life lost, as so many of its victims are young.<sup>147</sup> According to newspaper reports, in the first six months of 2005, 1468 people were murdered, down over 15% from the same period in 2004. Between 2001 and 2004 more than 14,000 people were murdered, at an average of 2800 per year.<sup>148</sup> This would give Honduras a murder rate of about 39 per 100,000, up there with Guatemala and El Salvador.

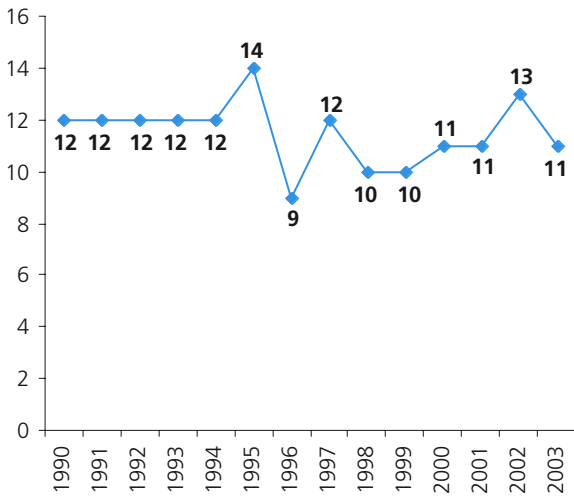
The data for Belize come from public health sources and are only available up to 2002, but they show a clear and consistent rising trend. If the murder statistics continued to rise at this rate, the 2006 figure would be 35 murders per 100,000. If these figures could be compared to the police figures, this would place Belize on par with the rest of the region. Of course, the coun-

**Figure 46: Murder rates in Belize - public health data**



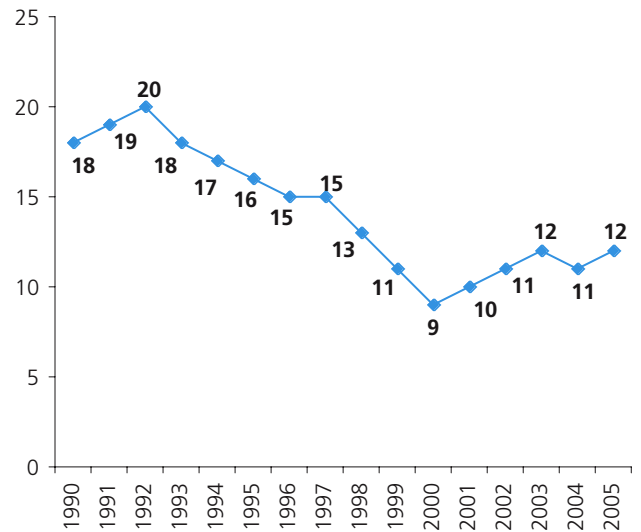
Source: PAHO<sup>149</sup>

**Figure 47: Murder rate in Panama - law enforcement data**



Source: CONADEC, Ministerio de Gobierno<sup>150</sup>

**Figure 48: Murder rate in Nicaragua - enforcement data**



Source: Rodgers 2004; Policía Nacional de Nicaragua 2005<sup>151</sup>

try contains just over a quarter of a million inhabitants, so the growth of three murders per 100,000 per annum since 1997 indicates an additional seven or eight murders per year. While this number is small in absolute terms, it is still significant in a country with a population of a minor city.

Further south, rates start to decline. Costa Rica, whose relatively low murder rates (about six per 100,000) are well captured in the CTS data, provides an example of a country spared both war and the worst of the drug trade. Still, rates have risen slightly from the 1990s, and while they are low for the region, there is still room for improvement. Panama's murder rates are also relatively low and stable. Of course, the country has not had to deal with the history of civil war afflicting its northern neighbours, but it remains affected by its prominent role in the international drug trade.

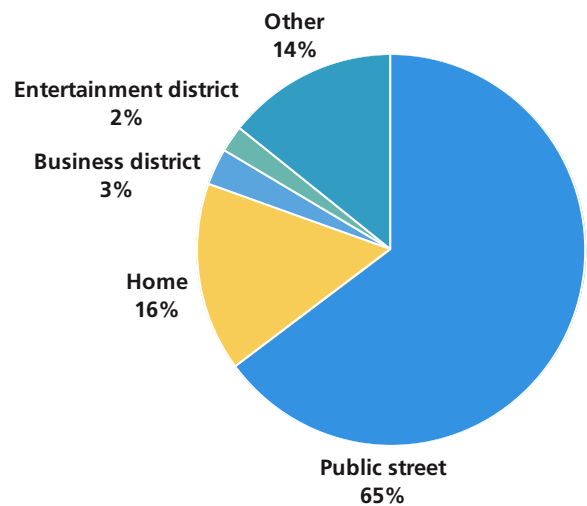
In contrast to the rest of the region, Nicaragua appears to have become safer in the 1990s, and the rate of murder has levelled off after experiencing a slight increase in the early years of this century. The relatively low levels of violence encountered in the country demonstrates that a violent past does not deterministically generate a violent future. Alarming, though, many of the murders occur on the streets, instead of in the home (Figure 50). This suggests that street crime may be behind almost two thirds of the murders.

It is precisely this share of the murders – those resulting from street crime and conflict – for which youth gang members are blamed. The following section looks at the data concerning youth gangs in the region and considers whether anti-crime efforts that target this group are likely to address the core causes of violence in Central American societies.

### 2.3 Youth gangs

In this region, as elsewhere, the drugs and violence problems are often blamed on young people, especially young men banded together in 'gangs'. Globally, young men acting in groups do dominate many forms of crime, but a distinction needs to be made between informal criminal associations and true institutionalised

**Figure 49: Location of murders in Nicaragua in 2005**



Source: Policía Nacional de Nicaragua 2005<sup>152</sup>

gangs. In many parts of the world, unoccupied boys and young men gather on street corners and engage in anti-social behaviour. Many of these groupings give themselves a name and proceed to victimise their local communities. But these 'gangs' are really nothing more than the individuals that comprise them. They lack an institutional continuity that commits members to a lifestyle of dedicated criminality. In contrast, a 'gang' in the proper sense of the word has an existence independent of that of the current membership. The distinction is comparable to the distinction between a mob and an army, and is key to determining appropriate interventions.

An institutionalised gang is a framework through which the membership flows, often across generations, and has its own set of conventions and rules. These generally include a stylised and secret gang history, initiation rituals, a ranking system, rites of passage, rules of conduct, and bereavement rituals. Gang members place loyalty to the institution paramount in their lives. It becomes their primary source of identity, and is often likened to an extended family – two aspects very attractive to rudderless young men whose real families may be dysfunctional or absent. As a result, gang members take pains to identify themselves as such, adopting characteristic dress, tattoos, graffiti, hand signs, and slang. They are often, but not always, bound to a particular territory where most of the membership resides. Their relationship with this community can be either oppressive or protective or a little of both. Many institutionalised gangs started out as voluntary defensive associations of the young men of a victimised community. Over time, self-defence groups can evolve into protection rackets, demanding compensation for the security they provide. Once control over the neighbourhood is absolute, they may claim the exclusive right to victimise the populace.

Gang codes often explicitly commit members to involvement in crime and opposition to law enforcement. Consequently, gang members commit crime not just as a means to an end (such as profits or other forms of personal gain), but as an essential manifestation of who they are. This fact is very important in anticipating the response of gang members to interventions. Heavy handed law enforcement is seen as a challenge, and is unlikely to dissuade young men willing to die for their gang identities. As with military units, unity, resistance to coercion, courage and self-sacrifice are essential themes of gang discourse, and are taken very seriously by gang members. Many will choose death before "dishonour".

In Central America, youth gangs are prominent in the public discourse on security, in the form of the so-called 'pandillas' and 'maras'. In a number of Central American countries, including El Salvador, Honduras, Guatemala, and Nicaragua, these groupings are seen to be at the core of the local crime problem.

### Gangs of North America

In order to understand the maras, it is essential to understand a bit about gangsterism in the United States, and particularly in the state of California. The United States is a nation of immigrants, but each successive wave has had to undergo the crucible of marginalisation before managing to integrate. Language, ethnic, religious, or other differences have set new immigrants apart and at odds with the poor locals with whom they were forced to compete for jobs and other resources. The native-born poor have long hosted gang groupings, and thus the creation of similar structures among new immigrant groups is somewhat predictable, as a defensive reaction if nothing else.

These groupings may eventually be destroyed or absorbed by rivals, may fade away as the immigrants become integrated, or may become institutionalised to emerge as structures with a momentum of their own. Once well established, a street gang may become affiliated with umbrella gang groupings, creating new alliances and influencing their traditions and activities. Individual members may or may not be allowed to move on with their lives when they reach the age at which youth gangs are no longer appropriate. Older gang members are generally only found in communities where mobility out of the neighbourhood is limited. Many gang members graduate to adult professional criminality, perhaps using their links to the gang to further their own ends. These individuals, however, have outgrown the adolescent need for the familial comforts of the gang, and tend to place personal gain above any sense of group loyalty.

The relationship between street gangs, which start out as local and territorial, and trans-national organised crime can be difficult to discern. Clearly, where possible, it is to the advantage of both the gangs and transnational syndicates to form alliances. Street gangs provide the ideal network for drug distribution or for sourcing stolen property, for example, while their international associates provide the drugs and distribute the stolen goods. Bonds between syndicates and gang structures may be enhanced when both groups are of the same distinct nationality. But street gangs often have their own issues to deal with, rooted in the



fact that they are generally more than just income-generating ventures. Street gangs are made up of young people associated by their residence in a particular location, and remain chiefly concerned about local issues, including matters of identity, turf, and respect. This can cause them to act against their own economic interest, making them unpredictable partners for true professional criminals.

The mistake is often made of assuming that gangs that share the same name (or that operate under the same umbrella body) answer to a single chain of command, but this is not necessarily the case. Gang umbrella bodies are often more symbolic of historical relationships than demonstrative of present unity of leadership. For example, an issue discussed further below is the emergence of transnational street gangs, but it is presently unclear whether these are just groups sharing a name and a set of conventions (like international supporters of a certain soccer club), or whether all those claiming affiliation are truly branch offices of the same criminal organisation. Further research in this area is required. In the end, agreements to deal drugs or fence stolen property are made between individuals, and the strength of this linkage is hinged on the organisational coherence and integrity of both players.

One occupation hazard of gangsterism is time spent in juvenile detention or the adult prison system. Here, street gang members are exposed to a second network of groupings – the prison gang system. In the United States, prison gangs are often based on ethnicity, and tend to foster pan-Hispanic identity, although some of the most ruthless rivalries can form between prison gangs of the same ethnic group. Ironically, prison time allows gang members from disparate geographic areas to identify commonalities and form bonds. Membership in a prison gang may be seen as prerequisite for admission to the upper rankings of street gangs, creating a perverse incentive for ambitious young gang members. Having prison gang tattoos can mark a man as a predator, rather than prey, in communities where the distinction is essential for survival. The relationship between prison gangs and street gangs can be complex and uneasy, but often one's prison gang membership is determined by street alliances. Prison gangs offer protection and access to resources, just like street gangs, but have their own set of rules and rituals.

California is a traditional point of settlement for Hispanic immigrants, and there are areas in the slums surrounding large cities like Los Angeles that have been Spanish-speaking for generations, though the nationality of their composition may have changed over the years. The dominant ethnic group in most areas is Mexican, but there is a sense of pan-Hispanic identity among a people who live mostly on the lower end of the economic spectrum and often, due to illegal entry into the country, on the wrong side of the law. Those fresh from a clandestine border crossing may find themselves in these crime-ridden areas and faced with an unsolicited dilemma: do I become a victim or a victimiser?

One such group were Salvadoran refugees who arrived in the Rampart area of Los Angeles in the 1980s. This area was dominated by ethnic Mexican gangs, who preyed on new arrivals, but it was also the birthplace of the 18th Street gang in the 1960s, a gang that operated without ethnic barriers to entry. The Salvadoran youth has a choice: to join Calle 18 or form their own gang to combat it. Those who opted for the latter formed what became known as Mara Salvatrucha, and the rivalry between the two groups began.

Both groups became aligned to the Mexican Mafia prison gang and became 'Sureños', adopting the number 13 into their iconography (for the letter 'M', the 13th letter of the alphabet).<sup>153</sup> As a result, Mara Salvatrucha is often known as 'MS-13'. This nominal alliance, however, did little to diminish the violence between MS-13 and M-18, which was carried back to El Salvador once gang members began to be deported en masse in the 1990s.

The extent to which deportees are responsible for the crime problems of the region is debatable (see section 1.4 above) but there can be no doubt that they influenced local gang culture. Per capita, Honduras and El Salvador have received the most deportees, and it is in these countries that the problem is most severe. Guatemala has received about half as many per capita, while the other countries have received much less. This may be one reason why gangs in Nicaragua, which has a long gang tradition, are not as violent as in the other three countries.

#### **From pandillas to maras**

In Central America, the term 'pandilla' has long been applied to youth gangs, which existed even before the start of the region's Cold War conflicts. The term 'mara', in contrast, emerged only in the mid-1980s<sup>154</sup> and, for many, has more sinister undertones. In this report, as in common parlance, the two terms are used interchangeably.

Pandillas have been around in Central America since at least the 1960s and 1970s, fading briefly in significance during the wars of the 1980s. But the groups changed radically when cross-fertilised with the deportees arriving from the United States in the 1990s. Today, the gang culture of countries like El Salvador, Honduras, and, to a lesser extent, Guatemala, greatly resembles that of the Hispanic areas of Los Angeles in many respects, though strength of the links between gang members in Central America and those in the United States is still being investigated.

The extent to which the pandillas are institutionalised varies between countries, with some large umbrella gangs dominating in some areas and less organisation found in others. This is shown in the average number of gang members per gang calculated in the table below, with the four gangs in El Salvador clearly being umbrella bodies. It would be wrong to conclude that 2000 members answer to a single chain of command in El Salvador, but it is probably true that gangs in Panama, Nicaragua, and Guatemala are more fragmented and smaller in scale. For comparative purposes, the National Youth Gang Center estimates the number of youth gangs in the United States to be 21,500, with 731,500 gang members,<sup>155</sup> for an average gang size of 34.

**Table 4: Central American gang membership estimates**

Country	Number of gangs	Total membership	Average number of members per gang
Panama	94	1385	15
Nicaragua	268	4500	17
Guatemala	434	14,000	32
Belize	2	100	50
Honduras	112	36,000 <sup>156</sup>	321
Costa Rica	6	2660	443
El Salvador	4	10,500	2625
TOTAL		69,145	

Source: Adapted from Hernández, 2005<sup>157</sup>

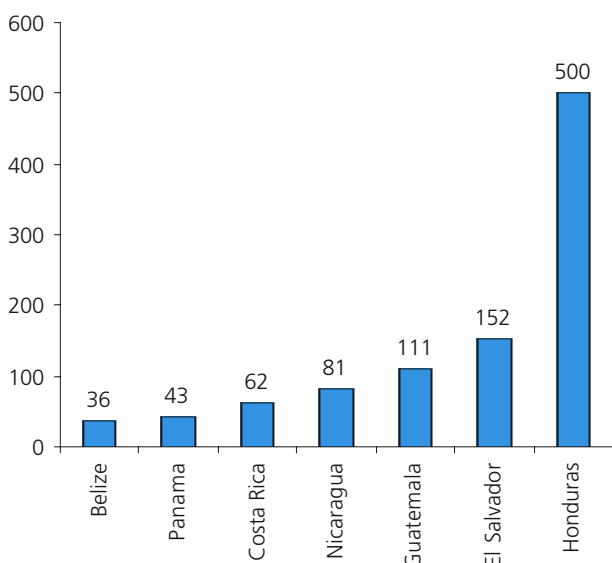
The intensity of the gang problem is demonstrated in the number of gang members per 100,000 population (Figure). These figures indicate that it is in Honduras that gang members make up the largest share of the population, a remarkable 5% of the entire male population aged 15-24. In other words, it is estimated

that one out of every 20 young men in the country is a gang member. El Salvador's gang membership is comparatively small in proportion to its population, though still much larger than that in countries where gangsterism is seen as less common. For comparative purposes, there are an estimated 244 gang members per 100,000 in the United States.

It is possible that these gang member estimates are inaccurate, however. For example, almost twice the number of estimated gang members in El Salvador were arrested in the first year of anti-gang sweeps in that country.<sup>159</sup> Most of these were immediately released by the courts, but it is unlikely that the entire gang population of the country was arrested twice in that period. Some estimates put the regional count much higher, from 200,000 to 500,000.<sup>160</sup>

Of course, accurately estimating the number of gang members is extremely difficult. Aside from the fact that it is a clandestine activity, there are varying degrees of gang involvement, and it is often difficult to know who to include in the count. For example, while there are both female gangs and gender-integrated gangs, the core membership of most groups is mainly, if not

**Figure 50: Gang members per 100,000 population**



Source: Calculated from Hernández, 2005<sup>158</sup>

exclusively, male. The female partners of gang members, whose degree of criminal involvement may vary and who often associate with other gang-tied females, could reasonably be included or excluded from gang counts. In addition, street gangs typically attract a periphery of wannabes, including youth who have not yet been fully initiated into the group and other neighbourhood members who provide services to the gang, such as children or drug addicts employed as lookouts. Gangs also have members who are retired or semi-retired, who may or may not be involved in other criminal activity. Gang members may associate with drug dealers or others who are not members of the gang, yet play a key role in their criminal activity. Even within the core of active initiated members, there is often an 'inner circle' that is involved in activities that the fringe of junior members know nothing about.

Estimates also vary on the extent to which gang members are responsible for the rising crime levels in their respective countries. The former security minister of Honduras, Oscar Alvarez, blamed the maras for the bulk of the crime in that country,<sup>161</sup> but the Honduran police have not released statistics to back up this assertion. Research indicates that less than 5% of all crime in Honduras is committed by people under 18 years of age, and underage youth generally comprise a large share of mara membership.<sup>162</sup>

In El Salvador, it is claimed that 60% of all murders are carried out by the maras,<sup>163</sup> but again, the evidence for this conclusion is unclear. According to the Fiscalía General, there were 3781 murders in 2005, 60% of which is 2269. If the country's 10,500 gangsters were responsible for these, then about one in four killed another person that year. This would make them an exceptionally violent lot – if US gangsters (which includes Central American gang members) killed at such a rate, the US murder rate would be 61 per 100,000 based on their activity alone. In contrast, research by the Institute of Forensic Medicine was only able to attribute some 8% of the firearm homicides in 2000 to mara activity.<sup>164</sup> In addition, contrary to popular fears, qualitative research on gangs has suggested that the most common victims of mara violence are other gang members.<sup>165</sup> Similarly, in Guatemala, a recent police study of the 427 murders that occurred in that country in January 2006 could only attribute 58 of these to gang activity (14%), 40 in urban areas and 18 in the countryside.<sup>166</sup> In Honduras, Casa Alianza has monitored the murders of young people since 1998. In 2006, only 15% of these deaths of 18-22 year-olds (and 10% of those under 18) could be attributed to mara violence.<sup>167</sup> Given that this demographic comprises the core of the mara membership, the share is likely much less with regard to the general population.

Nicaraguan police are less prone to blaming the country's murder rate on youth gang members, and it is generally recognised that Nicaraguan pandillas are less violent than their counterparts further north. The country's most wanted list is comprised mainly of older men, none of whom are associated with gangs. While almost two-thirds of the murders in 2005 occurred on the street, there are good reasons to question whether gangs are at the core of the problem. Most of the 119 men arrested for intentional murder in the first quarter of 2006 could fit the gang demographic, as they were between the ages of 18 and 25 (55%), unemployed (43%) or blue collar workers (26%), with only primary education (57%). For most (78%) though, it was a first arrest, and gang members typically have long criminal careers before reaching the age of majority. Further, most of the men they killed were older than 25 (58%) and employed (90%).<sup>168</sup> This suggests that the bulk of these killings were not the product of inter-gang warfare, which generally comprises the bulk of mara violence. These killings could be due to street robbery or extortion, but neither of these is strictly the domain of street gangs.

In the end, this population group – marginalised urban males between the ages of 15 and 24 – are responsible for a large share of the violence in any given society, whether or not it has a gang problem. For example, in Jamaica in 2004, about half of the people arrested for murder were males between the age of 15 and 24, while this demographic is responsible for only 10% of the general population.<sup>169</sup> In El Salvador, according to the best estimates, about 2% of this high risk demographic are mareros. Thus, if the mara members were no more violent than is typical of their peers, they would be responsible for 1% of the national murder total. Studies that attribute 8% of the firearm homicides to them suggest they are eight times more likely to commit murder than non-gang members of their same gender and age. But recall that some provinces of El Salvador have eight times the murder rate of the safest provinces, so once their social status and residential areas are factored in, the role that gang membership plays in the violence is questionable.

Clearly, given the social importance of this question, the extent to which mara members are responsible for the climbing murder rates in these countries is an area in urgent need of further research. But those studies that do exist seem to call into question the glib association between gangs and the murder rate, and the

assumption that jailing gang members will halt the violence. While gang members commit a large number of murders, so do members of their demographic and socioeconomic group globally, and they inhabit societies that are highly violent. The role that gang membership *per se* plays in the national violence picture needs to be further explored if appropriate interventions are to be devised.

There is also reason to question the extent of the involvement of the maras in other forms of criminal activity for which they are frequently blamed. The association is often made between maras and drugs, especially cocaine. Indeed, the El Salvador police claim that the maras' two main sources of income are extortion and drug dealing.<sup>170</sup> There are a number of reasons to question the depth of this relationship throughout the region, however:

- All indicators suggest that drug markets in the region are small, insufficient to be a major source of income to organised criminals.
- Most cocaine trafficking is maritime, and most gang members are based in inland areas.
- The importance of Central American trafficking networks to the United States market appears to be limited.

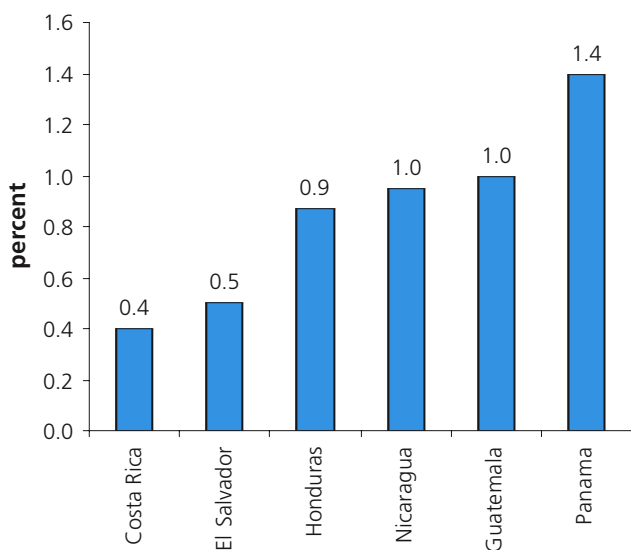
**Small local drug markets**

Cocaine (including crack) use prevalence in the Central American countries is not terribly high, according to estimates based on the most recent survey data (Figure). In Honduras, for example, less than 1% of the population 15-64 use cocaine annually. Of this group, no more than half are chronic users.<sup>171</sup> This would suggest a maximum of 20,000 cocaine addicts in the country, less than the estimated number of gang members. There are simply too many gangsters and not enough addicts for local drug dealing to be a major source of income. Either the drug use levels are massive underestimates, gang membership is overestimated, or cocaine dealing is not a major revenue source for the maras in Honduras.

Similarly, in El Salvador, a 2006 national drug use survey found that only about a quarter of a percent of the population aged 15-64 uses cocaine annually and about a fifth of a percent uses crack.<sup>172</sup> Even if there were no overlap between these populations, this suggests there are under 10,000 cocaine addicts in El Salvador, less than the estimated number of gang members.

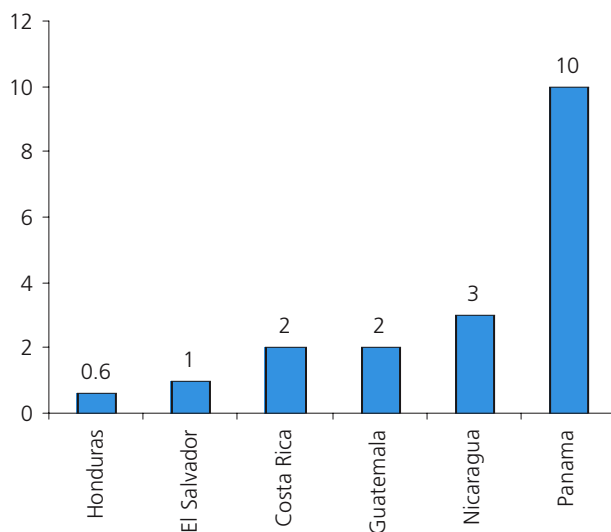
Gang members also use drugs at a rate much higher than the general population, so a lot of their dealing is apparently to themselves. Some 43% of 938 gang members interviewed in El Salvador in 2000 said they used crack frequently or constantly.<sup>173</sup> If this were generalised to the national marero population, almost half the cocaine addicts in the country could be gang members themselves. Forensic studies of the corpses of slain gang members have found high levels of cocaine in their blood streams.<sup>174</sup>

**Figure 51: Estimated share (%) of the population who use cocaine annually**



Source: UNODC Delta Database estimates

**Figure 52: Ratio of gang members to chronic cocaine users**



Source: Calculated from UNODC Delta Database estimates and Hernández, 2005

Only in Panama does the ratio of estimated cocaine addicts to estimated gang members suggest that domestic cocaine dealing could be a major source of revenue to gang members, and the gang problem in Panama is generally not regarded as acute. Similarly, cannabis use levels are low in Central America compared to much of the rest of the world, and the drug is very cheap in the region, according to the best available data. So while gang members surely deal drugs, as they do everywhere in the world, there are simply too many of them and not enough of a market for this to become a basis of support for the majority of the membership.

**Limited potential for involvement in maritime trafficking**

As discussed above, the bulk of cocaine trafficking through this region occurs in large shipments controlled by well-resourced drug trafficking organisations, generally dominated by Colombian and Mexican nationals. Further, most of the cocaine flow goes by sea, not by ground transport. The Mexican government reports that only 30% of the cocaine entering their country comes via land, and the US government says just under 40% comes by land.<sup>175</sup> Thus, only about 12% of the cocaine passes both land borders. There is some air transport from Central American countries to Mexico, but very little from Central America directly to the United States. This suggests only a relatively small share of the cocaine trafficked to the US actually passes through the central landmass of Central America.

Although every country in the region managed to seize a ton or more of cocaine in 2004, the bulk of this is comprised of a number of large seizures, often concentrated on the coasts. For example, in Honduras in 2004, police made 21 seizures of more than 100 grams of cocaine that comprised 62% of all the cocaine seized that year. One seizure, on Jutiapa Beach, netted one ton of cocaine, more than 25% of the cocaine seized that year. Similarly, in Nicaragua in 2004, some 42% of the cocaine recovered that year was seized in just two major seizures on the Atlantic Coast.<sup>176</sup>

Along the Atlantic, most of the drug traffic is shuttled by go-fast boat, so re-fuelling stopovers can occur in relatively isolated areas, such as the RAAN and RAAS areas of Nicaragua and the Mosquito Coast of Honduras. On the Pacific, large port towns are the key stopovers. But most of Central America’s large cities are inland, including the urban areas most often associated with gang activity, such as San Salvador, Guatemala City, Tegucigalpa, Quetzaltenango, Santa Ana, Choluteca, and Copán.

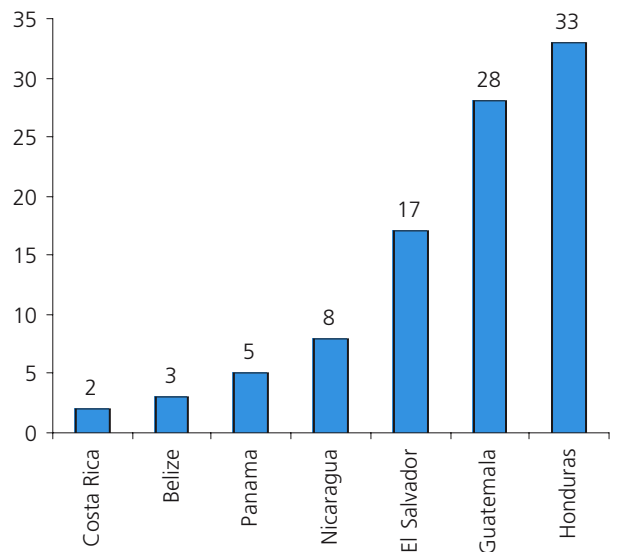
It is unclear how the bulk of youth gang members, who live far from the sea and are not known for their maritime skills, would add value to the process of moving drugs northward. Even with regard to traffic along the Pan American Highway, it is unclear how mareros could assist. They could be involved in providing some minor logistic or security support, but it is highly unlikely that gang members, who are generally young street kids, are the masterminds behind the movement of cocaine to the United States.

**Limited involvement in trafficking to the United States**

As discussed above, international diasporas can produce drug distribution networks, but it does not appear that the link between Central American mara members and their countrymen in the US is a key distribution network in the United States at this time. Currently, Mexican organised crime groups dominate the US trade. Out of just under 12,000 people arrested for drug trafficking in the United States in 2004, only 96 (less than 1%) were from Central America. In fact, there were three times as many Dominicans arrested for drug trafficking than all Central Americans combined. Salvadorans are the dominant nationality in the feared Mara Salvatrucha and Mara 18 gangs, but their drug trafficking arrest rate per population resident in the US is about 5% that of the Dominicans.<sup>177</sup>

According to the annual drug threat assessment reports submitted by state law enforcement authorities to the National Drug Intelligence Center, Mara Salvatrucha is involved in selling drugs at street level in a number of states, including California, New York, Texas, Virginia and Maryland (mainly in the Washington, D.C. area), and even in rural states like Arkansas and Tennessee. But according to most of these reports, Mara

**Figure 53: Number of Central Americans arrested for drug trafficking in the US in 2004**



Source: UNODC ARQ 2004



Salvatrucha is mainly involved in distributing cannabis and methamphetamine.<sup>178</sup> Most cannabis sold in the United States is either domestically produced or imported from Mexico and Canada. Little if any is imported from or through Central America – the value of the drug at this point in time is simply too small to merit long-distance trafficking. Similarly, most methamphetamine sold in the US is produced in the United States and Mexico. Linkages to gangs located in Central America are not needed to source these drugs, and it appears both are mainly sourced from the Mexican drug trafficking organisations that control US drug markets. In fact, while drug trafficking organisations from a number of Central American countries are mentioned in the 2007 National Drug Threat Assessment, the maras are not.

There is also qualitative research suggesting that gang members and drug dealers make up two different groups in Central America. In El Salvador, a distinction is made between pandilleros (street gang members), banderos (members of organised crime groups), and transeros (drug traffickers). Relations between these groupings vary between areas and over time – they may be fully integrated, purely commercial, or even hostile. Typically, pandilleros purchase drugs from transeros to retail on the streets, rather than sourcing them independently. Banderos and transeros are allegedly protected due to their connections with corrupt elements of the police services, whereas street gangsters bear the brunt of enforcement campaigns.<sup>179</sup>

The maras are often referred to as “transnational” in their character, as groups exist with the same name in different countries. Since some mareros are former deportees, it would odd if there were not some communication between these groups. But the spectre of “mega gangs”, responding to a single command structure and involved in sophisticated trafficking operations, does not, at present, seem to have been realised, at least insofar as drug trafficking is concerned. It is likely that the gang members are preoccupied with more local, neighbourhood issues.

One of these is controlling turf and commanding “respect” from authority figures in it, such as shopkeepers and public transport operators. Extortion is clearly an activity in which mareros are heavily involved in some areas. For example, the Chamber of Commerce and Industry in San Miguel, El Salvador, claim that 80% of its membership is presently being extorted by mara groups, and that some businesses are presently paying as much as US\$ 1200 to US\$1400 a month in protection money. Transport unions in the city are also up in arms, with mara members demanding a “tax” of three to five U.S. dollars a day from minibus taxi drivers to operate in the areas they control. The Salvadoran authorities have responded by setting up a special anti-extortion unit in the police.<sup>180</sup>

Youth gang members are also associated with human trafficking and migrant smuggling, but again, concrete numbers on the scale of this involvement are lacking. This is linked to the lack of concrete evidence on the scale of human trafficking in the region generally. The US Department of State reports 59 convictions in the entire Western Hemisphere for human trafficking in 2005 up from 56 in 2004 and 27 in 2003.<sup>181</sup> Compare this to Europe, which lodged 1984 convictions in 2005. There are many accounts of mara members preying on voluntary migrants moving northwards, but it would appear that much of this migration continues outside the ambit of Central American organised crime.

These observations suggest that young gang members may have become a convenient scapegoat on which to blame the country’s rising crime rates, when they may be minor players in countries with much endemic violence and sophisticated organised crime operations that operate with impunity due to law enforcement corruption. This is not to excuse mara criminality. They remain a danger to the societies they inhabit and to themselves. But it does suggest that a crime-reduction strategies that hinge on locking up gang members are unlikely to be effective in addressing the core causes of the violence.

Unfortunately, in the worst affected countries – particularly El Salvador and Honduras – the response to the gang problem has been to fight fire with fire. Under various ‘mano dura’ (strong hand) policies, gang membership has been criminalised, juvenile sentences elongated, and thousands of young people rounded up. Informally, vigilante groups, allegedly involving members of the security forces, known under the umbrella term *sombra negra* (black shadow), have been blamed with extrajudicial killings of gang members and street children in the manner of the former era’s death squads.<sup>182</sup>

Honduras, the country with the lowest police to public ratio in the region, has compensated for this shortcoming by enacting a particularly draconian body of anti-crime laws. It is a crime to be a gang member in Honduras. Under the 2001 Police and Social Order Law, police are allowed to detain gang members and vagrants without a warrant. As a result, 90% of prison inmates have not been charged with a crime. A 2005

study found that some 40% of inmates at San Pedro Sula prison were arrested and detained as a result of Mano Dura gang laws.<sup>183</sup>

One US commentator has even referred to the youth gangs as “the new urban insurgency”.<sup>184</sup> These are dangerous words in a region known for brutal repression of insurgents, in a world where the lines between organised crime and terrorism is becoming increasingly blurred. In countries like Brazil, street gang members are increasingly being treated as terrorists and the military deployed against them. There are serious implications for democracy when citizens are treated like enemy combatants and neighbourhoods like hostile territory.

The truth is that gang members are simply the most violent sector (marginalised urban males between the ages of 15 and 24) of very violent societies. Cracking down on this demographic will not address the root causes of violence in these countries. Violence occurs not only on the streets but in the home. While data on private violence are much harder to come by, those that do exist highlight that the roots of Central America’s murder rates run deeper than the tattooed kids on the corner.

## 2.4 Violence against women and children

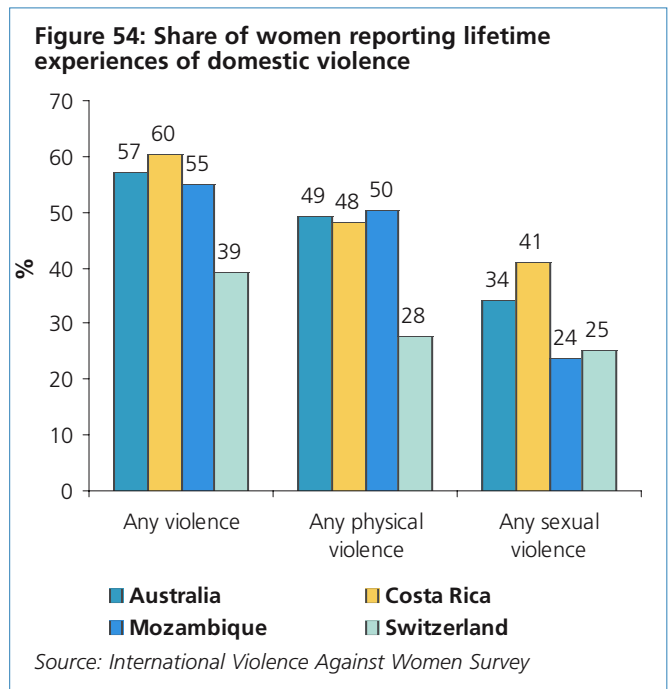
The generalised violence in Central America is highlighted in the levels of violence against women and children, violence usually occurring outside a gang context. High murder rates are reflective of high rates of violence against women and children. While universally most murder victims are male, several countries in the region show a high share of female victims, unusual in countries with such high general murder rates. Among the 44 cases of murder of young people monitored by Casa Alianza in Honduras in 2006, 40% of the children under 18 and 10% of those aged 18-22 were female.<sup>185</sup> None of these cases were attributed to mara violence.

The level of non-lethal domestic violence in a society is not captured by the crime statistics. Estimates vary on the share of domestic violence incidents reported to the police, and this share is highly dependent on the way the crime is viewed in the local context. Even where reporting rates are high, these crimes are generally recorded as assaults, indistinguishable from bar room brawls and other forms of non-lethal violence. Few countries report the relationship between victims and perpetrators, or even the genders of the parties.

Even survey work is limited in its ability to capture the real incidence of violence in the home. Victims may be hesitant to mention abuse in the presence of the perpetrator, and general household surveys rarely allow sufficient privacy to probe the issue. Depending on the cultural context, respondents may be ashamed of their victimisation or may not consider the act to be a crime at all. Finally, there have been few studies that have made use of standardised instruments and methodologies to get a sense of what level of domestic violence is “normal” and what should be considered egregious. As survey work is often done by those seeking to advance the cause of women, lifetime victimisation rates and broad definitions of abuse are often used to highlight the extent of the problem. These definitions vary between studies, however, complicating cross-country comparison.

One exception is the International Violence Against Women Survey, which has been conducted in a number of countries in recent years, including Costa Rica. Comparable data from four countries indicate that, of the four, Costa Rican women experienced the highest lifetime levels of overall domestic violence and the highest levels of sexual violence. More than 9% reported being raped by their husbands.

Unfortunately, Costa Rica is the only country in the region that has participated in this project. The police statistics on rapes and assaults are of very little worth as indicators of the real crime situation. It is likely that rape and domestic violence are highly under-reported in Central America. Central American societies remain patriarchal. In the 2004 Latinobarometro poll, countries in this region (along with the Dominican Republic) distinguished themselves as the only ones in Latin America

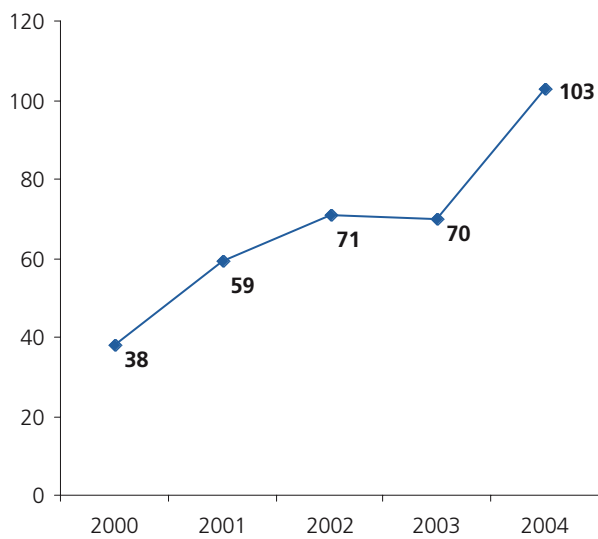




where more than half those polled felt women should concentrate on the home while men should concentrate on work.<sup>186</sup> Only in Costa Rica and Panama was this a minority view, and some two thirds of respondents in Honduras and Guatemala held this belief. A study of almost 5000 fathers was conducted recently in Costa Rica, El Salvador, Honduras and Nicaragua. The majority of these (51%) were classed as 'traditional' men, who believe in that the father is the hierarchical head of the family and should act as a provider and disciplinarian.<sup>187</sup>

Nicaragua has been host to a series of surveys that suggested some of the highest levels of domestic violence encountered anywhere in the world, with two studies from the 1990s showing over a fifth of the women encountering severe physical abuse. A quarter of rural men in one survey said it was alright to beat a woman if she neglects the children or the house, and 10% thought it acceptable for refusal of sex. Only 17% of victims in one study told the police about the offence.<sup>188</sup>

**Figure 55: Strangulations in Guatemala**



Source: Policía Nacional Civil de Guatemala

Guatemala is frequently singled out as a country where it is especially dangerous to be a woman, and femicide in the country was the subject of a 2005 Amnesty International report.<sup>189</sup> Female homicide victims are often tortured and mutilated, as they were during the counterinsurgency campaign. Rape was also used as a tool of psychological warfare in counter-insurgency operations, and abuses still continue. The share of women among murder victims appears to be increasing: in 2002 women accounted for 4.5% of all murder victims. In 2003, it was 11.5% and in 2004 it was 12.1%.<sup>190</sup> Strangulations, the victims of which are usually female, have risen dramatically in the past five years.

Societies where women are victimised often have high rates of child abuse as well. In a number of Central American countries, children may be forced into work situations where their health and safety are in jeopardy. Child labour has been documented in commercial operations in a number of countries. In El Salvador, for example, large numbers of children are employed in the sugar cane industry, which is regarded as one of the most hazardous forms of agricultural work. According to Human Rights Watch:

*Up to one-third of the workers on El Salvador's sugarcane plantations are children under the age of 18, many of whom began to work in the fields between the ages of eight and 13. The International Labor Organization estimates that at least 5,000 and as many as 30,000 children under age 18 work on Salvadoran sugar plantations.*<sup>191</sup>

Child labour is also common in Honduras. In their national household survey, nearly a quarter of the 13 to 15 year olds and 42% of the 16 to 18 year olds reported working.<sup>192</sup> In Guatemala, according to the ILO, 16% of 10-14 year-olds were working in 2003.<sup>193</sup> Girl domestic workers, in particular, may be subject to sexual exploitation by their employers:

*Rapid assessment research in El Salvador found that 66% of girls in domestic service reported having been physically or psychologically abused, many of them sexually, and that the threat of sexual advances from employers was ever present.*<sup>194</sup>

The Organisation of American States has done work on human trafficking in Central America. Most of the trafficking in Central America occurs within the region, from poorer countries to richer countries. According to the OAS, "Heightened immigration requirements in Costa Rica and Mexico have essentially boxed in the trafficking phenomena from Nicaragua to Guatemala." However, the OAS notes, "In contrast to the other five countries in the region, Costa Rica, the Dominican Republic and Panama have been implicated in extra-regional trafficking to a greater degree."<sup>195</sup> Nicaragua is singled out as being a source on child prostitutes, trafficked internally and to other parts of Central America. The Inter-American Commission of Women quotes the Guatemalan police in estimating that 2000 children are sexually exploited in 600 brothels in Guatemala City alone.<sup>196</sup>

According to the US Department of State, Belize experiences both sex and labour trafficking, with young

women being imported from Central America and agricultural workers from as far as China and India. Despite prosecuting 18 trafficking cases in 2004, the country was not seen to have increased its efforts to provide victim protection and prosecute trafficking-related corruption, and so was placed on the Watch List for the second year in a row in 2005.

Children are also subject to more direct forms of violence, of course. A 2001 investigation of child sexual exploitation by Casa Alianza documented a variety of abuses in Costa Rica (Cental Limon, Sixaola, and San Jose), El Salvador, Guatemala, Honduras (Comayagua, Puerto Cortés, San Pedro Sula, La Ceiba, El Progreso, and Tegucigalpa), and Nicaragua (Managua, Granada, and Somotillo). The United States government claims that over 1000 cases of child sexual exploitation were documented in Honduras in 2004, many involving the use of rural children brought to tourist areas along the coast. Nicaragua is also said to be a source country of child prostitutes.<sup>197</sup> Casa Alianza reports that two children are killed every day in Guatemala.<sup>198</sup> There have been repeated claims that death squads target street children in Honduras, in a practice similar to that seen in Brazil.

### 2.5 Firearms trafficking

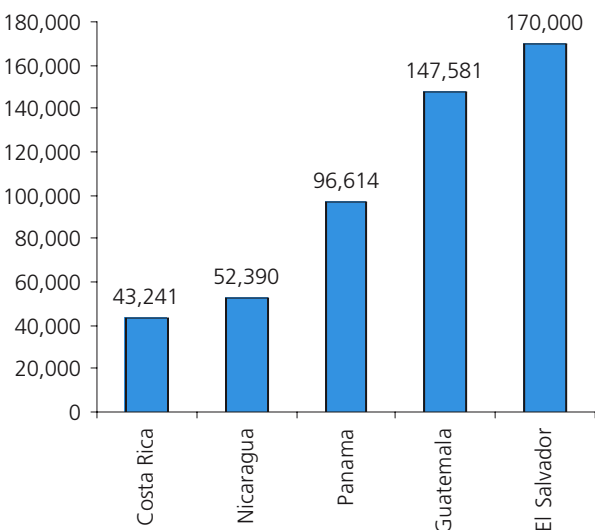
Drug trafficking and arms trafficking are associated everywhere, and Central America is no exception. Due to the lack of coordinated record keeping, there is no easy way to estimate the number of small arms in a region. There are sharp disagreements on the number of small arms circulating in Central America, with figures of up to three million cited. According to the International Action Network on Small Arms:

*There are an estimated 1.6 million guns in Central America, of which about 500,000 are legally registered. Many of these weapons are remainders from military conflicts in the region in the 1970s and 80s, most notably in El Salvador, Guatemala and Nicaragua. After these conflicts ceased thousands of military weapons ended up on the illicit market in those nations. From there they have begun to flow into countries with less history of widespread armed violence, such as Costa Rica, Honduras and Panama ... Firearms are used to commit more than 70% of all homicides in El Salvador, Guatemala and Honduras.*<sup>199</sup>

The Small Arms Survey essentially confirmed this overall estimate, placing the figure at 1.5 million in 2002. It also confirmed that about half a million were registered firearms in civilian hands. But the remainder were not all illicit weapons: about 800,000 were unregistered firearms in civilian hands, about 150,000 were issued to the police and military, and about 90,000 to private security.<sup>200</sup> The Figure shows the distribution of the half a million registered firearms in the region in 2000.

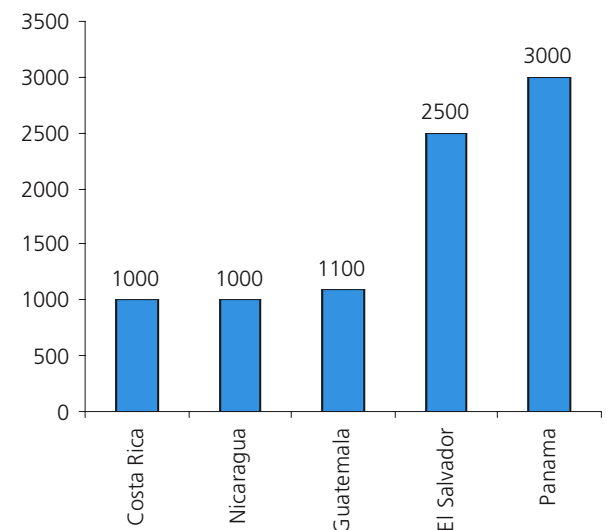
Looking at this as the number of guns per 100,000 citizens, Panama actually emerges as the leader in terms of legal firearm coverage, which, if distributed evenly, would allow 3% of the total population to have a legally

**Figure 56: Legally registered firearms in Central America in 2000**



Source: Small Arms Survey and IANSA<sup>201</sup>

**Figure 57: Legally registered firearms in Central America per 100,000 population in 2000**



Source: Small Arms Survey and IANSA<sup>203</sup>

registered gun. But a recent study in El Salvador has estimated that there are actually 450,000 small arms in the country – enough for one out of every four people to be armed. If correct, upwards of 60% of those circulating are illegally held. The study, which included a survey element, also found that over 40% of the population either admit owning or say they would like to own firearms, including 54% of the men interviewed.<sup>202</sup>

If these estimates are correct, somewhere between half and two thirds of the firearms present in Central America are illegal weapons. While not all these guns are necessarily used for criminal purposes, they do outnumber those held by the official security structures by a factor of five.

Many of the military weapons in Central America were transferred in aid during the Cold War conflicts. The US government sent over 30,000 assault rifles and 260,000 grenades to El Salvador during the civil war of the 1980s, and the UN observer mission at the end of the war saw the surrender of only 10,000 weapons. In addition, during the mid-1990s, El Salvador, a country of less than seven million people, was the seventh most important export market for US handguns.<sup>204</sup>

In 2002, the Guatemalan government reported that there were over 180,000 registered weapons in the country, and the UN Mission in Guatemala (MINUGUA) has estimated that there are an additional 1.8 million illegal firearms in circulation. The disarmament of the guerrilla units under MINUGUA following the end of the civil war in 1996 saw the surrender of only 1,500 guns. In the past, the parastatal Industrias Militares de Guatemala produced assault rifles, but at present it only manufactures ammunition for the police and military. However, there is evidence that this ammunition has been used in bank robberies, suggesting diversion from official use to criminal activity.<sup>205</sup>

Nicaragua, despite being the poorest country in Central America, is also one of the safest. One reason for this may be the success of its arms reduction programmes. Over 100,000 firearms were destroyed in that country following the cessation of hostilities. In contrast, in Honduras, which did not experience civil war, the Military Pension Institute has a monopoly on firearms retailing in the country, and high ranking military officers have been implicated in several arms trafficking scandals in the past.<sup>206</sup>

Governments in the region have begun to see the connection between firearms availability and violence. For example, in 2006, Salvadoran police in San Martín focused on firearms enforcement and saw a 35% reduction in monthly homicide rates over the previous year.<sup>207</sup> This success prompted the *Comisión de Seguridad Ciudadana y Paz Social*, a civilian committee established by the government to deal with the violence problem, to recommend the disarming of the 20 most violent communities in the country.

## 2.6 Kidnapping

In theory, kidnapping for ransom could be a source of income for criminal groups in any part of the world where income inequality is stark. But, for reasons that require further research, it is not a crime that is evenly distributed in high crime nations around the globe. Some very troubled areas never see many kidnappings, while in others, the problem is rife. Kidnapping also seems to occur in rushes, acquiring a momentum of its own when crime groups realise its utility. As a result, a kidnapping problem can emerge very rapidly in areas where it was not seen before. For some reason, it appears to be more common in areas of civil conflict that are also affected by the drug trade, such as the country best known for its kidnapping problem, Colombia.

The official statistics on kidnapping are not reflective of the extent of a kidnapping problem in a country. There are several reasons for this. Definitions of kidnapping vary greatly, from the very specific offence of abducting a child for the purpose of extorting money out of parents to more generic laws proscribing moving people against their will. Kidnapping laws often do not distinguish between the unlawful removal of a person for non-financial motives (such as often occurs during a custody dispute over a child) and organised kidnapping for ransom. In some jurisdictions, kidnapping is often a supplemental charge brought in to strengthen a case that was really about something else, such as cases of abduction for the purposes of sexual assault. Many kidnappings go unreported to the police, as this is often a demand made by the kidnappers as a condition for the safe return of the person. In fact, it is precisely in countries where kidnappings are common that reporting often declines, as professional negotiators enter the picture and supplant the role of official law enforcement. As a result, some of the highest recorded kidnapping rates in the world occur in countries not commonly associated with kidnapping.

This is easily demonstrated by comparing the kidnapping rates as captured by the UNODC Crime Trends Surveys (CTS). Colombia is generally recognised as the country with the worst kidnapping for ransom sit-

uation in the world, but its rate pales next to Canada, where the crime is clearly highly reported. Rates from Central America are lower still, but this really does not prove much about the underlying situation in those countries. There are other sources, such as the Economist Intelligence Unit, that evaluate kidnapping risk for those considering investing in the country. Despite El Salvador’s low official rate, the Economist Intelligence Unit notes:

*Kidnapping is common in El Salvador. Nationals are targeted indiscriminately, and kidnapping and extortion are becoming increasingly common in working-class neighbourhoods, towns, and rural areas. However, foreigners are, thus far, rarely targeted for kidnapping. Policemen and security guards are at times involved in identifying potential targets for organised crime syndicates.*<sup>208</sup>

In Guatemala, the Economist Intelligence Unit notes, “‘Express’ kidnappings are the favoured tactic of organised crime groups: a victim is kidnapped for a relatively small ransom and is swiftly released once payment is made.’ This suggests that, as in El Salvador, people from all walks of life are subject to this extortion. In contrast, in Honduras, in contrast, they say, “‘The main industrial town, San Pedro Sula, is regarded as the kidnap capital of Central America. Kidnap victims tend to be wealthy local or foreign industrialists.’”<sup>209</sup>

### 2.7 Money laundering

Money laundering is another elusive organised crime activity, but one on which considerable progress has been made since 11 September 2001, due to measures to block terrorist financing. Central America receives massive remittances, and while most of these inflows are doubtless the product of immigrant industry, some of these proceeds may be the product of crime. In 2003, Latin America and the Caribbean received 30% of global remittance flows, the highest share of all regions, with absolute numbers well over US\$ 42 billion today.<sup>210</sup> In four countries, remittances amount to more than 10% of Gross Domestic Product (Figure).<sup>211</sup>

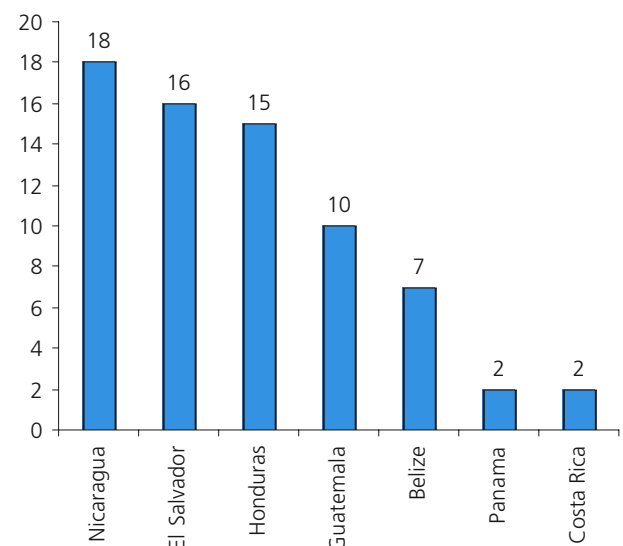
Due to their economic importance and growing volumes, remittances are a difficult financial flow to regulate and monitor. Remittances finance about 80% of El Salvador’s trade deficit, are equivalent to 16% of GDP, and 23% of Salvadoran households receive them. They have been growing at about 15% per year in the past few years.<sup>212</sup> In Guatemala, remittances stood at US\$2.456bn in the period January to October 2005, a year-on-year increase of almost 18%.<sup>213</sup>

Currency from the United States is smuggled in bulk through Mexico and Central America. In October 2005, US\$5.7 million were seized in Panama.<sup>214</sup> Both Panama and El Salvador have dollarised their economies, and the use of the dollar in Panama is one key reason the country is so attractive as a money laundering centre.<sup>215</sup> Panama’s Colon Free Zone (ZLC), the second largest free trade zone in the world, after Hong Kong, is situated at the Atlantic entrance to the Panama Canal, and the Free Zone allows import and re-export of goods duty free. Over US\$12 billion of goods are imported and re-exported every year. The Free Zone forms an integral part of the Colombian Black Market Peso Exchange, a system that sprung up after the Colombian government banned the use of the U.S. dollar, creating a black market for the currency readily supplied by drug sales proceeds in the U.S. This mechanism was described in the latest IMF Financial Sector Assessment Programme report as a:

*... trade-based laundering mechanism ... where illicit dollars in cash are sold at a discounted exchange rate to Latin-American importers who then use them to purchase goods in the ZLC. ZLC merchants can be willingly or unwillingly used to receive that cash and deposit it in their bank accounts as legitimate proceeds from real sales.*<sup>216</sup>

Some Central American countries have been listed and de-listed by the Financial Action Task Force or the US authorities. The US State Department actually produces three lists, indicating different levels of concern, and relatively unaffected countries are not listed at all. Over time, various countries in Central

Figure 58: Remittances as a share of GDP in 2004



Source: ECLAC, Panorama social de América Latina 2005

**Table 5: Shifts in money laundering rankings by US State Department**

Country	Action	Year
Nicaragua	Upgraded	2000
Costa Rica	Upgraded	2002
Belize	Upgraded	2005
Guatemala	Upgraded	2006

Source: INCSR 1999-2006

America have moved from one list to another, and these changes are indicated in the Table below. If these changes are initiated in response to real shifts in the financial flows, then it appears that flows through this region are dynamic.

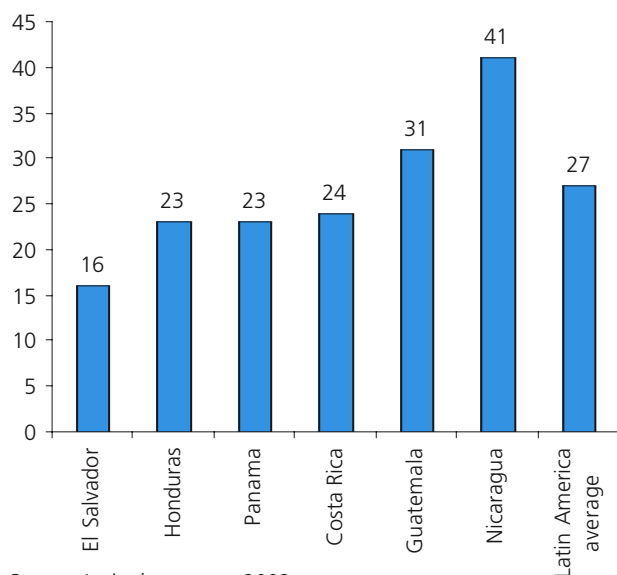
While the two lists assess different things, it is interesting that Belize and Costa Rica, at one time countries of primary concern to the United States, were never listed by the FATF, while it does not appear that Guatemala was a country of primary concern to the US State Department until 2006.

### 2.8 Corruption

As discussed above, corruption can be a particular challenge for small states and for states with a history of conflict or authoritarian government. Corruption can occur at all levels of government, from the petty corruption of public functionaries requiring a payment to fulfil (or withhold) the performance of their duties, to the grand corruption of high level procurement fraud and embezzlement of state funds. Drugs are a key driver of corruption in transit areas, starting among border and law enforcement officials but potentially reaching even the highest reaches of government.

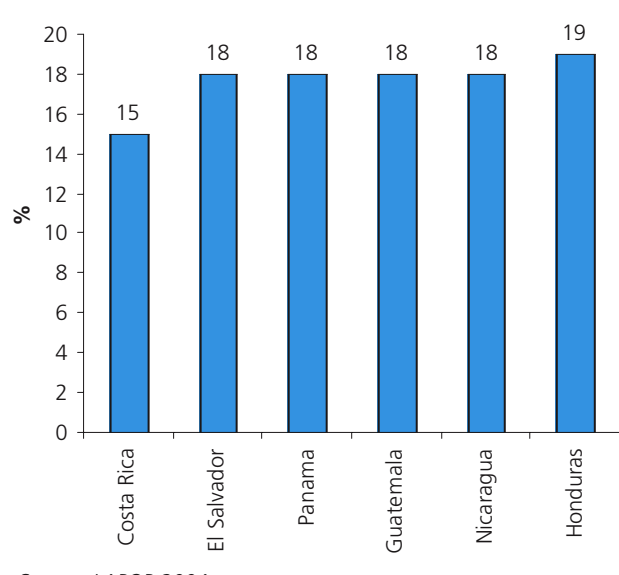
As with other forms of organised crime, detection of this activity can be difficult, and enforcement is generally reliant on the pro-active work of the authorities. As a result, crime statistics are of little value, and most of the internationally comparable data on corruption comes from surveys of victims and opinion surveys. Unfortunately, these surveys are not standardised and produce data that is often contradictory in ways that are difficult to explain. Three large international surveys ask questions about corruption in the region: the Latinobarometro, Transparency International’s Global Corruption Barometer, and the Latin American Public Opinion Project (LAPOP.)

**Figure 59: Share of respondents who experienced corruption in the past 12 months**



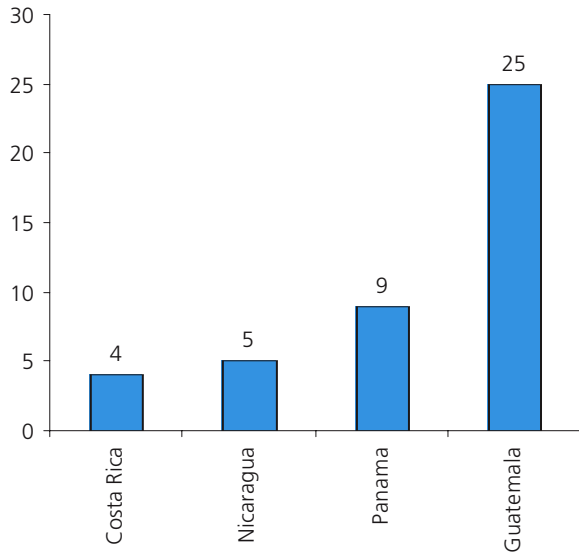
Source: Latinobarometro 2002

**Figure 60: Share of respondents who experienced corruption in the past 12 months**



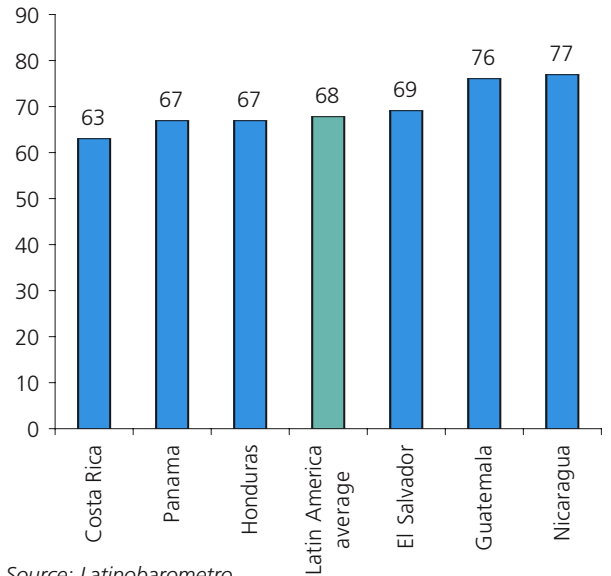
Source: LAPOP 2004

**Figure 61: Share of respondents who paid a bribe in the last 12 months**



Source: Transparency International Corruption Barometer

**Figure 62: Proportion of civil servants perceived to be corrupt**

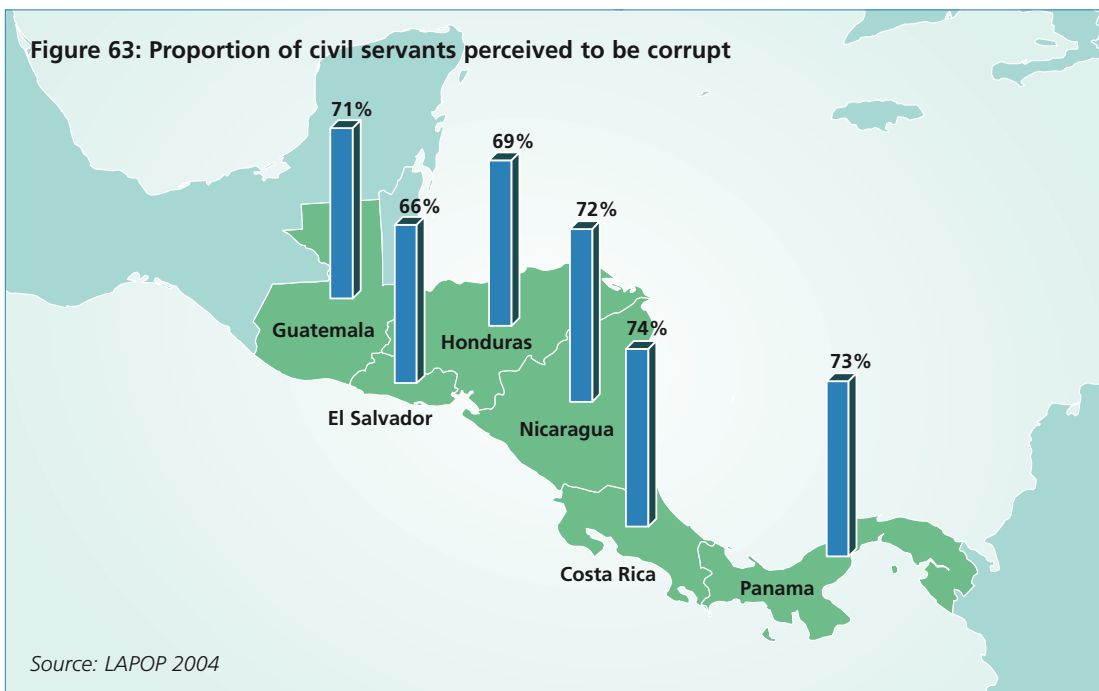


Source: Latinobarometro

The Latinobarometro survey is an annual poll of about 1000 respondents in each of 17 Latin American countries, including the countries of Central America, covering a range of social issues. In the 2002 poll, corruption was regarded as the second most important problem confronting the region, after unemployment. Respondents were also asked whether they or anyone in their family had experienced corruption in the past 12 months. Nicaragua returned the third highest rate in Latin America, after Brazil (61%) and Mexico (59%). In contrast, El Salvador reported the second lowest rate of the 17 Latin American countries polled, after Uruguay (13%). Victimization rates in El Salvador were less than half those of Nicaragua.

The Latin American Public Opinion Project (LAPOP) also asks questions about experiences of corruption. Unlike the Latinobarometro report, the levels of victimisation were surprisingly uniform and markedly lower, with between 15% and 19% of survey respondents saying they had experienced corruption in the previous year. One reason for the lower victimisation levels found is that the Latinobarometro asks about experiences of family members, whereas the LAPOP study asks only about the respondent's experience. Still,

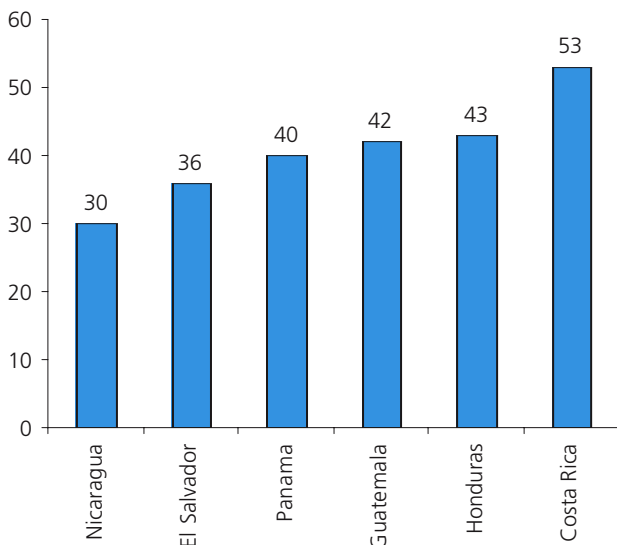
**Figure 63: Proportion of civil servants perceived to be corrupt**



Source: LAPOP 2004



**Figure 64: Share of respondents who say corruption will never be solved**



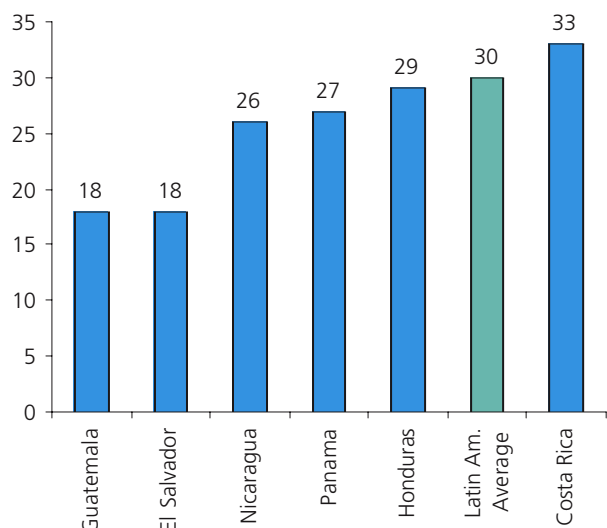
Source: Latinobarometro 2004

levels of perceived corruption in the Latinobarometro and the highest in the LAPOP findings. The values of the two studies do seem to be fairly consistent, however, with the all of the countries falling in the 60s to 70s.

In the 2004 Latinobarometro, respondents were asked whether they thought the corruption problem would ever be solved. In contrast to their finding that Costa Ricans ranked lowest in the share of their civil service believed to be corrupt and Nicaragua the highest, Costa Ricans were decidedly more cynical, and Nicaraguans more optimistic, than average. The positive outlook of Nicaraguans also contrasts with the findings of the 2005 Global Corruption Barometer, in which Nicaragua distinguishes itself as one of the most pessimistic nations in the world with regard to corruption, with 70% saying they thought it would increase over the next three years.<sup>218</sup>

There also appears to be a difference opinion between the LAPOP and the Latinobarometro as to which nations are the most cynical about corruption reform. In the LAPOP poll, 33% of Costa Ricans felt that progress had been made in fighting corruption in 2004-5, whereas the Latinobarometro indicates that over half feel that the problem will never be solved.

**Figure 65: Respondents feeling there has been much progress in fighting corruption 2004-2005**



Source: LAPOP 2004

Nicaraguan and Salvadoran respondents reported victimisation at exactly the same levels, in sharp contrast to the Latinobarometro.

While differently worded, a similar question was asked in the 2005 Transparency International Global Corruption Barometer poll: “In the past 12 months, have you or anyone living in your household paid a bribe in any form?” Here, the ranking differs quite markedly from the Latinobarometro. Only 5% of Nicaraguans polled said they paid a bribe, compared to 25% of Guatemalans (compared to a global average of 9%).<sup>217</sup> It is difficult to explain this radical difference.

In the Latinobarometro, respondents were also asked what proportion of civil servants they felt to be corrupt. All the countries in this region felt the majority of civil servants in their countries were corrupt, with the highest share, again, being seen in Nicaragua. Costa Ricans were the most positive about the state of corruption in their civil service.

The LAPOP study also asks about perceptions of the share of public officials believed to be corrupt. Again, figures differ sharply with the Latinobarometro findings: Costa Rica has the lowest

In short, these three surveys give conflicting accounts of the relative degrees of corruption in Latin America. This is not to say that any of them are incorrect, but it would be quite difficult to determine how subtle differences in the way questions were phrased could produce such different responses.

Aside from these general opinion questions, surveys can produce some interesting information on the nature of local corruption, like the areas of government where corruption is most frequently found. For example, the LAPOP study found that it is in education that requests for bribes were most common, with an average of 11% of those seeking education encountering this problem, followed closely by those seeking municipal services. Over 9% of those encountering the courts also encountered requests for bribes.<sup>219</sup> Similarly, according to Transparency International’s Global Corruption Barometer, political parties are seen as the most corrupt institution in the region, with Costa Rica, Guatemala, Panama, and Nicaragua all ranking them first among local institutions.<sup>220</sup>





## 3. How crime is impeding development

Part I discussed some of the reasons that Central America is especially vulnerable to crime, and Part II confirmed that crime is indeed a serious problem in the region. Part III now looks at how crime may be impeding the social, economic, and political development of the region.

- *Crime destroys social and human capital:* Crime degrades quality of life and can force skilled workers overseas; the costs of victimisation, as well as fear of crime, interfere with the development of those who remain. Crime impedes access to possible employment and educational opportunities, and it discourages the accumulation of assets.
- *Crime is bad for business:* Investors see crime as sign of social instability, and crime drives up the cost of doing business. Corruption is even more damaging, perhaps the single greatest obstacle to development. Tourism, a key industry in Central America, is especially sensitive to crime.
- *Crime undermines governance:* Crime and corruption destroy the trust relationship between the people and the state, undermining democracy. Aside from direct losses of national funds due to corruption, crime can erode the tax base as the rich bribe tax officials and the poor recede into the shadow economy. Corruption diverts resources into graft-rich public works projects, at a cost to education and health services.

This series of impacts are key in explaining the troubles experienced in the region in terms of economic growth and confidence in democracy.

### 3.1 The impact of crime on society

The most profound impacts of crime are personal. Becoming a victim to crime can change people's lives forever. Coping with the emotional and practical costs of victimisation can be extremely burdensome in developing countries, where access to health and social services is limited. The effects of a single incident of victimisation can ripple outward through households to affect whole communities. Fear of crime can paralyse development at the grass roots. If development is the process of building societies that work, crime acts as a kind of 'anti-development', destroying the trust relations on which society is based.

To again adopt the language of development economics, crime erodes social and human capital. The World Bank defines "social capital" as "the norms and networks that enable collective action."<sup>221</sup> World Bank research suggests that social capital is essential for development<sup>222</sup> and that crime can destroy social capital.<sup>223</sup> In Latin America and the Caribbean, one analysis found that the "net accumulation of human capital" had been cut in half in the past 15 years because of crime and violence.<sup>224</sup>

Fear of crime restricts mobility, which interferes with social and economic interaction, as well as education. Even more concretely, crime may prevent the installation or maintenance of infrastructure, as criminal groups depend on the disempowerment of local communities. At its most extreme, social relations break down altogether, as people minimise their exposure to possible victimisation.

#### The human costs of violent crime

Violent crime can have a disproportionately large impact in developing countries. Death and disability can rob households of their only breadwinners, and government supports are necessarily limited. In 2004, the World Health Organisation released a report on the economic effects of interpersonal violence which sought

to document and quantify the economic impact that exposure to violence has on individuals as well as the impact of violence on the rest of the economy.<sup>225</sup> Based on an extensive review of the literature dealing with the costs of violence, the report argued that there were a number of ways in which the experience of violent crime resulted in a victim's incurring direct and indirect financial losses. These costs include the loss of productivity associated with death or injury, the costs of medical care and legal services, as well as the non-monetary losses such as the lost investment in human capital, and the impact of the psychological harm inflicted on the victim.<sup>226</sup>

Placing a dollar value on the cost of violent crime is extremely problematic, not the least because any attempt to do will have to factor in lost earnings, and this will have the unfortunate consequence of placing a lower value on life in the developing world. On the contrary, loss or disablement of a breadwinner can have far greater impact in developing countries than in the developed world. For one thing, more people are affected: given the shape of the age curve and the level of unemployment, dependency ratios are substantially higher.

The impact of physical injury is obviously greater for those who rely on physical labour to make a living, such as the many agricultural workers in Central America. And the same injury can have very different long-term consequences when experienced in a developing country than in a developed one, due to the accessibility of medical services. Thus, injuries that might mean a few days off work in developed countries can end a career in poorer areas, or even be life-threatening.

The cumulative impact of this trauma also has implications for the state. For example, extrapolating from one study of 100 patients admitted to a public hospital with firearm wounds in El Salvador, an estimated 2580 people were treated in El Salvador hospitals during 2003. Of these 2400 were treated in public hospitals at a cost to the state of 7.4 million USD, just over 7% of the health budget. The authors further estimate that the total cost of firearms violence to El Salvador to be US\$34 million.<sup>227</sup> Other studies place the total cost of violence to El Salvador at 11.5% of GDP, or US\$1.7 billion.<sup>228</sup> A recent study by UNDP in Guatemala estimated violence cost the country 7.3% of GDP, or \$US2.4 billion.<sup>229</sup>

Between 1996 and 1997, the Inter-American Development Bank sponsored studies on the magnitude and economic impact of violence in six Latin American countries. Each study examined expenditures, as a result of violence, for health care services, law enforcement and judicial services, as well as intangible losses and losses from the transfer of assets. Expressed as a percentage of the gross domestic product (GDP) in 1997, the cost of health care expenditures arising from violence was 4.3% in El Salvador, the second highest rate in the region (after Colombia at 5%).<sup>230</sup> Londoño and Guerrero argued that in 1997, the costs were much higher, with the costs in El Salvador (24.9% of GDP) narrowly edging out Colombia (24.7% of GDP) for the top spot among seven Latin American countries.<sup>231</sup>

While the direct impact of crime on poor victims is great, the indirect effects of crime have a far wider reach. Victimization or fear of victimisation can cause people to withdraw from social interaction in order to limit their exposure. This manifests itself in some very concrete ways. There are many opportunity costs involved in living a life designed around avoiding criminal vulnerability. Some people simply refuse to go out at night, or to make use of public transport, which may limit access to productive and educational activities. ICVS data show that 46% of Panamanians and 37% of Costa Ricans feel unsafe walking in their area where they live after dark.<sup>232</sup> Given that walking is the only means of transport available to many poor people, this could prevent social and commercial interaction after dark.

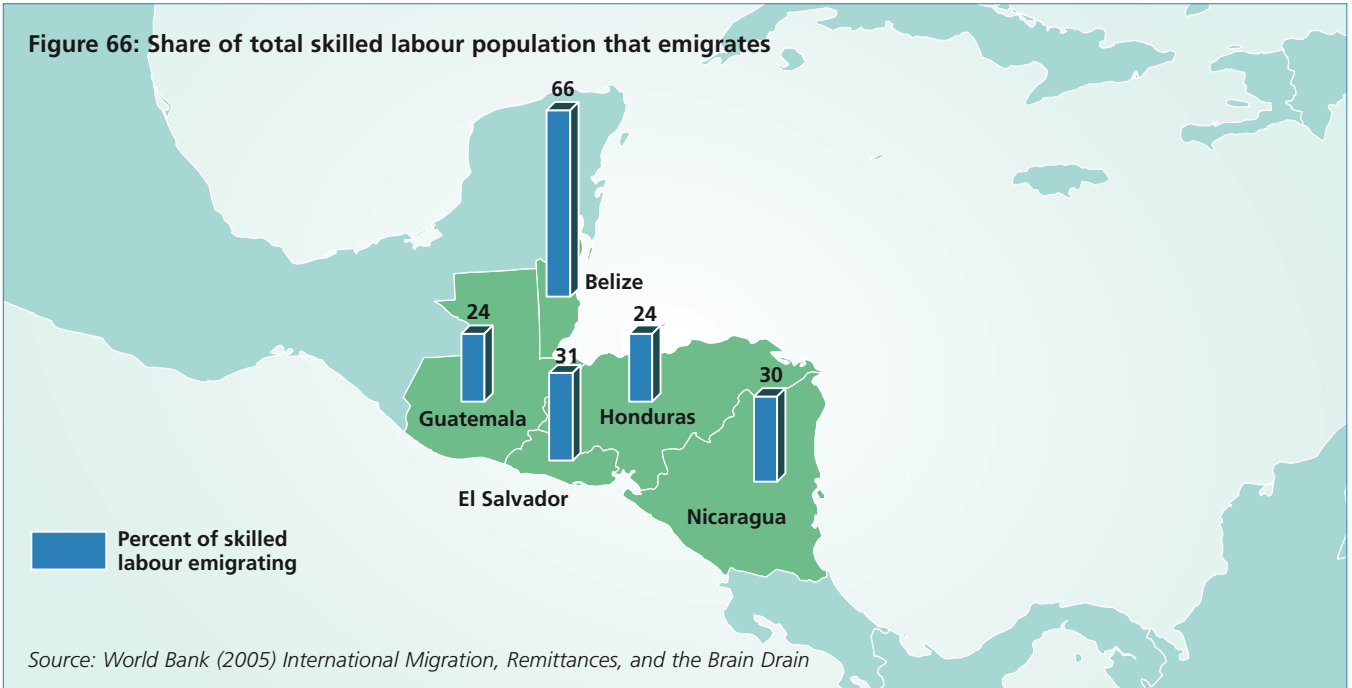
Women, who also have to face the additional threats of sexual violence and harassment, may be more strongly affected than men. Women who are victims of domestic violence earn much less than their non-abused peers, which amounts to an estimated regional wage loss of 1.6% to 2% of GDP.<sup>233</sup>

### Brain drain

Development experts agree that one of the key elements needed for economic development is a skilled workforce, and thus have encouraged developing countries to invest in education. One study found that increasing the average educational level of a country by just one year would increase the output per worker by between 5% and 15%.<sup>234</sup>

This investment is largely lost, however, when the best and the brightest chose to emigrate. Unfortunately, when quality of life declines, those who are able to emigrate do so, and needed skills are the best ticket out. According to the World Bank:

Figure 66: Share of total skilled labour population that emigrates



At the beginning of the 21st century, more than 130 million people live outside the country of their birth, and that number has been rising at about 2% a year... Cross-border migration, combined with the “brain drain” from developing to industrial countries, will be one of the major forces shaping the landscape of the 21st century.<sup>235</sup>

Unfortunately, for a variety of reasons, a large share of the skilled workers in Central America choose to leave their home countries for better prospects in the developed world. According to the World Bank, the share of labour that is deemed “skilled” in Central America is just 11%. The rate of emigration of this skilled labour is 17%. According to the World Bank, “In proportion to the educated labour force in the origin countries, the highest rates [of skilled emigration] are observed in Central America and Africa...”<sup>236</sup>

Immigration rates for people with post-secondary education from virtually all Central American countries exceed 10%.<sup>237</sup>

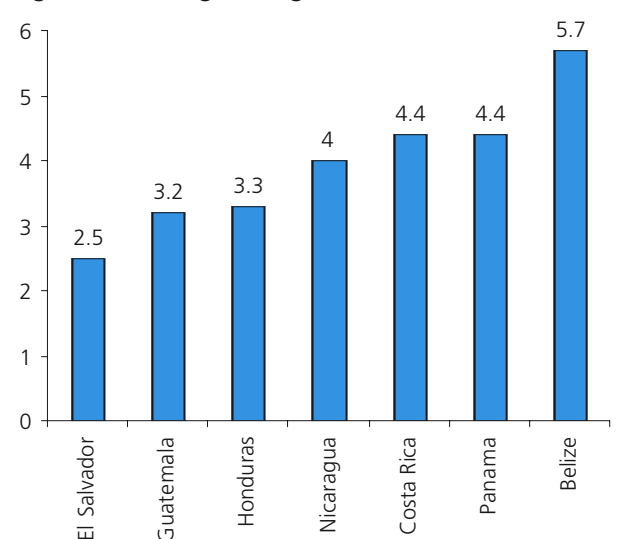
### 3.2 The impact of crime on the economy

*We are committed to building ... economic, labor, and social public policies to contribute to the generation of decent work, which must comprise... [a] legal framework that upholds the rule of law, transparency, and access to justice; reinforces impartiality and independence of judicial institutions; prevents and combats impunity and corruption in both the public and the private spheres; and fights international crime...*<sup>238</sup>

- Organization of American States, ‘Declaration Of Mar Del Plata’, 5 November 2005

When a country is not safe enough to retain its skilled labour, it is generally deemed unsafe for investment, both foreign and domestic. Crime is associated with instability, a stigma small states with shaky political histories can ill-afford to bear. Transnational corporations do not want to invest personnel or infrastructure in an environment in which they may be in jeopardy. Crime also raises the cost of doing business, through direct losses, increased insurance costs, and hazardous-duty pay for expatriate employees. Corruption can pose an independent and

Figure 67: Average GDP growth rates 1996-2005



Source: ECLAC, *Preliminary Overview of the Economies of Latin America and the Caribbean 2005*

equally significant challenge. In the end, those with money, be they foreign or domestic, will find a safer environment in which to invest it.<sup>239</sup>

**Foreign direct and domestic investment**

*In Latin America more than 50 percent of firms surveyed judged crime to be a serious obstacle to conducting business. In Sub-Saharan Africa and East Asia more than 25 percent or more [sic] said the same.*

- World Bank, World Development Report 2005<sup>240</sup>

There are a range of ways that crime and corruption can deter investment, and, fortunately, this relationship has been empirically assessed by the World Bank. For its 2005 World Development Report, the Bank conducted surveys of firms around the world asking about the most significant barriers to conducting business in their countries. A range of issues were discussed, including policy uncertainty, regulations and taxation, finance, electricity, labour, courts, and so forth, as well as crime and corruption. A total of 53 nations were covered, including three in Central America: Guatemala, Honduras, and Nicaragua.

Globally, policy uncertainty, macroeconomic instability, and taxation were considered the top constraints on investment. But in all three Central American countries polled, crime or corruption emerged as the leading problems. Guatemala topped the world in the share of businesses ranking crime as a serious obstacle.

More than 80% of 455 Guatemalan businesses polled said they considered crime to be a major constraint on business, compared to an unweighted global average of 23%. Sixty-one percent of Honduran businesses so reported, the third highest rate reported (after Kenya). Rates in Nicaragua were lower (39%), in keeping with that countries lower crime rates generally.

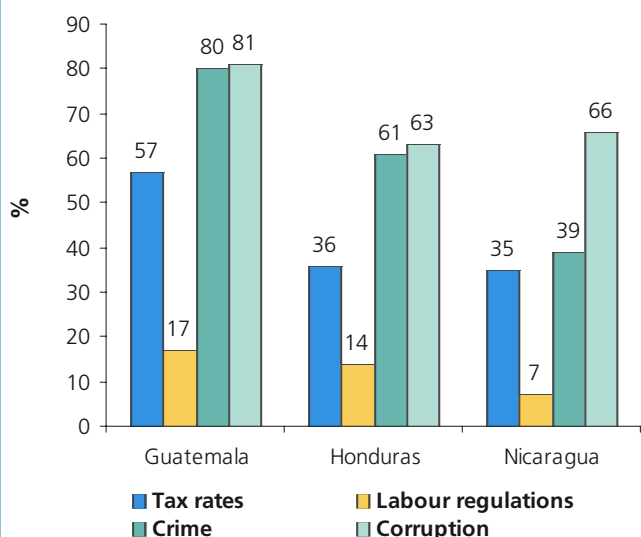
Forty-two percent of Guatemalan businesses polled reported direct losses from crime, compared to an unweighted global average of 25%, placing it fourth of the 53 countries in this regard. The average loss from crime was equal to about 5% of sales. Losses were far less common in Nicaragua (3%) and Honduras (3%), which were actually the lowest rates so reported globally. The losses among Nicaraguan victims, however, were more severe, at 7% of sales, compared to a mere 3% in Honduras.

In Guatemala, over 80% regarded corruption as a major constraint, again the highest rate among the 53 countries polled, outpacing countries often perceived as having higher levels of corruption, such as Bangladesh, Tajikistan, and Nigeria. About 58% of businesses reported paying bribes, with the average bribe equalling over 7% of sales, the second highest loss of any country polled (after Algeria). In Nicaragua, the corresponding figures were 66% regarding corruption as a major constraint (fourth highest rate), 46% paying bribes, and a loss of exactly 7% of sales. In Honduras, the figures were 62% reporting corruption as a constraint (fifth highest rate), 50% paying bribes, and 6% of sales lost. In all three cases, the expense of bribes is especially outstanding in comparison to other areas of the world.

According to the United States State Department, large firms report that security adds as much as 25% to the cost of doing business in Guatemala.<sup>241</sup> According to the World Bank:

*Crime and violence appear to be rising in Guatemala and are a significant tax on firm operations ... The material losses associated with the occurrence of violent acts and its prevention, both in families and businesses, are close to 6.8 percent of GNP and is the highest in the region. As a result, security costs, as a percent of total costs to a firm, is just under 5.5 percent for Guatemalan firms, higher than those reported by firms in Honduras (3.5 percent) and Nicaragua (3 percent) ... Fewer than 6 percent of crimes reported are solved by the police, much less enforced by the courts, in sharp contrast to Nicaragua where roughly 30 percent of these crimes are solved by the police. The econometric analysis shows that criminal attempts affect firms' productivity negatively and significantly. With every new criminal attempt, firms' productivity is reduced between 1.8 percent and 3.2 percent.<sup>242</sup>*

**Figure 68: Share of firms reporting factors to be a 'major constraint' on business**



Source: World Development Report 2005

According to the Foreign Investment Advisory Service:

*There has been a severe deterioration in personal security in Honduras over the past several years. Both Honduran and foreign business representatives are concerned about the increase of robberies, both of companies and private homes, and the frequency of kidnapping for ransom and other acts of violence. Among the many deleterious effects, the apparent increase in crime can deter foreign investment.*<sup>243</sup>

The Report goes on to report Honduran businesses' general assessment of constraints to their operation and growth:

*The first leading constraint is inflation/price instability followed closely by exchange rate instability. The third leading constraint is street crime, theft and disorder.*

The head of the Salvadoran Asociación Nacional de la Empresa Privada (Anep), Federico Colorado, has called crime “a stone in the shoe of development,” and President Saca, himself formerly head of Anep, says this is the driving force behind his work against the maras.<sup>244</sup>

Given these considerations, it is remarkable that foreign direct investment (FDI) is as good as it is in the region. Net FDI to Central America increased from an average of US\$634 million between 1990 and 1995 to over US\$2 billion in 2004. The difference between the first half of the 1990s and the second half is clear for every country, in keeping with the establishment of greater stability in the region. Individual countries, however, proved highly volatile, especially Panama and El Salvador, and Guatemala showed a sharp drop in investor confidence after 2001.

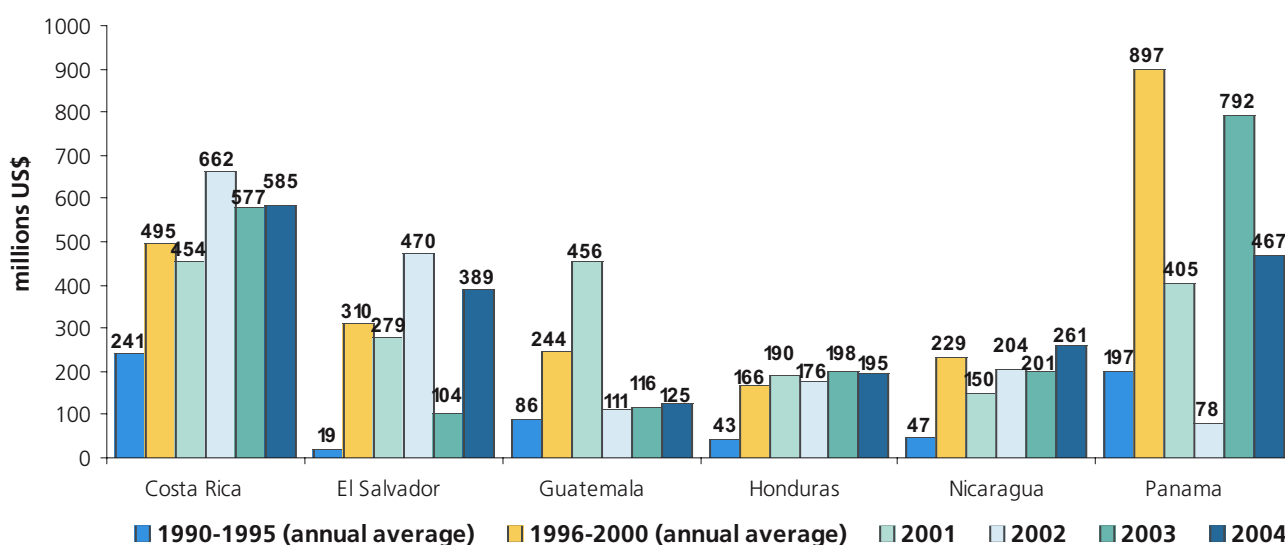
Detailed information on the national source of investment is available for a limited number of countries in the region. Perhaps not surprisingly, the United States is the largest investor in Costa Rica (57% of all FDI in 2003), and El Salvador (36% in 2003). But Venezuela is also important in El Salvador (12% in 2003).<sup>245</sup> The bulk of the investment in Costa Rica is in manufacturing (64% in 2003), while services attract the most in El Salvador (70% in 2003).<sup>246</sup>

**Tourism**

*For those small states in which the services sector constitutes a principal engine of growth, the impact of crime, both national and transnational, and the possibility of being seen as “soft targets” for international terrorism, present serious impediments to growth and even to maintaining the sector at its current level.*<sup>247</sup>

- Julian R. Hunte, President-Elect, 58th Session of the United Nations General Assembly

**Figure 69: Net FDI to Central American countries 1990-2004**



Source: UN Economic Council for Latin America and the Caribbean, Foreign Investment 2004



Tourism is the world's number one export earner, and the second largest source of income, after remittances, for both Guatemala and El Salvador. In Panama, it is second only to revenues from the Panama canal.<sup>248</sup> In Belize, the tourism economy is responsible for 22% of GDP and 22% of total employment.<sup>249</sup> In Costa Rica, the shares are 16% and 17%.<sup>250</sup> The tourism sector in Costa Rica grew by 11.2% between 2002 and 2005.<sup>251</sup> According to Sara Sanchez, Panama's tourism minister, "Tourism is the passport to peace." Honduras expects to receive over a million tourists in 2005, worth an estimated US\$440 million.<sup>252</sup>

Of course, crime is antithetical to the tourism industry. To understand the impact crime and violence can have on the public image of countries in this region, the official traveller's advisories issued, for example, by the United Kingdom Foreign and Commonwealth Office, are instructive. Guatemala gives a prime example:

*Violent crime is a major problem throughout Guatemala. Serious attacks on tourists, including murder and rape, have taken place. Armed robbery of tourists and muggings can happen anywhere in the country. It is extremely important not to resist if being robbed. You are advised not to wear jewellery and to carry minimal amounts of cash. ... tourists are targeted by criminals ... Hold-ups by armed gangs, often accompanied by physical and/or sexual violence, occur frequently on citywide public transport as well as on long-distance routes. There have been attacks on cars and buses (including tourist buses) during daylight hours on well-used, main roads. These attacks have included the rape of female passengers ... You should be wary of persons presenting themselves as police officers. There have been instances of visitors becoming victims of theft, extortion or sexual assault by persons who may or may not be police officers.*

Although the effect would be difficult to measure, statements like these from the national governments of tourism source countries surely have a negative impact on tourism flows.

### 3.3 The impact of crime on governance

Perhaps the most profound effect of crime is the way it undermines the relationship between citizens and their government. The most basic obligation of the state is to ensure the security of its citizenry. When the state fails to fulfil this essential function, or, indeed, is seen to be complicit in the criminality, then many citizens cease to take democracy seriously. As one U.S. official put it, "High crime levels, present in many nations of the hemisphere, dampen voters' enthusiasm for democratic rule."<sup>253</sup> Citizens demand extreme measures be taken by the government, while at the same time falling back on their own means of protecting themselves. For the rich, this often means employing private security; for the poor, participation in, or support of, vigilante activity. The tendency to 'opt out' of the state security apparatus is all the greater when the police continue to behave as just one more element of the crime problem.

State security failure is particularly dangerous in newly democratic states. People often interpret rising crime rates as evidence that constitutional protections have been extended too far. In fact, rising crime rates may well be nothing but a statistical artifice: people are more willing to report crime in a democracy, the state is more likely to record it, and the press is freer to relay stories about social issues to the public. The transition to democracy has often coincided with the difficult process of structural adjustment of the economy, leading people to equate democracy with economic decline and social chaos. Freedom of movement exposes elites to social realities from which they had been shielded in the past, and they have the resources to complain loudly about these developments. In the end, post-democracy crime-booms may be as much about perception as reality.

Whatever the true state of crime, perceived lawlessness can provoke a nostalgia for authoritarian rule. It can incite the public to demand the use of the military in policing, or to support the roll back of civil liberties. Of course, politicians, who may have been involved in the former regime themselves, take full advantage of the insecurity to strengthen old allies and to defeat adversaries who champion human rights. As has been discussed above, it is precisely the former authoritarians who are often implicated in facilitating organised crime in the region. The effect of all this is the active undoing of democracy, as people trade away their rights in return for the promise of security.

Corruption also fouls the relationship between the government and the people. When dealings with public officials inevitably involve an outstretched palm, the state is soon seen as a predator, rather than a provider and a protector. The effect is especially odious when civil servants (generally the police) need to be paid off

simply to leave citizens alone. These constant demands on a public ill-equipped to pay has the effect of driving people underground, at least with regard to any in activity that might make them more visible a target, such as business.

If the venality of everyday public employees is galling, the high profile graft of elected officials is even more so. Procurement fraud ensures shoddy delivery and diverts funds from grassroots development toward large infrastructure projects and other purchases where kickbacks are plentiful. Political leaders busy lining their pockets have little time to attend to the development needs of their people, and the direct losses to the public funds may be considerable.

### Authoritarian nostalgia

Military dictatorships are popularly regarded as being effective at fighting crime. Their disregard for human rights is thought to strike fear into the hearts of would-be criminals. Democratic policing, in contrast, appears rather insipid, and police who have operated in both regimes claim that constitutional protections tie their hands. When crime rates appear to increase following national elections, these former authoritarians blame runaway civil liberties and the moral decay of a society of tolerance.

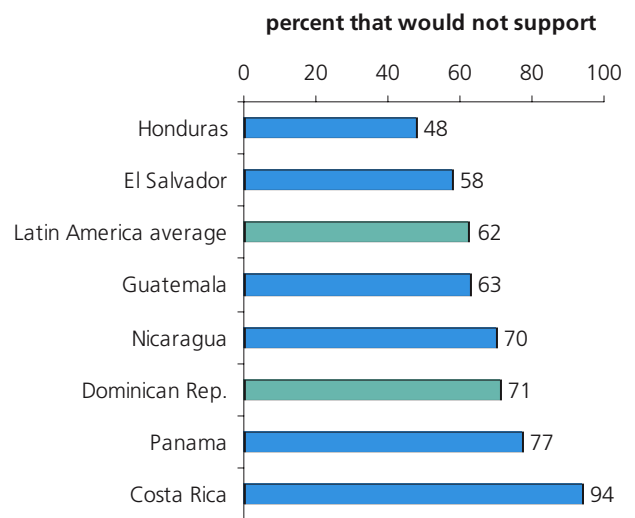
For a variety of historic and cultural reasons, the people of this region may be especially susceptible to this line of argument. The 2004 Latinobarometro notes that the Central American countries (with the exception of Panama and Nicaragua) and the Dominican Republic prioritise public order over civil liberties, in contrast to the rest of Latin America (except Paraguay).<sup>254</sup> It is possible that paternalistic, agrarian societies are easily sold on the notion that society's ills can be solved by stern discipline and strong leadership. While most Latin Americans would not support a military government, substantial minorities in several countries do not rule out the idea (Figure 70). Those with the most recent experiences of military governments seem the least sceptical.

Even the more liberal societies may be affected, according to other survey data. The Latin American Public Opinion Project conducted surveys on attitudes towards democracy in Latin American countries in 2004. The results show a surprising nostalgia for autocracy, associated with feelings of rising insecurity. Although less likely to support a coup d'état than any other country in the region, research among people in Nicaragua found that those who feel at greater risk of being victims of crime are more likely to feel a coup d'état can be justified under some circumstances.<sup>255</sup> Further, 16% of the more than 1600 people polled in Panama in 2004 said they preferred the return of the military over the current regime. A remarkable 43% said they felt a coup d'état could be justified under circumstances of corruption, and 40% under circumstances of high levels of crime.<sup>256</sup> The study concludes, "These results must serve as warning to the national government, political leaders and international donors, that corruption and crime may affect support for the political system and democracy."<sup>257</sup>

The ruse that democracy emasculates law enforcement has more weight because it carries a grain of truth. There is a predictable loss of efficiency in law enforcement during regime change. Police members whose portfolio of investigative techniques centres on the brutal extraction of confessions will require a period of re-education, during which they will be functioning less than optimally. It is also to be expected that they will resent being taught how to do their jobs in the middle of their career, especially as this generally means renouncing all that they have done professionally in the past. But there is no evidence to support the contention that authoritarian policing makes people safer than democratic policing.

It is very much in the self-interest of the military and former military to convince the public otherwise, however. Adding to this chorus will be the elites they formerly protected, for whom democracy is inconvenient. In fact, any national leader short on ideas on how to uplift their people will find rhetoric about crime an effective means of garnering votes. Like war, crime unifies the people, permits no dissenters, and

**Figure 70: Under no circumstance would I support a military government**



Source: Latinobarometro 2005



centralises power in the executive. Crime, or the perception of crime, is a blessing to those who mourn the passing of the authoritarian state.

The example of El Salvador illustrates the ways perceptions of crime can be used to roll back democratic gains:

*The crime wave created incentives to speed up [police] training and deployment, to relax selection standards, to rely on the army for internal security, and to weaken laws aimed at protecting suspect's rights – all of which posed threats to the achievements of the peace process.*<sup>258</sup>

The drive to re-include the military in the maintenance of internal order is typical. Massively downsized and robbed of their absolute power, post-authoritarian militaries may be actively seeking a point of reinsertion. Using the military for policing also has financial appeal. Since few of these countries have any foreign enemies, getting the soldiers to patrol the streets makes use of resources poor states cannot afford to squander. Further, in some states, the military is seen as adhering to a higher moral code than the police, who are commonly regarded as corrupt. If the military can sell the public on this concept, an institution on the decline can find itself centre stage once again.

But using soldiers to do police work is always problematic. The military is taught to occupy, not to police. While the sight of men in uniform patrolling the streets may be reassuring for some, it represents a major step backwards if the goal is democratic policing. In addition to whatever abuses the military commits, it has the unfortunate effect of keeping the police militarised, focused on conducting saturation patrols, road-blocks, area searches, and building raids. Democratic policing is more difficult. It requires community interaction, not just intimidation. It requires investigation, not just the extraction of confessions. It requires solving problems, not just waging war with criminal groups. Given the choice, most police will follow the path they know the best. When many signed on, creative problem solving was not part of the job description.

Unfortunately, many governments in this region have fallen under the spell of the 'get tough' rhetoric, and have yielded to the temptation to use the military for policing. For example, in El Salvador, despite the fact that the practice is prohibited under the peace accords, troops have been used for several years to protect the coffee crops from theft as part of the 'joint task forces' (Grupos de Tarea Conjunta) and in Plan Cuscatlán, the anti drugs campaign, under an exception that allows the President to use soldiers internally in extraordinary circumstances. It seems the extraordinary has become ordinary. More recently, the military was moved in as reinforcements in the 20 most violent municipalities in the country.<sup>259</sup>

Similarly, in Guatemala, in April 2006, a "citizen security squad" was created and 2400 military personnel assigned to joint patrols with the police, contrary to their role as defined in the constitution. It would appear that these bodies are intended to be permanent. Half of the funds for these troops are drawn from the police budget, and the military budget was increased to cover the balance. Soldiers have also been used for other internal security functions, from crop eradication to guarding public transport. In response to vigilante activity in May 2006, 11,000 troops were deployed, including members of the elite former counterinsurgency force, the Kaibiles. Honduras has also deployed military units to patrol the streets.

While the soldiers are not generally given full police powers, the idea is that they act as a force multiplier, on the premise that the added numbers will enhance the deterrent effect. Saturation patrols might suppress street crime in a narrowly defined geographic area for a period of time, but they do nothing about the causes of that crime. Like sticking a finger in a leaking dyke, they can address a leak, but not the floods behind it. Blocking one hole increases the flow from another. In the end, no state has enough fingers to fill all the holes.

To demonstrate the effectiveness of joint police/military operations or other 'get tough' measures, the state may cite rapidly declining crime statistics. In theory, though, more police activity should result in more crimes being detected. Crimes that would never have been reported should, through proactive action on the part of the authorities, be captured for the first time. By all rights, this should result in an increase in the crime statistics, at least in the short term. If it does not, this situation needs to be explained. Alternatively, the state may stop reporting crime statistics at all, for a range of questionable reasons. In September 2005, the deputy minister for citizen security of El Salvador, Rodrigo Avila, said that the government would prefer not to publish murder rates because declining rates might prompt gang members to kill more people.<sup>260</sup>

Another common anti-crime tactic is to ‘strengthen’ the crime legislation. This can mean tighter bail conditions, longer sentences, a reduced age of criminal culpability, and possibly the removal of procedural protections. Police crackdowns plus tougher laws generally leads to system overload. The justice and prison systems become overwhelmed, awaiting trial and sentenced prisoners pile up, and any chance of rehabilitation is lost. The human rights of prisoners, of course, are also threatened, though this does not generally cause much public outcry.

One thing is sure – if the criminal justice system is corrupt, the real criminals will not suffer for the return of authoritarian policing. On the contrary, it will mean the return of their monopoly on criminal enterprise, and the elimination of petty competition. Those who fill the jail cells will be the marginalised and the despised: street children, sex workers, youth gang members, foreigners, squatters, and the urban poor.

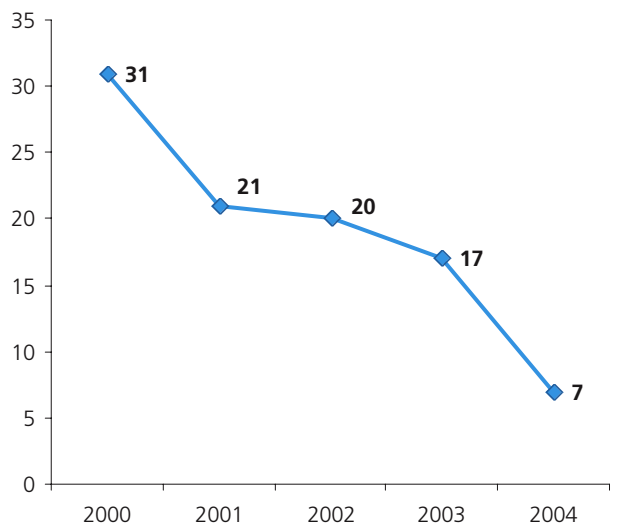
**Do-it-yourself criminal justice**

The perception that crime is out of control leads to the perception that the police are incompetent. Worse, in many areas of this region, the police are viewed as actively contributing to the crime problem. As discussed above, survey data from five countries in the region show the police are regarded as the most corrupt sector of government in Guatemala, and they also received exceedingly low ratings in Nicaragua and Panama.<sup>261</sup> With the exception of El Salvador, between a third and a half of survey respondents feel it is possible to bribe the police in every Central American country polled.<sup>262</sup>

If the police cannot be trusted to effectively and impartially enforce the law, the people may take measures to protect themselves. Arguably, one of the best indicators of state failure is the rise of vigilantism. ‘Justice’ executed by community members may be a major source of violence and even political instability in some areas. What begins as self-protection can eventually degenerate into a protection racket and then expand into other areas of criminality.

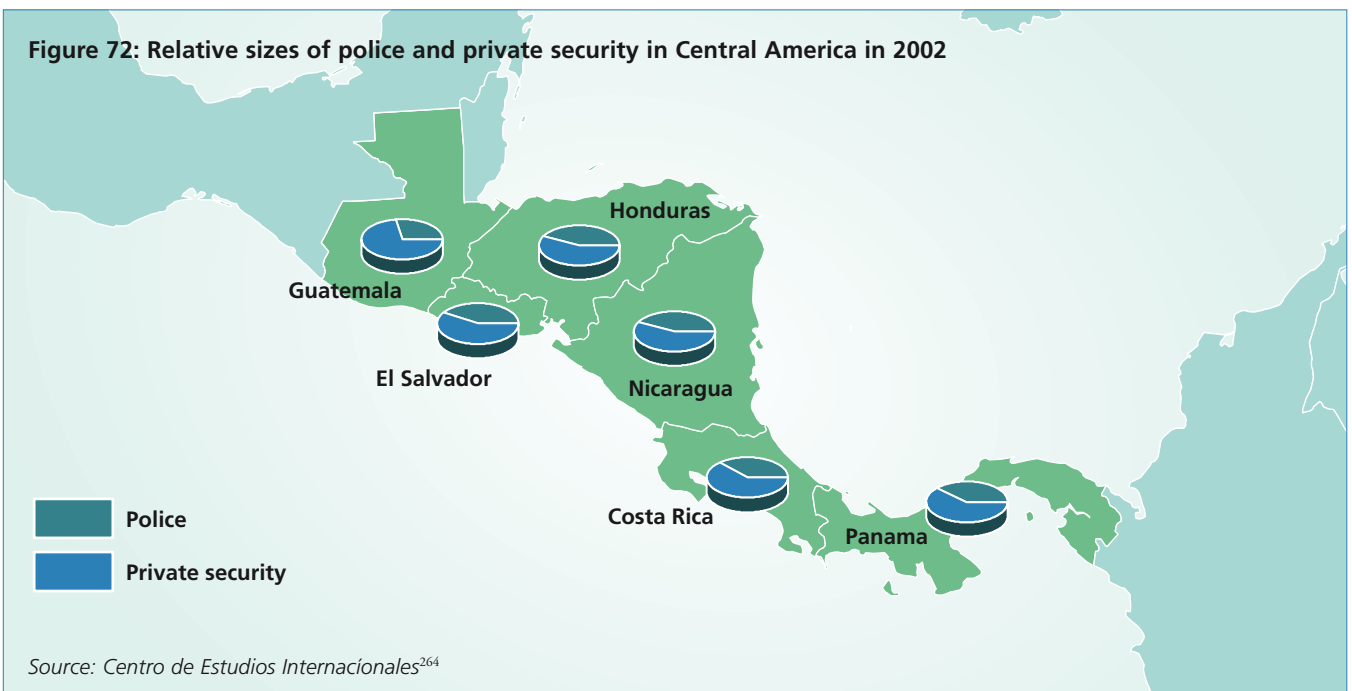
In a number of areas of the region, there are already ‘self-defence’ structures left over from political conflict, which lend themselves readily to informal law enforcement. In Guatemala,

**Figure 71: Lynching in Guatemala**



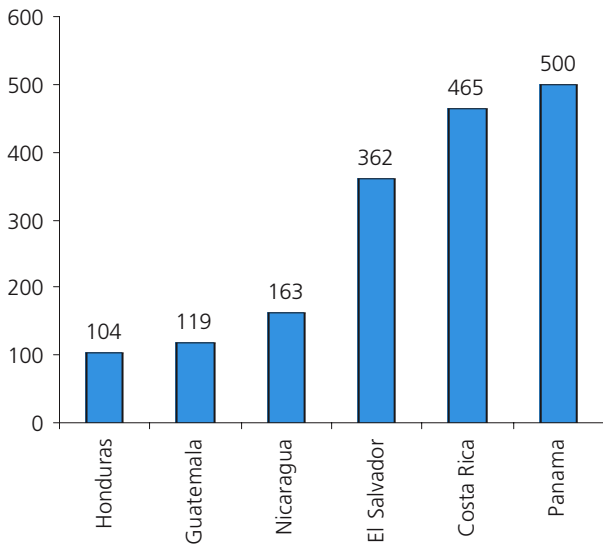
Source: *Policia Nacional Civil de Guatemala*

**Figure 72: Relative sizes of police and private security in Central America in 2002**



Source: *Centro de Estudios Internacionales*<sup>264</sup>

**Figure 73: Security guards per 100,000 population**



Source: Calculated from Centro de Estudios Internacionales<sup>265</sup>

for example, the militias formed under the military regime – the Patrullas de Auto-Defensa Civil (PACs) – have been accused of carrying out lynchings. These have been in decline in recent years, which is a positive sign for public confidence in the police. But they have also moved into urban areas, whereas they were previously the preserve of rural justice.

Vigilantism is for the poor. The rich can afford their own police. Private security officers outnumber the police in all six Spanish-speaking Central American countries. These companies are often owned by serving or former members of the police or security forces.<sup>263</sup>

Not surprisingly, the wealthier societies have higher rates of private security coverage, despite the fact that they also have less crime.

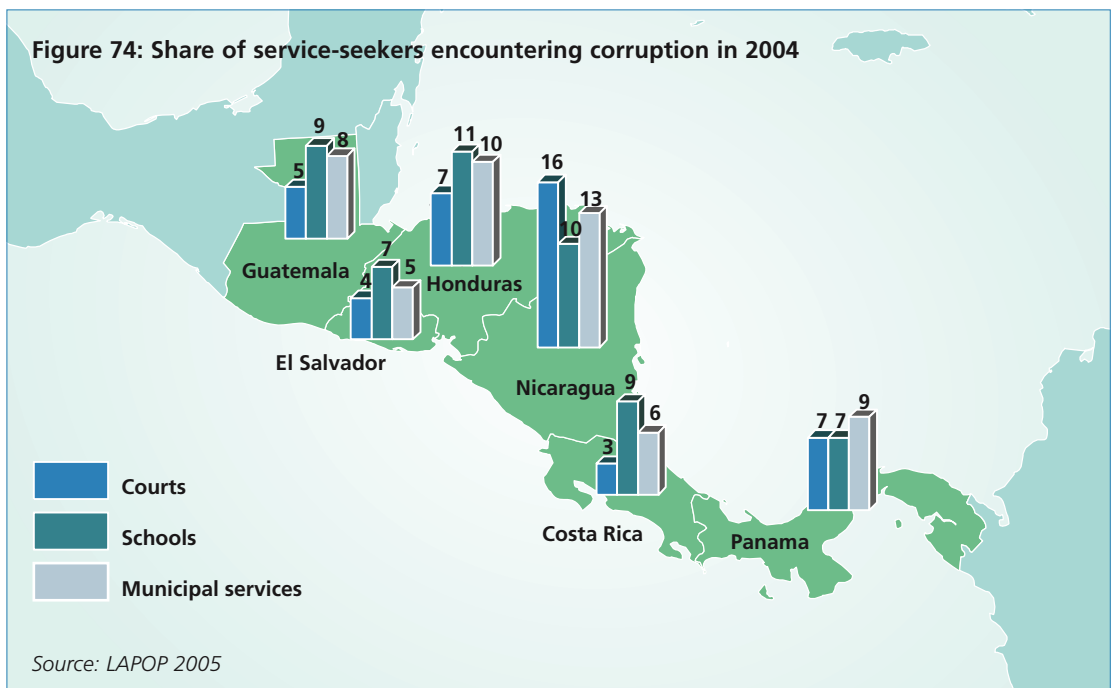
There are serious problems with outsourcing a core function of government like security. All should be equal before the law, but private security makes no pretence of being unbiased. Given the high-level connections that many private security firms maintain, they can easily manipulate the system to the advantage of their clients, and they are highly unlikely to give testimony

against them. Since private firms generally pay much better than the government, serving police personnel may regard their positions as a kind of audition for subsequent private employment, and treat acting security guards with corresponding deference. In addition, the national project of crime prevention requires the support of the wealthy and powerful, but when they can insulate themselves from the reality suffered by their less affluent countrymen, they have little incentive to deal with their grievances. In the end, the more numerous and better equipped private security system may make official law enforcement superfluous in the eyes of the people with the financial clout to demand reform.

**Opting out of a corrupt society**

Section 3.2 illustrated how corruption can drive away investment, but this is not the only way it interferes with development. Both petty and grand corruption interfere with the ability of the state to promote development by blocking the delivery of services, undermining the tax base, and distorting public spending.

**Figure 74: Share of service-seekers encountering corruption in 2004**



Source: LAPOP 2005

In addition to the grand corruption that seizes headlines, the public faces a more insidious development barrier in the form of petty corruption. To access needed development services or to avoid formidable bureaucratic barriers, bribes may be required. Corruption may block access to essential services for the poorest, as these public goods are diverted to those with the ability to bribe officials to receive them. In this way, corruption can directly prevent the delivery of education, health services, electrification and water services, and justice to those who most need them.

When bribes must be paid, they can represent a source of considerable hardship to poor households. For example, some 25% of respondents to Transparency International's Global Corruption Barometer in Guatemala said that they had been asked for a bribe in the previous year. The average bribe paid was US\$147, no small matter for a country where 37% of the population lives on less than two dollars a day.

As bad as crime is for public confidence in the state, corruption is probably worse. Corruption involves officials directly betraying their role as civil servants. It is difficult to imagine a more effective way of undermining participation in democracy. As Mario Vargas Llosa put it, "In Latin America, there is a total lack of confidence, on the part of the vast majority of the people, in institutions, and that is one of the reasons our institutions fail. ...people have a fundamental distrust of institutions and see them not as a guarantee of security, or of justice, but precisely the opposite."<sup>266</sup>

There is a growing sense of lawlessness in Central America, and the perception that others do not follow the rules can lead to the impression that society is a free-for-all. According to the latest Latinobarometro poll, the share of people who say that their countrymen mostly comply with the law diminished from 25% in 1996 to 20% in 2005. The analysts argue that the countries polled are divided into three categories in terms of their sense of civic responsibility, with Costa Rica and El Salvador falling in the second tier and Honduras, Nicaragua, Guatemala, and Panama falling in the lowest tier.<sup>267</sup> When 80% of the people believe that their fellow citizens do not obey the law, only the most moral personalities resist the temptation to cut corners when possible.

The natural response to low levels of service and high levels of corruption is for people to avoid contact with agents of the state whenever possible. The rich pay bribes when it is profitable to do so, such as in avoiding taxes. Tax avoidance starves the public coffers. It also fuels further income inequality,<sup>268</sup> which is highly associated with further crime<sup>269</sup> and has a negative effect on growth<sup>270</sup> and development.<sup>271</sup>

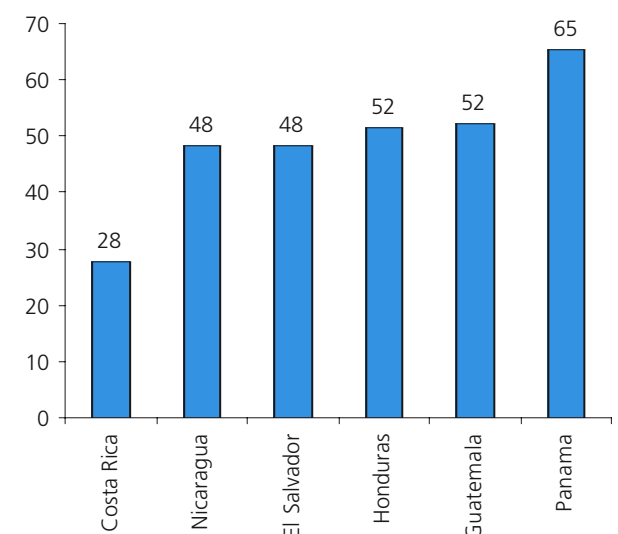
Of course, it is not only the rich who dodge taxes. The poor do so by simply working off the books and failing to register their businesses. A large share of economic activity in the region is informal, as Figure 75 shows. According to the ILO:

*"...the size of [the informal] sector is estimated by counting those enterprises that operate without registration. Informal workers are those to which the national labour laws do not apply. This may be verified for instance by the absence of an employment contract or the absence of social security scheme contributions."*

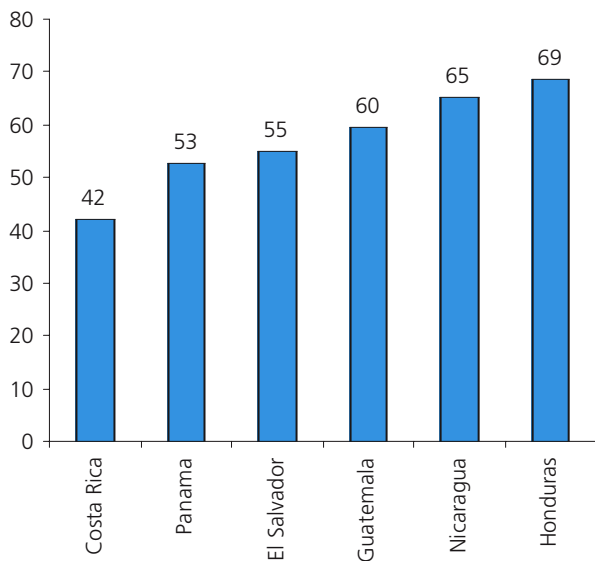
Countries with inefficient regulatory environments and high levels of corruption tend to have informal economies in excess of 40% of GDP.<sup>272</sup> It is also believed that large informal sectors promote corruption in low income countries,<sup>273</sup> so the relationship may be cyclical. Large informal sectors are strongly associated with criminal activity – in the end, the grey market and the black market may be closely inter-related. And all this activity, which comprises the bulk of the economy in some instances, is untaxed.

For most of the countries in this region, between one-third and two-thirds of the economic activity occurs off the books. With the exception of Costa Rica, more than half of the employment in Central America comes from the informal sector. These people have opted not to avail themselves of the dispute resolution mechanisms, the labour protections, or the other benefits of paying taxes. This may make underground firms less competitive, forcing them to accept losses due to breach of contract

**Figure 75: Share of the shadow economy of total GDP 2002/2003**



Source: Schneider 2005<sup>274</sup>

**Figure 76: Share of total employment that is informal**

Source: ILO 2000-2003<sup>276</sup>

or default of payment. Alternatively, informal methods of enforcing agreements or collecting debts may be rooted in violence, representing another source of crime.

Avoidance of tax and regulation also undermines the functioning of the market. Research shows these hidden resources may not attract their highest value uses.<sup>275</sup> In other words, hiding commercial activity requires work, has opportunity costs, and may ultimately impede growth.

Of course, driving taxpayers underground is highly detrimental for the state, as business and personal taxes form the backbone of government income. In Guatemala, the tax take was under 10% of GDP in the 1990s, the lowest in the region, and was 10.3% in 2004. This has inhibited the growth of public savings and restricted social spending. In an attempt to gather more revenue, the state has passed a series of tax reforms, some of which were reversed by the Constitutional Court. Unfortunately, the ever-changing tax situation has also deterred investment.<sup>277</sup>

The breakdown in the reciprocal relationship between the state and the citizenry is thus likely to hurt both parties. People who live on the grey side of the law are likely to avoid the government whenever possible, and non-taxpaying populations are

likely to both demand and receive less service from the state. This further divides the society between the state and the elite on the one hand and the masses of the people on the other. In such an environment, development is unlikely to occur.

### Bleeding from the top

There can be few sights more damaging to confidence in democracy than the sight of an elected leader being led away in handcuffs. This is a sight the people of Central America have had to bear with demoralising regularity. These are leaders the people trusted, put in power by popular demand. A few years later, a nation has to bear the shame of having been duped. Under such circumstances, cynicism is difficult to keep at bay.

Most of the countries of Central America have former presidents who have either been charged or convicted of corruption. Costa Rica, often upheld as a model of democracy, has had three, though this is also testament to the vigour of corruption enforcement:

- Rafael Angel Calderón, president from 1990-1994, was accused of corruption and embezzlement of funds from a US\$39.5m loan from the Finnish government to the Costa Rican social security service to update hospital equipment. Calderón supposedly received around US\$500,000.
- José Maria Figueres, president from 1994-1998, was charged with receiving US\$900,000 from the French telecoms giant Alcatel. He has admitted to receiving the money, and resigned from his position as head of the World Economic Forum.
- Miguel Angel Rodríguez, president from 1998 to 2002, was forced to give up his position as Secretary General of the Organisation of American States after he was also charged with receiving part of a US\$2.4 million kickback from Alcatel.

The outgoing Costa Rican president, Abel Pacheco (2002-2006), has also been accused on receiving undeclared campaign contributions from, among others, Alcatel. Every Costa Rican president since 1990 has been accused of corruption. Even though most indicators suggest that the overall level of corruption in the country is low, these high profile cases cannot but undermine the public's trust in their government. According to Transparency International's Global Corruption Barometer 2005, some 46% of Costa Ricans think corruption will get much worse in the next three years, one of the highest levels of cynicism in the world.

But probably the best known corrupt former president is Nicaragua's Arnoldo Alemán. Alemán was sentenced to 20 years in prison for corruption in December 2003. Although he was found guilty of money

laundering, fraud, embezzlement, and electoral crimes, and accused of helping to divert nearly \$100 million of state funds into his party's election campaign, Alemán has been released from prison to serve his sentence in his home, where he continues to negotiate political deals that could result in reversing his conviction. He is commonly recognised as one of two 'caudillos' who actually run the country, the other being Sandinista leader Daniel Ortega, the present president. In a perverse alliance between two old enemies on opposite ends of the political spectrum, the two had formed a pact to undermine the former president, Enrique Bolaños (who has also been accused of campaign irregularities), and to advance their own interests. As a result, Nicaraguans are even more cynical than Costa Ricans about the prospects for corruption in their country, with 62% saying it will get much worse in the next three years, the second highest figure recorded by Transparency International in 2005.

Another regional leader accused of embezzlement is Guatemala's last president, Alfonso Portillo. He, along with his vice-president and personal secretary, was accused of misappropriating US\$600,000 of public funds and setting up 13 bank accounts and four ghost companies in Panama to launder the money. Portillo has fled the country to avoid prosecution, and his visa for the United States was revoked by the US government. Some 57% of Guatemalans think corruption will get worse or much worse in the next three years.

Panama itself has been the subject of a series of high level corruption scandals. Most recently, the outgoing president, Mireya Moscoso, was stripped of her political immunity by the nation's electoral tribunal over allegations that \$70 million of public spending was not accounted for under her administration. She has already admitted using \$3 million in public funds for personal effects. She was preceded by Ernesto Pérez Balladares, who was accused of selling visas to Chinese Panamanians wanting to emigrate to the United States, and the US government revoked his visa as a result. These cases were just two of many that marred the administrations of the two presidents.

The Honduran Attorney General and his deputy, Ovidio Navarro and Yuri Melara, were forced out of office at the end of June 2005 after being charged with corruption. Navarro had earlier received criticism for his October 2004 decision to dismiss or transfer a number of public prosecutors who criticised his decision not to pursue corruption cases against a number of government officials, including the former President, Rafael Callejas.

One of the more memorable corruption scandals of recent years is the 'CEMIS' affair in Panama. After a series of startling public accusations and confessions, it became clear that opposition members of the national legislature had received bribes from the majority party to ensure that a certain contractor was awarded a tender for the construction of an industrial centre and that certain Supreme Court nominees were confirmed. In essence, the majority was able to buy out the opposition on key issues, utterly subverting democracy with graft.

In addition to undermining the public's faith in democracy, corruption results in very real losses of the funds available to promote development. In Latin America, at least 10% of the region's gross domestic product annually is eaten up by graft, according to a 2004 study by the Inter-American Development Bank. According to Transparency International (TI) Chairman Peter Eigen, "Corruption in large-scale public projects is a daunting obstacle to sustainable development, and results in a major loss of public funds needed for education, healthcare and poverty alleviation, both in developed and developing countries." TI estimates that the amount lost due to bribery in government procurement alone is at least US\$ 400 billion per year worldwide.<sup>278</sup>

Procurement fraud can also distort public spending, as corrupt officials pursue graft-rich projects, such as large public-works ventures and defence procurements, at a cost to social programmes. Countries with higher levels of corruption tend to have lower levels of social spending in general.<sup>279</sup>

In addition, the quality of large-scale public works projects may also be lacking, because contractors who win their tenders through bribery may not feel compelled to stick to specifications. Thus, corruption may result in still more costs to the country, as corrupt officials seek immediate benefits to the detriment of the public interest.







## 4. Conclusion

No issue has more impact on the stability and development of Central America than crime, and the people of the region appear to be aware of this fact. Consistently when polled, the people of this region identify economic issues and crime as their two greatest problems, and the two issues are deeply interrelated. Crime and corruption are derailing efforts to develop these countries. The people of Central America are becoming more and more vocal in their demands that something be done.

Consequently, there has been no shortage of anti-crime efforts, but, plainly, they have not achieved their desired result. In addition, some of the solutions offered pose at least as great a threat as the problem itself. Parts of Central America are close to sacrificing hard won gains in democracy in order to purchase a little safety. But as former United Nations Secretary General Kofi Annan points out, “we will not enjoy either [security or development] without respect for human rights. Unless all these causes are advanced, none will succeed.”

Central America is not alone in facing an illusory choice between security and democracy. Globally, most people associate crime prevention with law enforcement, so when crime gets out of control, the natural tendency is to look to the police. This triggers a predictable sequence of events in which human rights may be threatened, elements of which are being manifest in areas of Central America today.

First, there is a call for more resources to the police. It is true that the police are seriously under-resourced in many countries in the region, and that both more resources and deep reform are needed throughout the criminal justice sector of many countries in Central America. But it would be a serious mistake to assume that increasing police resources will, in itself, result in lower crime rates. The police may sincerely believe that all that lies between them and crime prevention are greater numbers and better equipment, but numerous studies have demonstrated that this is not the case. Something more than effective criminal justice is required to address the causes of crime.

Second, in order to bolster police numbers, there are calls for the military to be used as a force multiplier, engaging in joint operations or even performing routine patrols of high crime areas. Despite superficial similarities (uniforms, rank structures, guns), however, the jobs of the military and the police are very different. The military is trained to defeat enemy forces and control territory. The police are supposed to work with the public in solving problems, many of which are only peripherally related to crime issues. It is true that the military is better disciplined (and therefore better respected) than the police in some countries, and that the police in this region are already highly militarised in their approach. But a line is crossed when a government uses soldiers against its own people, especially in a region where the military has played such an important role in past repression. The process of democratising an authoritarian police force is the process of making them less like the military, and backsliding in this regard does not serve the cause of crime prevention.

The police can play a vital role in identifying and helping to solve local crime problems, but they can only do so if they are systematically de-militarised and made into something quite different. They must engage with and know their communities, and be trusted by them. They must spend a good deal of their time sorting out the myriad non-criminal community conflicts that ultimately manifest themselves as crime. They must convince the public that it is worthwhile reporting crime and that the outcome of doing so is preferable to taking matters into their own hands. They cannot perform these vital tasks if they are caught up in a war, rushing from one battlefield to the next. Ultimately, though, it must be recognised that the police are only the most visible element in the state's efforts to address crime issues, and they cannot handle the task alone.

The third predictable response to runaway crime rates has a direct impact on human rights gains. In addition to asking for more personnel and equipment, police often request that the state make their job easier by changing the substantive and procedural criminal law in their favour. Given their lack of experience with democratic investigation techniques, they argue that civil rights protections form an unreasonable and insurmountable barrier to their performing their jobs. Legislation is tabled allowing extended (or even indefinite) detention without charge for criminal suspects. Laws are introduced declaring membership in certain organisations (such as gangs) to be a crime in itself. This allows individuals to be arrested on the basis of their appearance or known associates, without having to prove that any concrete criminal activity has taken place. Privacy and other procedural protections are waived. As criminal activity is increasingly seen as a threat to the state, the lines between crime and terrorism become blurred, and the laws of war applied. But these changes, which may occur insidiously over time or in a panicked rush, represent a far greater threat to democracy than do the disorganised hordes they are designed to address.

Chief among these hordes in Central America are the maras. Most mareros are marginalised urban young men between the ages of 15 and 24, a demographic group that commits a disproportionate number of street crimes and acts of violence worldwide. Like their peers everywhere, they are responsible for a large number of killings, mostly of each other. But it would be unwise to assume that imprisoning large numbers of mareros will solve the crime problem. First, given the number of gang members, doing so would be extremely challenging for Central America's criminal justice systems. Second, even if this were a manageable goal, it is likely that a new generation of mareros would spring up, so long as the social conditions that generate gangsterism remain the same. Finally, the existing evidence suggests that the maras are responsible for a much smaller share of the total crime problem than most people would expect.

Under these circumstances, a heavy hand is not what is needed. Rather, the hand must be applied with finesse, and all the resources of government, not just the security sector, must be applied strategically. What is needed is a well-researched, cross-disciplinary strategy for crime prevention, based on interventions with proven worth.

In fairness, many Central Americans recognise that preventing crime is about a lot more than just aggressive policing, and that this requires expertise beyond that commanded by the security sector. For example, the government of El Salvador recently created the Comisión de Seguridad Ciudadana y Paz Social, involving prominent persons from university academics to business people, to find solutions to crime problems. While their recommendations to date have been very law enforcement oriented, great potential for innovative social solutions lies in initiatives of this sort.

Part of the confusion around the best way of dealing with crime appears to be rooted in a false dichotomy of short-term law enforcement interventions versus long-term social development. Most people instinctively recognise that crime problems are social problems. According to the 2004 Latinobarometro survey, 57% of those polled cited "the economic situation" as the cause of crime. But most people cannot wait for the slow pace of development to address social injustice – they need security now. Since the police are the agency of the state tasked with dealing with crime, short-term efforts are often based on interventions such as providing more resources for the police, using the military or military-type operations in policing, giving fewer civil rights protections for those accused of crime, and ensuring tougher sentencing. Of course, efforts continue to promote growth and development, and it is hoped that these two separate processes will result in crime reduction.

But this outcome is by no means assured. The police are limited in their ability to suppress, let alone solve, crime problems, and many aspects of development may themselves fuel crime. Rather than biding time until the day that full employment is achieved, the key to preventing crime today may be to change the way social circumstances feed criminality. There are a range of techniques for doing this, generally classed under the heading "social crime prevention". These interventions cannot change the underlying nature of society, but they can break the link between under-development and crime.

For example, there are a whole range of interventions clustered under the heading of "crime prevention through environmental design". Rapid urbanisation, overcrowding, and unregulated urban spaces are strongly associated with high crime rates. All public housing and infrastructure projects must take into consideration basic principles of crime prevention, allowing room for families to grow and incorporating structural security features. Streets must be accessible to emergency services and have adequate signage and lighting. Urban areas must not contain unregulated spaces, such as vacant lots or abandoned buildings.

Basic principles of zoning must be adhered to. Informal settlements need to be gently moved towards greater formality. Property owners must be compelled to know the identities of their tenants, and to abide by basic standards on crowding, health, and fire safety issues. Many of these problems can be identified by analysing crime incidents through the lens of geographic information system (GIS) mapping. In the end, many urban crime issues may be city management issues.

With regard to gangsterism, there is a well-researched body of evidence on effective youth interventions. It is very difficult to scare a young person out of a gang through criminal justice threats, because defiance of the state, even unto death, is key to the ethos of gangsterism. A typical gang member has faced “sticks” more frightening than anything the state could possibly devise, and his self-image is rooted in his sense of courageous defiance, his refusal to be beaten down. Given these facts, “carrots” are far more likely to be effective, and cost-effective. Universally, young people join gangs in a quest for inclusion in a context of dysfunctional families and communities. Thus, preventing gangsterism is about providing alternative sources of meaning for youth. Early intervention is key, and the state can do a lot to mitigate the worst effects of a harsh upbringing. Once the young person has faced repeated bouts of imprisonment, the same process is much harder to achieve.

All international actors in development should be involved in finding solutions. The problems of this region must be addressed regionally, with the support and cooperation of the other nations affected by regional drug flows, including the sources of drug demand. Many problems are inherently transnational in character, an obvious case in point being the question of criminal deportation. Of course, the rights of residence for non-citizens must be contingent on good behaviour, and no country can be legally compelled to host criminals that have no independent right to remain. But there are ways to promote the reintegration of these deportees into their home societies. Keeping undesirables from re-entering the country from which they were deported may be contingent on making remaining home more attractive, by assisting deportees in reintegrating. This effort would be in the self-interest of the developed countries – even though there is no evidence that the average deportee engages in transnational criminal activity, a small number of dangerous deportees, situated in drug transit countries, could form a significant problem for the drug consuming nations. It is in the collective security interest of the hemisphere that genuine efforts be made to rehabilitate those ejected into societies ill-equipped to receive them.

In addition to a comprehensive strategy for crime prevention, all development efforts in this region should contain a crime prevention component, including the country development and poverty reduction strategies of the international agencies. The initiatives of the national ministries and departments must also embrace crime prevention. Crime is a cross-cutting issue, affecting education, housing, health, trade, and all other aspects of development.

At the same time, the vital need for criminal justice reform cannot be neglected. The drive to reduce crime can distract attention from the fact that the agencies charged with dealing with crime are not functioning well as democratic institutions. In order for the rule of law to prevail, the criminal justice system must become effective, efficient, and equitable in carrying out its statutory duties. This is essential whether or not these duties are seen to contribute to the overall crime prevention effort.

In summary, this report indicates that there are several distinct areas in which the international community can assist the countries of Central America in dealing with the crime problem. One is the formulation of research-based cross-sectoral crime prevention strategies at national or regional levels. The second is the integration of crime prevention thinking into all development interventions, whether initiated by international actors or by local government. Finally, criminal justice reform is a distinct process from the drive for crime prevention, and an equally important one. Democracy itself is at stake when the rule of law is not secure.



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